

AMENDED  
BYLAWS OF

WONDERLAND HOMES WATER AND SERVICE CO.

ARTICLE 1

Identification

Section 1.01. Name. The name of the corporation is Wonderland Homes Water & Service Co., Incorporated.

Section 1.02. Registered Office and Registered Agent. The address of the registered office of the Corporation is Box 2817, Rapid City, South Dakota 57709, and the name of the registered agent at this address is Floyd L. Matthew.

Section 1.03. Seal. The seal of the Corporation shall be circular in form and mounted upon a metal die, suitable for impressing the name upon paper. On the seal shall appear the words "Wonderland Homes Water & Service Co., South Dakota." In the center of the seal shall appear the words "Corporate Seal."

Section 1.04. Fiscal Year. The fiscal year of the Corporation shall begin on the first day of July in each year and end on the last day of June one year later.

ARTICLE 2

Memberships, Hookups, and Voting Rights

Section 2.01. Membership. Membership in the Corporation shall consist of every person or group of persons or entity which is the record owner of a lot or condominium unit within Wonderland Homes Subdivision, which subdivision is hereinafter referred to as the service area.

Section 2.02. Voting Rights. Membership voting rights are appurtenant to each lot or condominium unit within the service area, and the owner of each such lot or condominium unit shall be entitled to one vote. Apartment houses and complexes shall, for voting purposes, be treated in the same manner as condominium units with the owner entitled to one vote for each apartment unit. No fraction of one vote may be cast by any member. If co-owners of a lot or condominium unit are unable to agree on the manner in which the vote shall be cast, then such vote shall not be an eligible vote and shall not be counted.

Section 2.03. Hookups. The rights of members to water and sewer service are appurtenant to each lot or condominium unit within the service area, and each lot or condominium unit shall be entitled to one water service hookup and one sewer service hookup. Provided, however, all cost of hookup shall be borne by the owner and the use of service is contingent upon timely payment of the monthly service charge as set by the Corporation, full compliance with the rules and regulations as established by the Board of Directors, and the execution by the member of a water and sewer service and users agreement with the Corporation. Apartment houses and complexes shall for hookup purposes be treated in the same manner as condominium units with the owner

entitled to one water hookup for each apartment unit.

Section 2.04. Owner. Owner refers to the owner as shown on the books of the Register of Deeds, Meade County, South Dakota. The term "owner" shall include purchaser under contract.

Section 2.05. Transfer of Membership. The Corporation shall register a transfer of membership when the ownership of any lot, single family dwelling or condominium unit within the service area is transferred.

Section 2.06. New Members. The service area of the Corporation may be extended and new members received by the Corporation upon a two-thirds vote of approval by the Board of Directors; provided, however, that any extension of water service

- (1) shall be made without expense to the Corporation;
- (2) shall not in any manner cause an increase in monthly service charges to present members;
- (3) shall not in any manner diminish or jeopardize the quality or quantity of future and present water or sewer service to present members;
- (4) shall first be approved by the vote of a majority of service area owners.

### ARTICLE 3

#### Meetings of Members

Section 3.01. Place of Meetings. Meetings of the members of the Corporation shall be held at the office of the Corporation or other appropriate place.

Section 3.02. Annual Meeting. The annual meeting of the members shall be held on the third Sunday in February of each year, if this day is not a holiday, and if a holiday, then on the first following day that is not a legal holiday. Failure to hold the annual meeting at the designated time shall not work a forfeiture of dissolution of the Corporation.

Section 3.03. Special Meetings. Special meetings of the members may be called by the President, the Board of Directors, or members whose aggregate voting rights consist of not less than one tenth of all votes entitled to be cast at the meeting.

Section 3.04. Notice of Meetings-Waiver. Written notice stating the place, day, and hour of the meeting and, in case of a special meeting, the purpose of purposes for which the meeting is called shall be delivered not less than 10 or more than 50 days before the date of the meeting, either personally or by mail, by or at the direction of the President, the Secretary or the officer or persons calling the meeting, to the mailing address of each owner. Notice to a joint owner shall constitute notice to all others having an ownership interest in the property. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the registered member at his address as it appears on the books of the Corporation, with postage on it prepaid. Waiver by a member in writing of a notice



of a membership meeting shall be equivalent to the giving of such notice. Attendance by a member without objection to the notice, whether in person or by proxy, at a membership meeting shall constitute a waiver of notice of the meeting.

