

BYLAWS OF
BOULDER FALLS PROPERTY OWNERS ASSOCIATION,
HOT SPRINGS, SOUTH DAKOTA PREMISE

The Bylaws of the Boulder Falls Property Owners Association are controlled by the Revised Declaration of Reservations and Restrictive Covenants and Conditions for Boulder Falls Addition, dated July 16, 2002, and any subsequent amendments, hereinafter referred to as “the Covenants.” Any conflict between these Bylaws and the Covenants must be resolved in favor of the Covenants, and the two documents must be considered together.

ARTICLE ONE: MEMBERSHIP

Section 1. **Classes of Membership:** There shall be only one class of membership, designated as Class A, in accordance with the Covenants.

Section 2. **Qualifications of Membership:** Ownership of any lot or townhouse or condominium within the Boulder Falls Addition, Fall River County, in accordance with the Covenants, shall qualify and obligate the owner to membership in the Boulder Falls Property Owners Association, hereinafter referred to as BFPOA. Each and every owner, by accepting a deed or contract for deed, agrees to and shall be a member of and subject to the obligations duly enacted by the laws and rules of the association, including the Covenants.

Section 3. **Voting Rights:** The owner of each lot or townhouse or condominium shall be entitled to one (1) vote. If there is more than one owner of a lot, townhouse or condominium, the owners must decide among themselves how to cast their one vote. Fractional voting will not be allowed. Owners of more than one lot, townhouse or condominium shall be entitled to one (1) vote for each lot, townhouse or condominium.

Section 4. **Termination of Membership:** Membership in BFPOA shall be terminated only by the sale and transfer of the member’s ownership interest in the lot owned, or by the death of such member.

Section 5. **Responsibility of Membership:** Each member is responsible for notifying the Secretary/Treasurer of BFPOA of any change of address, including electronic mail address, such that notification of meetings and other information can be properly given.

ARTICLE TWO: MEETING OF MEMBERS Section

Section 1. **Annual Meeting:** An annual meeting of the BFPOA shall be held at a place and time designated by the Board of Directors on the fourth Monday in August.

Section 2. **Special Meetings.** Special meetings may be called by the President, the Board of Directors or by not less than 15% of the members, the time and place to be designated by the party(ies) calling the meeting.

Section 3. **Notice of Meetings.** In accordance with the Covenants, written or printed notice stating the place, day and hour of any meeting of members shall be delivered either personally or by U.S. mail or by electronic mail to each member entitled to vote at such meeting, not less than 15 days nor more than 30 days before the date of such meeting, or at the direction of the President, Board of Directors, or persons calling the meeting. In the case of special meetings, the purpose or purposes for which the meeting is called shall be stated in the notice.

Section 4. **Quorum and voting.** A quorum of owners present and voting (in person or by written proxy) of at least 25 percent of the total lots shall be necessary to conduct business. All voting shall be done only by those present at any meeting of the members, or by written proxy. Proxy votes are allowed only by sealed written ballot delivered to the Secretary/Treasurer no later than one (1) week prior to any meeting of the members. If a quorum is not present at any meeting of members, the majority of the members present may adjourn the meeting from time to time without further notice.

Section 5. **Approval of Motions.** In accordance with the Covenants, the following motions require for approval a two-thirds majority of members present and voting: (1) dedicating property to any public agency, subject to conditions agreed upon by the members; (2) borrowing money or mortgaging common areas; (3) increasing the monthly assessment more than 10% for any consecutive 12-month period; (4) approving special assessments for capital improvements. Any other motion requires for approval a simple majority of members present and voting.

Section 6. **Robert's Rules of Order.** Meetings of members will be conducted in accordance with Robert's Rules of Order.

ARTICLE THREE: BOARD OF DIRECTORS

Section 1. **General Powers.** The affairs of the BFPOA shall be managed by the Board of Directors. Directors shall be elected at the annual association meeting from among membership of the BFPOA.

