

PINE-OAK SUBDIVISION

HOMEOWNERS ASSOCIATION

This Declaration is hereby made by the undersigned Declarants and Owners of real property located in Pine-Oak Subdivision, described as follows, to-wit:

Plat of

PINE-OAK SUBDIVISION

Lots 1 through 36

A Subdivision of SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 6, Gov't Lot 7 (SW $\frac{1}{4}$ SW $\frac{1}{4}$) Sec. 6, Lot A of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6, Lot A of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 6, Gov't Lot 1 (NW $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 7, Lot A of the NE $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 7, all in T6N, R2E, EHM, Lawrence County, South Dakota

said Owners hereinafter referred to as Declarants and as Owners.

WHEREFORE, Declarants hereby declare that all of the property described above shall be held, sold and conveyed subject to the following conditions which are for the purpose of providing the property with a maintenance and repair of the road system which shall run with the real property and be binding on all parties having any right, title or interest in the property or any part thereof, their heirs, successors and assigns and shall inure to the benefit of each owner thereof.

It is understood and agreed that Deer Meadows, Incorporated has constructed all roads in said subdivision and that it is the intent of Deer Meadows, Incorporated to provide a good gravelled road for the benefit of each lot owner in the Pine-Oak Subdivision Homeowner's Association and all parties in the subdivision. Deer Meadows, Incorporated shall not be responsible for continued maintenance and improvements of the roads and at such time as Deer Meadows, Incorporated determines that the road system is of a good quality, Deer Meadows, Incorporated shall no longer be responsible for the same.

ARTICLE I.
DEFINITIONS

Section 1. "Association" shall mean and refer to Pine-Oak Subdivision Homeowners Association, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities of a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely

as security for the performance of an obligation.

Section 3. "Declarant" shall mean and refer to Deer Meadows, Incorporated, a South Dakota Corporation, its successors and assigns if such successors and assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

Section 4. "Properties" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 5. "Roads" shall mean those portions of the subdivision designated and shown on the plats referred to above as roads common to the area and such other roads as may in the future be included.

Section 6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties.

ARTICLE II. PROPERTY RIGHTS AND EASEMENTS

Section 1. Owners' Easements of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Roads which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions.

The right of the Association to dedicate or transfer all or any part of the Roads to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds of each class of members agreeing to such dedication or transfer has been recorded.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership will be appurtenant to any lot and may not be separated from ownership for any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall include all lot owners in Pine-Oak Subdivision and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they, among themselves, determine but in no event shall more than one vote be cast with respect to any lot.

Class B. Class B member shall be and mean Deer Meadows, Incorporated and shall have the right to approve or disapprove any action taken by the Class A membership. This right shall last for so long as Deer Meadows, Incorporated, owns at least one-third of the lots in the Pine-Oak Subdivision which lots the corporation has not entered into a contract for sale with any third party. At such time as the corporation owns less than one-third of said lots, then such right shall terminate and Class B membership shall cease and thereby be eliminated.

ARTICLE IV. COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments,

together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the maintenance and improvement of the roads in said subdivision.

Section 3. Maximum Annual Assessment. Until January 1984, the maximum annual assessment shall be \$ 25.00 per lot.

- (a) From and after January 1984, the maximum assessment may be increased each year not more than 20% percent above the maximum assessment for the previous year without a vote of the membership.
- (b) From and after January 1984, the maximum annual assessment may be increased above ten percent by a vote of two-thirds of Class A members who are voting in person or by proxy, at a meeting duly called for this purpose, subject to the approval of the Class B member.
- (c) The Board of Directors of the Pine-Oak Subdivision Homeowner's Association may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purposes of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement provided that any such assessment shall have the assent of two-thirds of the votes of Class A members who are voting in person or by proxy at a meeting duly called for this purpose, subject to the approval of the Class B member.

Section 5. Notice and Quorum for any Action Authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of the proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all lots on the 1 day of January, 1982. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors; the Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an Officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Nonpayment of Assessments. Remedies of the Association. Any assessment not paid within thirty days after the due date shall bear interest from the due date at the rate of 18 percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Roads or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to the payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Certificate of Payment. The Association shall upon demand at any time furnish to any owner a certificate in writing signed by an officer of the corporation setting forth whether said assessment has been paid. Such certificate shall be conclusive evidence of the fact of such payment.

ARTICLE V.
GENERAL PROVISIONS

Section 1. Enforcement. The Association or any Owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, liens and changes now or hereafter imposed by the provisions of this Declaration.

ARTICLE VI.
ANNUAL MEETING

The Association shall have an annual meeting for the purpose of electing a Board of Directors to conduct the affairs of the association on the ~~1st Thursday~~ 1st Tuesday of each year.
after

The internal operation of the association shall be governed by a set of By-Laws to be drawn up and adopted by the Association at the annual meeting.

ARTICLE VII.
AMENDMENT

This Homeowners Association may be amended by a two-thirds vote of Class A members subject to approval of Class B member.

IN WITNESS WHEREOF, the undersigned have set their hands and seals this 7 day of January, 1982.

Elizabeth Schleuning
Elizabeth Schleuning

Kenneth L. Pascoe
Kenneth L. Pascoe

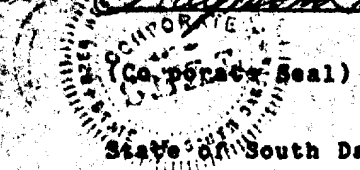
Lola I. Pascoe
Lola I. Pascoe

DEER MEADOWS, INCORPORATED

B. Donald Michalski
President

ATTEST:

Raymond A. Nordstrom
Secretary



State of South Dakota)
County of Lawrence) ss

On this 12 day of January, 1981, before me, the undersigned officer, personally appeared Elizabeth Schleuning, Kenneth L. Pascoe and Lola I. Pascoe, known to me to be the persons whose names are subscribed to the foregoing instrument and acknowledged that they executed the same for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official



Cynthia Schmitt
Notary Public

My commission expires: 1/8/90

State of South Dakota)
County of Lawrence) ss

On this 7 day of January, 1982, before me, the undersigned officer, personally appeared Donald G. Nichols and Raymond Nordstrom, who acknowledged to me that they are the president and secretary, respectively, of Deer Meadows, Incorporated, a South Dakota Corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

In Witness Whereof, I hereunto set my hand and official seal.



Gene Bower
Notary Public

My commission expires: March 31, 84



DOC. NO. 82-138

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YVONNE C. FOREMAN
LAWRENCE COUNTY
REGISTER OF DEEDS

Jan 6 1982