Section 3.05. Quorum. One fourth of the votes entitled to be cast, represented in person or by proxy, shall constitute a quorum at a meeting of the members. The members present at a duly organized meeting may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum. All resolutions shall be passed by the vote of at least one half of the members present at such a meeting.

Section 3.06. Closing of Transfer Books and Fixing Record Date. 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 Corporation may provide that the membership transfer books shall be closed for a stated period but not to exceed, in any case, 50 days. If the membership transfer books shall be closed for the purpose of determining members entitled to notice of or to vote at a meeting of members, the books shall be closed for at least 10 days immediately preceding the meeting. In lieu of closing the membership transfer books, the Board of Directors may fix in advance a date as the record date for any such determination of members, such date, in any case, to be not more than 50 days prior to the date on which the particular action requiring this determination of members is to be taken. If the membership transfer books are not closed and no record date is fixed for the determination of members entitled to notice or to vote at a meeting of members, the date on which notice of the meeting is mailed shall be the record date for the determination of members. When a determination of members entitled to vote at any meeting of members has been made as provided in this section, the determination shall apply to any adjournment thereof.

Section 3.07. Voting List. The Secretary of the Corporation shall make from the membership transfer books a complete record of the members entitled to vote at the meeting or any adjournment thereof, arranged in alphabetical order, with the address of and the number of votes entitled to be cast by the membership. The list shall contain the mailing address and legal description by lot and block of each member. Such record shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting for the purpose thereof. Failure to comply with the requirements of this section shall not affect the validity of any action taken at the meeting.

Section 3.08. Proxies. A member may vote either in person or by proxy executed in writing by the member or by his duly authorized attorney-in-fact. No proxy shall be valid after 11 months from the date of its execution unless otherwise provided in the proxy.

#### ARTICLE 4

##### The Board of Directors

Section 4.01. Number and Qualifications. The business and affairs of the Corporation shall be managed by a Board of Directors who must be members of the Corporation. The number of Directors may be increased or decreased to not less than three, from time to time by amendment of this section; but no decrease shall have the effect of shortening the term of any incumbent

Director.

Section 4.02. Election. Members of the initial Board of Directors shall hold office until the first annual meeting of the membership and until their successors shall have been elected and qualified. At the first annual meeting of the membership, the membership shall elect one half of the total number of directors, or one half plus one if an odd number of directors, for a term of one year, and the balance of the directors shall be elected for a term of two years. Each director shall hold office for the term for which he is elected and until his successor shall be elected and qualified. No change in the number of directors by amendment to this section shall have the effect of shortening the term of any incumbent Director.

Section 4.03. Vacancies. Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors through less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 4.04. Place of Meetings. Meeting of the Board of Directors, annual, regular, or special, may be held either within or without the State of South Dakota.

Section 4.05. Annual Meetings. The Board of Directors shall meet each year within thirty (30) days of the annual meeting of the members for the purpose of organization, election of officers, and consideration of any other business that may properly be brought before the meeting. No notice of any kind to either old or new members of the Board of Directors for this annual meeting shall be necessary.

Section 4.06. Other Meetings. Other meetings of the Board of Directors may be held upon notice by letter, telegram, cable, or radiogram, delivered for transmission not later than during the third day immediately preceding the day for the meeting, upon the call of the President or Secretary of the Corporation at any place within or without the State of South Dakota. Notice of any meeting of the Board of Directors may be waived in writing signed by the person or persons entitled to the notice, whether before or after the time of the meeting. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of the meeting.

Section 4.07. Quorum. A majority of the number of Directors fixed by the Bylaws shall constitute a quorum for the transaction of business. The act of the 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 statute, the Articles of Incorporation, or the Bylaws.

Section 4.98. Action Without a Meeting. Any action that may be taken at a meeting of the Directors or of a committee may be taken without a meeting if the consent in writing, setting forth the action so to be taken, shall be signed before the action by all of the Directors or all of the members of the committee, as the case may be.