Section 2. **Number, Tenure and Qualifications.** In accordance with the Covenants, the Board of Directors shall consist of five (5) members. Board members shall serve three-year terms. The qualifications for election to the Board of Directors are: membership in the BFPOA, and being current on assessments. Only one household member may serve on the Board of Directors at any one time. A Board member may be removed from the Board for any reason by a majority vote of members of the BFPOA present and voting at an annual meeting or special meeting.

Section 3. **Regular Meetings.** A regular meeting of the Board of Directors shall be held without notice other than these Bylaws immediately after and at the same place as the annual meeting of members. The Board of Directors may provide by resolution the time and place for holding additional regular meetings, without other notice than such resolution. Additional regular meetings shall be held at the place designated in the resolution.

Section 4. **Special Meetings.** Special meetings of the Board of Directors may be called by the President or any two of the Directors, and shall be held at the place designated by the Board of Directors for holding of such meetings.

Section 5. **Notice.** Notice of any special meeting of the Board of Directors shall be given at least two days prior thereto by written notice delivered personally or by mail to each Director at his or her address as shown in the records of the BFPOA. Any Director may waive notice of any meeting. The attendance of a Director at the meeting shall constitute a waiver of notice of such meeting, except when a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 6. **Quorum.** A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board, but if less than a majority of the Directors is present at any meeting, the majority of the Directors present may adjourn the meeting from time to time without further notice.

Section 7. **Board Decisions.** The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by law or these Bylaws.

Section 8. **Vacancies.** Any vacancy occurring on the Board of Directors shall be filled by appointment of any member of the BFPOA by the Board of Directors. A director appointed to fill a vacancy shall serve until the next annual meeting or special meeting where an election is held.

Section 9. **Compensation.** Directors shall not receive any stated salaries for their services. The position of Treasurer shall receive an hourly rate for billing and all banking responsibilities.

Section 10. **Expenses.** Consistent with language in the Covenants, the Board of Directors may approve expenditures for office supplies, postage and other incidental operating expenses, expenditures for utility service and maintenance of common areas; and such legal or other services as may be necessary for promoting recreation, health, safety, and welfare of the BFPOA members.

ARTICLE FOUR: OFFICERS

Section 1. **Officers:** of the Association shall be a President, a Vice-President, a Secretary and a Treasurer. The offices of Secretary and Treasurer may be combined at the discretion of the Board. Officers shall be elected by the Board of Directors from among the directorship of the association. The Board of Directors may appoint such other persons as it deems necessary to carry on the operations of the association.

Section 2. **Elections and Terms of Office.** The officers of the BFPOA shall be elected annually by the Board of Directors at their regular annual meeting. Each officer shall hold office until his or her successor has been duly elected. In accordance with the Covenants, terms of office shall be three years, staggered.

Section 3. **Removal.** Any officer elected, or any person appointed by the Board of Directors to fill a position other than an office, may be removed by the Board of Directors when, in its judgment, the best interest of the BFPOA would be served thereby, but such removal shall be without prejudice to the association membership rights of the person so removed.

Section 4. **Powers and Duties.** The President shall preside over the annual meeting of the BFPOA membership. In addition, the several officers shall have such powers and shall perform such duties as may be from time to time specified in resolutions or other directives of the Board of Directors. In the absence of such specifications, each officer shall have the power and authority, and shall perform and discharge the duties of office of the same title serving in organizations having the same or similar general purposes and objectives of the BFPOA.

ARTICLE FIVE: CONTRACTS, CHECKS, DEPOSITS

Section 1. **Contracts.** The Board of Directors may authorize any officer or officers or agent or agents of the BFPOA, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the BFPOA, and such authority may be general or confined to specific instances.

Section 2. **Checks, Drafts or Orders.** All checks, drafts or orders for the payment of money, notes, or other evidence of indebtedness issued in the name of the BFPOA shall be signed by such officer or officers or agent or agents of the BFPOA and in such manner as shall from time to time be determined by resolution of the Board of Directors. In the absence of such determination by the Board of Directors, such instruments shall be signed by any two of the following stated officers: President, Vice President, or Treasurer.

