

**BY-LAWS
OF
HISEGA MEADOWS WATER, INC.**
A Non-Profit Corporation

ARTICLE I.

General Purposes

The purposes for which the corporation is formed and the powers which it may exercise are set forth in the Articles of Incorporation of the Corporation.

This Corporation shall be known as Hisega Meadows Water, Inc., incorporated under the laws of the State of South Dakota.

Key for color coding within the Document:

Additions

Deletions

Review

ARTICLE II.

Name and Location

Section 1. The name of the Corporation is Hisega Meadows Water, Inc.

Section 2. The principal office and place of business of the Corporation shall be located at {the P.O. Box 9486, Rapid City, South Dakota, 57709} 2315 Lindsey Dr, but the Corporation may maintain offices and places of business at other places within or without the State as the Board of Directors may determine from time to time.

ARTICLE III.

Seal of the Corporation

Section 1. The Corporation shall not have a Corporate Seal unless required by applicable law or adopted by the Board.

ARTICLE IV.

Fiscal Year

The fiscal year of the Corporation shall commence on July 1st and end on June 30th of each year.

ARTICLE V.

Governing Body

This Corporation shall be governed by a Board of Directors consisting of five (5) Directors to be elected by the members of the Corporation from time to time in such manner as is hereinafter provided. Such Board shall meet immediately after the adjournment of the Annual Membership Meeting or as soon thereafter as is practical, not later than the next regularly scheduled Board Meeting, and shall organize by electing a President, Vice-President, Secretary, and Treasurer from their own number.

ARTICLE VI.

Membership Qualifications

Section 1. Membership in the Corporation shall consist of those persons, firms, associations or bodies politic owning land situated within the area to be served by the water system of the Corporation and reasonably accessible thereto, who have made application for membership in the Corporation, and who have agreed to pay such fees as shall be required by the Corporation, from time to time, and enter into such agreements with the Corporation for the purchase of water as are required by the Corporation from time to time.

Section 2. A person, firm, association, corporation or body politic shall become a member of HISEGA MEADOWS WATER, INC., by completing the following requirements:

- a. Making a written application for membership and/or service and having such application accepted by the Corporation.
- b. Agreeing to purchase water from the Corporation.
- c. Agreeing to comply with and be bound by Articles of Incorporation and By-Laws of the Corporation and any rules and regulations adopted by the Board of Directors.
- d. Paying such hook-up, connection, **membership deposit** or other fees as shall be established by the Board of Directors from time to time, provided, however, that no person, firm, association or

corporation shall become a member unless and until he/she or it has been accepted for membership by the Board of Directors. No membership in the Corporation shall be transferable except as provided in these By-Laws.

ARTICLE VII.

Membership

Section 1. Membership in the Corporation shall be evidenced by enrolling the name of the member on the membership list maintained by the Corporation at the Corporation headquarters.

Section 2. Transfers of membership shall be made only upon the books of the Corporation, only to persons eligible to become members and only with the approval of the Board of Directors and only when the member transferring is free from indebtedness to the Corporation.

Section 3. No member of the Corporation shall be entitled to more than one (1) vote per lot, on each issue to be voted on at meetings of the members. Every member, upon becoming a member of the Corporation, agrees to sign such Water Users Agreement for the purchase of water from the Corporation as may, from time to time, be provided and required by the Corporation, and shall pay therefore such rates as shall from time to time be fixed by the Board of Directors; provided, however, that the Board of Directors may limit the amount of water which the Corporation shall be required to furnish any one member. Each member shall pay the Corporation such minimum amount per month, regardless of the amount of water consumed, as shall be fixed by the Board of Directors from time to time. Each member shall also pay all amounts owed by him/her to the Corporation as and when the same shall become due and payable.

Section 4. If a member ceases to be eligible to hold membership as provided herein, or willfully fails to comply with these By-Laws and other requirements, or willfully obstructs the purposes and proper activities of the Corporation, the Corporation, through the Board of Directors, may elect to terminate his/her membership. Any member, whose membership is so terminated for a cause other than that of

ceasing to be eligible, may appeal **from** the decision of the Board of Directors to a vote of the members at the next regular meeting of the members or a special meeting of the members called for such purpose. Membership fees are **non-refundable only when the member is free from indebtedness to the Corporation.**

Section 5. A membership held in the name of a husband or wife shall entitle either to exercise the nominating and voting privilege of said membership, but not both. Said membership would also qualify either the husband or the wife as a member for the purpose of running for the office of Director, but not both. When a partnership, corporation, or association holds a membership, a duly acknowledged voting delegate of said partnership, corporation, or association may exercise the voting privilege.

ARTICLE VIII.

Meeting of Members

Section 1. Annual Meeting The Annual Meeting of the members of this Corporation shall be held in the month of June of each year on a date designated by the Board of Directors. The date, time and place shall be designated in the Notice of the Meeting. It shall be the responsibility of the Board of Directors to make adequate plans and preparations for the Annual Meeting. Failure to hold the Annual Meeting at the designated time shall not work a forfeiture or dissolution of the Corporation.

Section 2. Special Meetings Special Meetings of the members may be called by resolution of the Board of Directors or upon a written request signed by any three (3) Directors, by the President, or by twenty (20) percent or more of all of the members and it shall thereupon be the duty of the Secretary to cause Notice of such meeting to be given as hereinafter provided. Special Meetings of the members must be held within sixty (60) days from the date of receipt of special request therefore and shall be held at such time and at such place as shall be determined by the Board of Directors.

Section 3. Notice Notice of meetings of members of the Corporations shall be given by Notice

mailed or e-mailed to each member of record directed to the address shown upon the books of the Corporation at least ten (10) days prior to the meeting. Such Notice shall state the nature, time, place and purpose of the meeting, but no failure or irregularity of Notice of any annual meeting, regularly held, shall affect any proceedings taken thereat.