## ARTICLE 5

### The Officers

Section 5.01. Officers. The officers of the Corporation shall consist of a President, Vice-President, Secretary, Treasurer, and such other officers and assistant officers and agents as may be deemed necessary by the Board of Directors, each of whom shall be elected by the Board of Directors at its annual meeting. Any two or more offices may be held by the same person, except the offices of the President and Secretary. Officers must be Directors of the Corporation.

Section 5.02. Vacancies. Whenever any vacancies shall occur in any office by death, resignation, increase in the number of offices of the Corporation, or otherwise, the same shall be filled by the Board of Directors, and the officer so elected shall hold office until his/her successor is chosen and qualified.

Section 5.03. The President. The President shall have active executive management of the operations of the Corporation, subject, however, to the control of the Board of Directors. He/she shall preside at all meetings of the members and Directors, discharge all the duties that devolve upon a presiding officer, and perform other duties as the Bylaws provide or the Board of Directors may prescribe. The President shall have full authority to execute powers of attorney appointing other corporation, partnerships, or individuals the agent of the Corporation.

Section 5.04. The Vice-President. The Vice-President shall perform all duties incumbent upon the President during the absence or disability of the President and shall perform such other duties as the Bylaws may provide or the Board of Directors may prescribe.

Section 5.05. The Secretary. The Secretary shall attend all meetings of the shareholders and of the Board of Directors and shall keep, or cause to be kept in a book provided for the purpose, a true and complete record of the proceedings of these minutes. He/she shall be custodian of the records and the seal of the Corporation and see that the seal is affixed to all documents, the execution of which on behalf of the Corporation under its seal is duly authorized. He/she shall attend to the giving of all notices and shall perform such other duties as the Bylaws may provide or the Board of Directors may prescribe.

Section 5.06. The Treasurer. The Treasurer shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. The Treasurer shall be the legal custodian of all monies, notes, securities, and other valuables that may from time to time come into the possession of the Corporation. He/she shall immediately deposit all funds of the Corporation coming into his/her hands in some reliable bank or other depository to be designated by the Board of Directors, and shall keep this bank account in the name of the Corporation. He/she shall furnish at meetings of the Board of Directors, or whenever requested, a statement of the financial condition of the Corporation, and shall perform such other duties as the Bylaws may provide or the Board of Directors may prescribe.

Section 5.07. Transfer of Authority. In case of the absence of any officer of the Corporation or for any other reason that the Board of Directors may deem sufficient, the Board of Directors may transfer the powers or duties of that office to any other officer or to any director or employee of the

Corporation, provided a majority of the full Board of Directors concurs.

## ARTICLE 6

### Service Rates-Water and Sewer

Section 6.01. The Board of Directors shall annually review the rate schedule for water and sewer service charges to the membership and as is necessary for the orderly operation of the company increase or decrease service rates. However, in the event that the Board of Directors determines that an increase is necessary, the rate increase shall be adopted in the manner prescribed by this Article.

Section 6.02. The Board of Directors, after determining that a rate increase is necessary for the prompt payment of operation expenses, debt service and reserve requirements, shall upon a two-thirds vote pass a resolution of intent to increase rates. The resolution of intent shall clearly set forth the new rate schedule proposed by the Board of Directors.

Section 6.03. Immediately upon passage of a resolution of intent to increase the rate, the Board of Directors shall set a time and place for membership hearing. The hearing date shall not be sooner than 15 days nor later than 30 days after the adoption of the resolution of intent to increase rates.

Section 6.04. The Board of Directors within 5 days after the adoption of resolution of intent to increase rates shall give notice to the membership by mailing to the billing address for each service hookup a notice of membership hearing on rate increase. The notice shall clearly set forth a time and place for the hearing, the resolution of intent to increase rates, and a brief statement on the procedure for increasing water rates.

Section 6.05. The Board of Directors within 30 days after the membership hearing shall take final action on the rate increase. The Board of Directors may (1) adopt a rate schedule as in the resolution of intent, (2) adopt a rate schedule as in the resolution of intent with amendments thereto, or (3) reject any rate increase, in which event the previous rates would remain effective. Provided, however, the Board of Directors shall not adopt a rate schedule by amendment or otherwise which would increase any member's service charge above the maximum charges allowable under the resolution of intent to increase service rates as passed by the Board of Directors.