Section 3. **Deposits.** All funds of the BFPOA shall be deposited from time to time to the credit of the BFPOA in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. **Gifts.** The Board of Directors may accept on behalf of the BFPOA any contribution, gift, bequest or devise for any purposes of the BFPOA.

ARTICLE SIX: COMMITTEES

Section 1: **Architectural Control Committee.** In accordance with the Covenants, Article III, Section 8, there shall be a three-person architectural control committee, committee members to be appointed or elected by the BFPOA membership. Beyond the duties described in the Covenants, the architectural control committee has the following duties and responsibilities:

Subsection A. **Review of Plans.** All plans and specifications of proposed construction projects shall be reviewed by the architectural control committee to insure that such projects meet the full and complete intent of the provisions of the Covenants and are in harmony with existing structures.

Subsection B. **Written Approval of Plans.** No construction project may begin without written approval of the architectural control committee; such written approval will be provided to the City of Hot Springs. Subsection C. **Variances.** The Architectural Control Committee may consider a request from any BFPOA member for a variance from the Covenants. Any such request may be denied by the committee or recommended for approval to the Board of Directors, provided that such variance is not in violation of City of Hot Springs ordinances. A majority vote of the Board of Directors is required for approval, such vote to be conducted at the Board of Directors annual meeting or at a special meeting. Variances granted will be in writing. The BFPOA member making the request for variance is responsible for providing the variance instrument to the City of Hot Springs.

Subsection D. **Injunctions.** The architectural control committee may request that the Board of Directors seek an injunction against any lot owner who (1) begins construction without prior written approval of the committee, or (2) deviates, without subsequent approval of such modifications, from the approved plans and specifications.

Subsection E. **Inspections and Occupancy.** The architectural control committee is hereby authorized and directed to make periodic inspections of any construction project to ascertain compliance with approved plans and specifications, compliance with the Covenants, and harmony with existing structures, prior to authorizing the City of Hot Springs to issue a certificate of occupancy.

Section 2. **Financial Audit Committee.** The financial audit committee shall consist of two members appointed or elected by the membership to audit the financial records of the BFPOA, to report on such audit at the annual membership meeting, and to maintain written records of such audits.

Section 3. **Landscape Committee.** The landscape committee shall consist of three or more members appointed or elected by the membership. The duties of the landscape committee are to monitor the appearance and neatness of projects under construction; to review grass and weed control on all lots, common areas and road rights-of-way; to take action if weed control is required on any lot, common areas or the road rights-of-way; to enforce landscaping requirements as set forth in the Covenants; to advise property owners when landscaping-related action is needed.

ARTICLE SEVEN: MINUTES, BOOKS, AND RECORDS

It will be the responsibility of the Treasurer, Board of Directors, to keep correct and complete records of accounts, and to maintain a list of current names and addresses of members entitled to vote, but it shall be the responsibility of each member to provide the Treasurer with current address or other contact information. It will be the responsibility of the Secretary, Board of Directors, to keep minutes of membership and Board of Director meetings, and minutes of committee meetings. It shall be the responsibility of individual committees to provide the Secretary with minutes of their respective

committee meetings. All books and records of the BFPOA may be inspected by any member or his or her agent or attorney for proper purposes at any reasonable time.

ARTICLE EIGHT: FISCAL YEAR

The fiscal year of the BFPOA shall be the calendar year.

ARTICLE NINE: ASSESSMENTS

Assessments are established pursuant to Article VII, Section 3, of the Covenants. As long as monthly assessments are less than \$15.00 per month, the BFPOA may choose annual payments, billing for the entire year in the month of January, with full payment due by the last day of February. The current assessment is \$10.00 per month per lot, to be paid annually prior to the last day of February. The Covenants provide remedy for non-payment of assessments. Any property owner who fails to pay assessments due and payable may forfeit voting rights in BFPOA. ARTICLE TEN: AMENDMENT OF BYLAWS These Bylaws may be altered, amended or repealed, and new Bylaws may be adopted at the annual meeting or at any special meeting of members, if at least thirty (30) days written notice is given of the intention to alter, amend, repeal, or adopt new Bylaws at such meeting.

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