

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, BHM, 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 maintenance and repair of the road system which shall be the real property title of and 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 graveled road for the benefit of the lot owners in the Pine-Oak Subdivision and that Deer Meadows, Incorporated shall not be responsible for the maintenance and repair or continued maintenance and improvements of the roads and that once the roads have been brought to an acceptable level of 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.

Section 2. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of 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, 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 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. A Class A member shall be entitled to one vote for each lot. 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 determine among themselves, but in no event shall more than one vote be cast with respect to any lot.

Class B: The Class B member shall be Deer Meadows, Incorporated. The Class B member shall be entitled to three votes for each lot in which it holds an interest, provided that the Class B membership shall cease and convert to Class A membership when the total number of lots owned by the Class B member in the Pine-Oak Subdivision shall become less than one-third of the total number of lots in the Pine-Oak Subdivision.

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 agrees to pay the Association: (a) annual assessments; (b) special assessments for capital improvements. 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 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.

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 annual assessment may be increased each year not more than twenty percent (20%) above the maximum assessment for the previous year without a vote.

(b) From and after January 1984 the maximum annual assessment may be increased above twenty percent only by a vote of two-thirds of the Class A members, subject to the approval of the Class B member.

(c) The Board of Directors of the Pine-Oak Subdivision Homeowners Association may fix the annual assessment at an amount not to exceed the maximum.

Section 4. Special Assessments for Capital Improvement. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only and for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of the road system, including labor, materials, and other related expenses, 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 that purpose, subject to the approval of the Class B member.

Section 5. Notice and Quorum for 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) nor more than sixty (60) days in advance of the meeting. At the first such meeting the presence of members or of proxies entitled to cast sixty percent of all the votes of the membership shall constitute a quorum. If a quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum shall be one-half of the required quorum at 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 on the 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 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 12% 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, and interest, costs and attorney's fees shall be added.

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 except that the sale or transfer of any lot pursuant to a mortgage foreclosure shall extinguish the lien as to assessments due prior to such sale.

Section 10. Certificates of Payment. The Association shall furnish certificates of payment as provided above. Such certificates shall be binding evidence of 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 charges 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 ___ first Thursday of the last Tuesday ___ of each year.

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
Kenneth L. Pascoe
Lola I. Pascoe
DEER MEADOWS, INCORPORATED
Donald ____, President

--- NOTARY PAGE TEXT OMITTED FOR BREVITY BUT WILL BE INCLUDED IN FINAL DOC