Section 6.06. The rate schedule increase adopted by the Board of Directors shall become effective on the second billing period after final adoption unless (1) the membership petitions the Board of Directors for membership approval of the rate increase as provided for hereinafter or (2) unless otherwise deferred by the Board of Directors to a later date.

Section 6.07. On petition signed by members representing 25% of the eligible voting rights in the Corporation as determined and set forth in Article 2 herein, the rate increase schedule adopted by the Board of Directors shall be submitted to the membership for approval and must be approved by members representing 50% of the voting rights of the Corporation before such charges can be assessed against the respective members of the Corporation.

Section 6.08. A petition to refer the rate increase to the membership must be served on a duly elected Director of the Corporation within 30 days



after the Board of Directors have adopted the rate increase and upon the serving of such petition, the Board of Directors shall within 30 days call a special meeting of the membership for the purpose of submitting the rate increase to the membership for approval.

## ARTICLE 7

### Services Other Than Water and Sewer

Section 7.01. The Board of Directors shall have the power to establish and extend services other than water and sewer service to the stockholders by the same procedure set out for increasing rates as provided herein in Sections 6.02 through 6.08.

Section 7.02. The Board of Directors shall have the power to establish rules and regulations for the determination of rate and fee charges for all services other than water and sewer rendered by the Corporation to the members by the procedure set out in Sections 6.02 through 6.08 herein. Provided, however, no member shall be liable for such rate charges as fees until he has entered into a service and users agreement with the Corporation.

## ARTICLE 8

### Reserve Fund

At any meeting of the membership attended by a quorum of the membership, in person or by proxy, a majority may provide for accumulation of a reserve fund in such total amount as may from time to time be recommended by the Board of Directors. This fund shall be established for emergency repairs, replacements, use for roads, public use areas, and such other purposes as the Board of Directors shall designate to benefit the member-users. This fund shall be established from a charge added to the normal monthly billing statements of member-users in such amounts as designated by the Board of Directors with possible additional assessments for emergency needs.

## ARTICLE 9

### Special Corporate Acts

#### Negotiable Instruments, Deeds, and Contracts

All checks, drafts, notes, bonds, bills of exchange, and order for the payment of money of the Corporation; all deeds, mortgages, and other written contracts and agreements to which the Corporation shall be a party; and all assignments or endorsements of membership, registered bonds, or other securities owned by the Corporation shall, unless otherwise directed by the Board of Directors or unless otherwise required by law, be signed by the President or by any two of the following officers who are different persons: Vice-President, Secretary, or Treasurer. The Board of Directors may, however, authorize any one of such officers to sign any of such instruments for and in behalf of the Corporation without necessity of countersignature; may designate officers or employees of the Corporation other than those named above who may sign such instruments; and may authorize the use of facsimile signatures of any of such persons. Any shares of stock issued by any other corporation and owned or controlled by the Corporation may be voted at any shareholders meeting of the other corporation by the President of the Corporation, if he be present; or, in his absence, by any Vice-President of the Corporation who may be

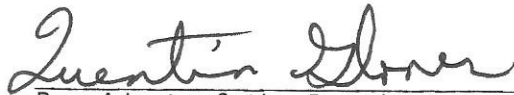
present; and, in the event both the President and Vice-President shall be absent, then by such person as the President of the Corporation shall, by duly executed proxy, designate to represent the Corporation at such membership meeting.

#### ARTICLE 10

##### Amendments

The power to alter, amend, or repeal the Bylaws or to adopt new Bylaws is vested in the Board of Directors. The Bylaws may contain any provisions for the regulations and management of the affairs of the Corporation not prohibited by law or the Articles of Incorporation. Any amendment, repeal, or modification of the Bylaws must be by a two-thirds vote of the Board of Directors.

Adopted this 2<sup>ND</sup> day of MARCH, 1981.



President of the Board  
Wonderland Homes Water and Service Co., Inc.