Section 4. Quorum Ten (10) percent of the membership votes, eligible to be cast, shall constitute a quorum for the transaction of business at any meeting. Quorums can be established by proxy. Unless such quorum is present, no business shall be transacted. If, however, such quorum shall not be present at any regular or special meeting, the members present shall have power to adjourn the meeting without notice, other than announcement at the meeting, until a quorum is present. Once a quorum is established, any business may be transacted which might have been transacted at the meeting as originally called.

Section 5. Vote Each member shall be entitled to one (1) vote per lot, on each issue to be voted on. All questions shall be decided by vote of a majority of the members voting thereon in person, except as otherwise provided by law, the Articles of Incorporation or these By-Laws. Voting by proxy shall be allowed.

ARTICLE IX.

Directors

Section 1. General Powers The business and affairs of the Corporation shall be managed by a Board of five (5) Directors who shall exercise all of the powers of the Corporation except such as are by law, the Articles of Incorporation or these By-Laws conferred upon or reserved to the members.

Section 2. Election and Tenure of Office The Directors shall be elected for a term of three (3) years, provided, however, that the initial terms of Directors are staggered so that two (2) Director terms shall expire in three (3) years; two (2) Director terms shall expire in two (2) years; and one (1) Director term will expire in one (1) year. Each Director shall hold office for the term for which elected and until a successor shall have been elected and qualified.

Section 3. Nomination and Election of Directors Directors shall be nominated and elected at the Annual Meeting. Whenever a vacancy in a Director position shall exist, nominations may be made from the floor at the Annual Meeting for candidates to fill the Director term. Any member or his/her spouse may nominate one (1) candidate for each Director position to be filled. Nominations shall remain open until no further nominations are received. In the event there are no more Director nominees than there are vacancies, the Director candidates may be elected by voice vote. In the event there are more Director nominees than there are vacancies, following the closing of nominations, members shall vote by secret written ballot for as many Directors as there are Director positions open. The Director candidates receiving the most number of votes shall be declared to be the elected Directors of the Corporation.

Section 4. Vacancies If the office of Director or officers shall become vacant for any cause, the remaining Directors may choose a successor, who shall serve to the next Regular or Special Meeting of the members when the vacancy shall be filled.

Section 5. Director Qualifications To qualify to serve as a Director of this Corporation, a person must meet the following requirements, to-wit:

- a. Must be a member of the Corporation.
- b. Must have a permanent residence in the service territory of the Corporation
- c. Must not be financially involved in any competing enterprise.
- d. Must sign the Hisega Meadows Water, Inc. code of conduct agreement.

ARTICLE X.

Meetings of Directors

Section 1. Annual Meeting The Annual Meeting of the Board of Directors may be held without notice immediately after and at the same place as the Annual Meeting of the members or as designated by the Board. Regular Meeting of the Board of Directors shall be held monthly at such time and place as the Board of Directors may provide by resolution. Such regular meeting may be held without

Notice, other than such resolution fixing the time and place thereof.

Section 2. Special Meetings Special Meetings of the Board of Directors may be called by the President or by any three (3) Directors and it shall thereupon be the duty of the Secretary to cause Notice of such meeting to be given as hereinafter provided. The President or the Directors calling the meeting shall fix the time and place for the holding of the meeting.

Section 3. Notice Written notice of time, place and purpose of any Special Meeting of the Board of Directors shall be delivered to each Director not less than five (5) days previous thereto, either personally, by mail, by phone, electronically, or at the direction of the Secretary or upon a default in duty by the Secretary, by the President or the Directors calling the meeting. If mailed, such Notice shall be deemed to be delivered when deposited in the United States Mail addressed to the Director, at his address, as it appears on the records of the Corporation, with postage thereon fully prepaid. A written waiver signed by the Director or Directors desiring to waive same, as provided herein, may waive written notice.

Section 4. Quorum Three (3) members of the Board constitute a quorum for conducting business, provided, however, that if less than three (3) of the Directors are present at such meeting, a majority of the Directors present may adjourn the meeting from time to time, and provided, further, that the Secretary shall notify any absent Directors of the time and place of such adjourned meeting. The act of the majority of the Directors present at a meeting, which a quorum is present, shall be the act of the Board of Directors.

ARTICLE XI.

Officers

Section 1. The officers of the Corporation shall be the President, Vice-President, Secretary, Treasurer and such other officers as may be determined by the Board of Directors from time to time. The offices of Secretary and Treasurer may be held by the same person.

Section 2. The officers shall be elected by ballot annually by and from the Board of Directors at the

meeting of the Board of Directors held immediately after the Annual Meeting of the members or as soon as it may be conveniently held. Each officer shall hold office until the first meeting of the Board of Directors following the next succeeding Annual Meeting of the members or until his successor shall have been elected and shall have qualified. The Board of Directors for the remaining portion of the term shall fill a vacancy in any office.

Section 3. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation will be served.

ARTICLE XII.

Duties of Officers

Section 1. President The President shall:

- a. Be the principal executive officer of the Corporation and, unless otherwise determined by the members or the Board of Directors, shall preside at all meetings of the members and the Board of Directors.
- b. Sign, with the Secretary, any deeds, mortgages, deeds of trust, notes, bonds, contracts, or other instruments authorized by the Board of Directors to be executed, except in cases in which the signing and execution thereof shall be expressly delegated by the Board of Directors or by these By-Laws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed.
- c. In general, perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

Section 2. Vice-President In the absence of the President, or in the event of his inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all of the restrictions upon the President. The Vice-President shall also perform such other duties as, from time to time, may be assigned to him by the Board of Directors.

Section 3. Secretary The Secretary shall be responsible for: