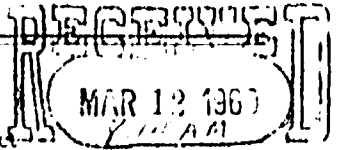


1. Considered Jan 7, 1920 587-2
2. Name of Applicant Orville H. & Development Corp
3. Post Office Address Rapid City
4. Amount of water claimed .022
5. Source of water supply ground water
6. Water to be used for industrial & commercial  
Acres to be irrigated \_\_\_\_\_
7. Water to be diverted and used in Pennington County about  
8 miles E of R.C.
8. Proof of Publication Received   
Not Received \_\_\_\_\_
9. Application Approved   
Subject to \_\_\_\_\_  
Not approved \_\_\_\_\_  
Action deferred \_\_\_\_\_
10. Remarks:



No. 587-2  
Water Division No. 2 Rapid Creek District  
(blanks to be filled by the Engineer for the W. R. C.)

STATE WATER RESOURCES COM.  
PIERRE SOUTH DAKOTA

# APPLICATION FOR PERMIT To appropriate Water within the State of South Dakota

(NOTE—Draw a line through items not applicable.)

1. Name of applicant DOUBLE H DEVELOPMENT CORPORATION  
Postoffice address RAPID CITY, County PENNINGTON, State SOUTH DAKOTA

I. If a corporation

- (a) Name of same DOUBLE H DEVELOPMENT CORPORATION
- (b) Date and place of incorporation DECEMBER 6, 1951
- (c) Amount of capital stock \$600,000.00
- (d) Amount paid in \$136,445.00
- (e) Names and addresses of directors E. P. HOWE, 702 Minnelusa, Rapid City, S. Dak.

E.C. Murray, Rapid Canyon, Rapid City S. Dak.

John P. Roberts, 3905 Clifton " " "

Francis Parker, Deadwood, S. Dak.

Donald E. White Box 1170, Rapid City, S. Dak.

(NOTE—A certified copy of articles of incorporation must accompany the application.)

II. Method of accomplishing the work and financial resources of the applicant:

(a) Method of accomplishing work (Whether by contract, employment of others, or by direct labor)

EMPLOYMENT OF OTHERS. WORK IS ACCOMPLISHED

- (b) Cash on hand, \$ \_\_\_\_\_
- (c) Treasury stock, \$ \_\_\_\_\_
- (d) Bonds to be issued, \$ \_\_\_\_\_
- (e) Other resources, \$ \_\_\_\_\_

2. Name of diversion work \_\_\_\_\_

3. Amount of water claimed 10 Gallons per Minute

4. Source of water supply 2 WELLS

5. Location of point of diversion Well # 1 -1062.5 feet 6degrees 27 Minutes, Well # 2-1803.4 feet 6 degrees 14 minutes, both from center Section 17# T 2N, R 9 E BHM, Pennington County.

6. Annual period or periods during which water is to be used YEAR AROUND

7. To be used for:

I. Irrigation or domestic use: Gravity, overhead sprinkling or combination system \_\_\_\_\_

(a) Number of acres to be irrigated \_\_\_\_\_ acres.

(b) Legal subdivisions to be irrigated \_\_\_\_\_

(NOTE—A list of lands to be irrigated, giving each subdivision and fraction with acreage thereof, should be written here, or may be appended as a part of this application. Same must also be shown on accompanying map.)

(c) Statement as to domestic use (giving location, etc.) Water to be used by the VILLA RANGHAERO SHOPPING CENTER, for sanitary, Resturant, Super Market, Garage, Laundry, Service Station etc.

II. Stockwatering, mining, milling, power, fish culture, fire protection and public recreation:

(a) Nature of use \_\_\_\_\_

Name any of the above uses claimed

(b) Amount of power to be generated \_\_\_\_\_ horse power.

Amount claimed for engine cooling \_\_\_\_\_

(c) Location of plant \_\_\_\_\_

(d) Method of developing power \_\_\_\_\_

(e) Point where water will be returned to stream \_\_\_\_\_

Map No 547-2

B. Estimated cost of work:

(a) Head Gates, \$..... (b) Pumping plant, \$.....  
 (c) Flumlog, \$..... (d) Canal-earth, \$..... Rock, \$.....  
 (e) Other structures ..... \$..... Total, \$.....

6. Description of diversion works:

I. Nature of works: (Reservoir, dam, ditch, flume, pumping plant, etc.)

II. Dimensions of works:

(a) Dam: Height ..... feet; length at bottom ..... feet; length at top ..... feet; thickness at bottom ..... feet; thickness at top ..... feet; slope at front water face .....; slope at back face .....  
 material used in construction .....

(b) Reservoir: Capacity when filled ..... acre feet. Surface area at highwater mark ..... acres.

DEPTH AT OUTLET- FEET	SURFACE AREA AT E/CH. DEPTH AT CUTLET—ACRES	FEET	ACRE- FEET CAPACITY

(c)\* Head gate: Width ..... feet; height ..... feet;  
 Material .....

(d) Canal: Total length ..... miles

LOCATION BELOW HEADGATE	DEPTH	BOTTOM WIDTH	WIDTH AT WATER-LINE	GRADE PER MILE
At ..... Mile	..... feet	..... feet	..... feet	..... feet
At ..... Mile	..... feet	..... feet	..... feet	..... feet
At ..... Mile	..... feet	..... feet	..... feet	..... feet
At ..... Mile	..... feet	..... feet	..... feet	..... feet
At ..... Mile	..... feet	..... feet	..... feet	..... feet
At ..... Mile	..... feet	..... feet	..... feet	..... feet

(Give dimensions where reductions in size are made.)

10. Time required for completion of work ..... years.  
 11. Time required for complete application of water to the proposed beneficial use ..... years.  
 12. Choice of newspaper for publication of notice of intention to appropriate .....

STATE OF SOUTH DAKOTA }  
 County of PENNINGTON } ss.

I, DONALD E. WHITE, SEC. DOUBLE H. DEVELOPMENT CORPORATION, being first duly sworn on my oath depose and say: That my relation to the above described undertaking is that of owner, that I have read the above foregoing statement, examined the map accompanying the same, and that I know of my own personal knowledge that the matters therein stated and shown are true.

Signature: Donald E. White SEC.

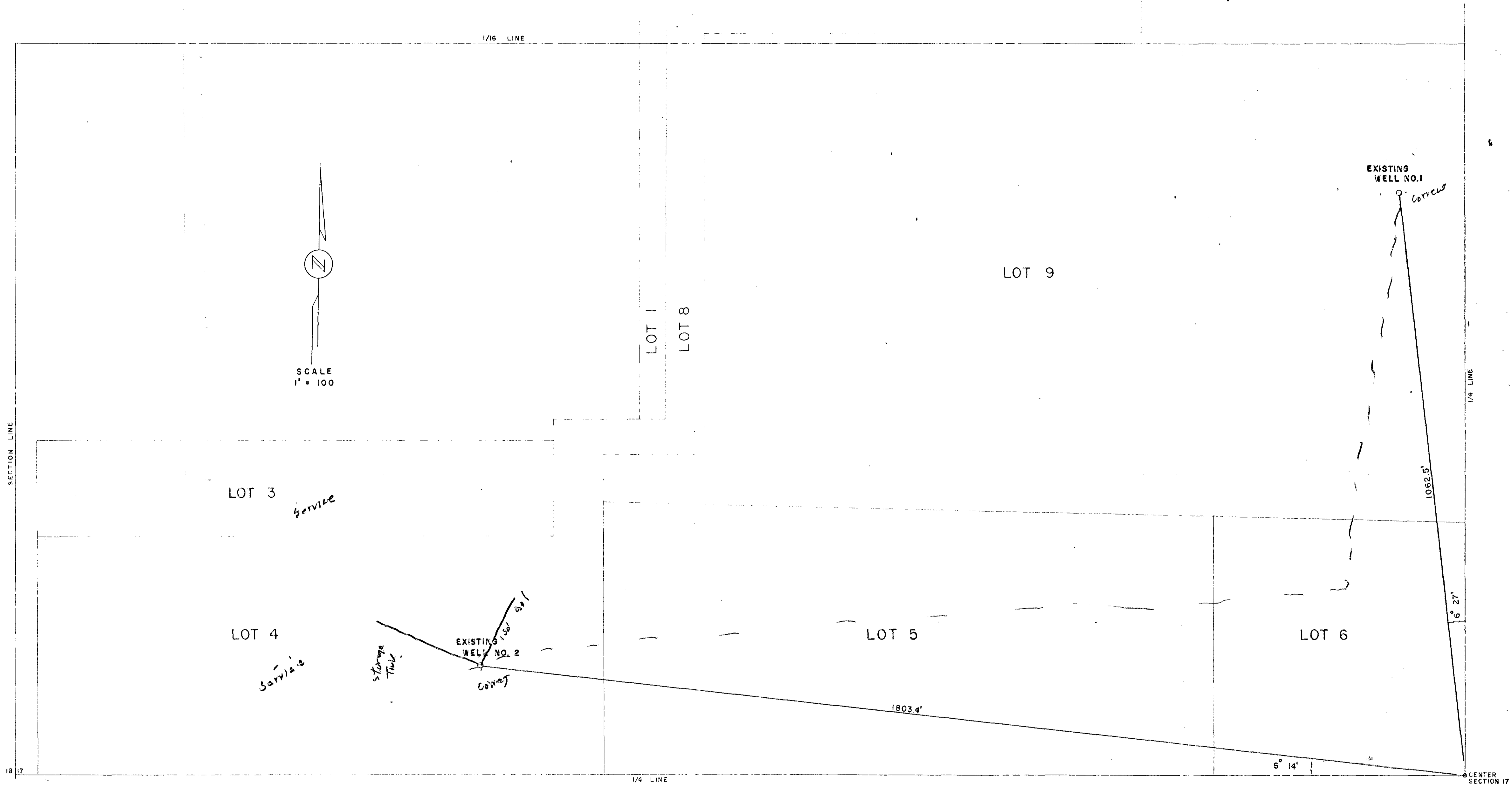
Subscribed and sworn to before me this 10 day of March 1960

W. K. [Signature]  
 Notary Public (or other qualified officer.)

\*Each diversion must have a headgate or measuring device.

WATER RIGHTS MAP  
S 1/2, NW 1/4, SEC. 17, T2N, R9E, BHM

(SHOWING LOCATION OF WELLS 1 AND 2)



SURVEYOR'S CERTIFICATE

I, VINAL C. FRANCIS, A DULY REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR IN AND FOR THE STATE OF SOUTH DAKOTA DO HEREBY CERTIFY THAT THE ACCOMPANYING MAP SHOWS THE TRUE AND CORRECT LOCATION OF WELLS INDICATED AS WELL 1 AND WELL 2 HEREON LOCATED IN THE AREA DESCRIBED AS THE S 1/2 OF THE NW 1/4 OF SECTION 17 LOCATED IN T2N, R9E OF THE BLACK HILLS MERIDIAN

Vinal C. Francis  
REGISTERED PROFESSIONAL ENGINEER  
AND LAND SURVEYOR

ACKNOWLEDGMENT

SUBSCRIBED AND SWORN TO ME, A NOTARY PUBLIC, THIS 5<sup>th</sup> DAY OF April, 1960

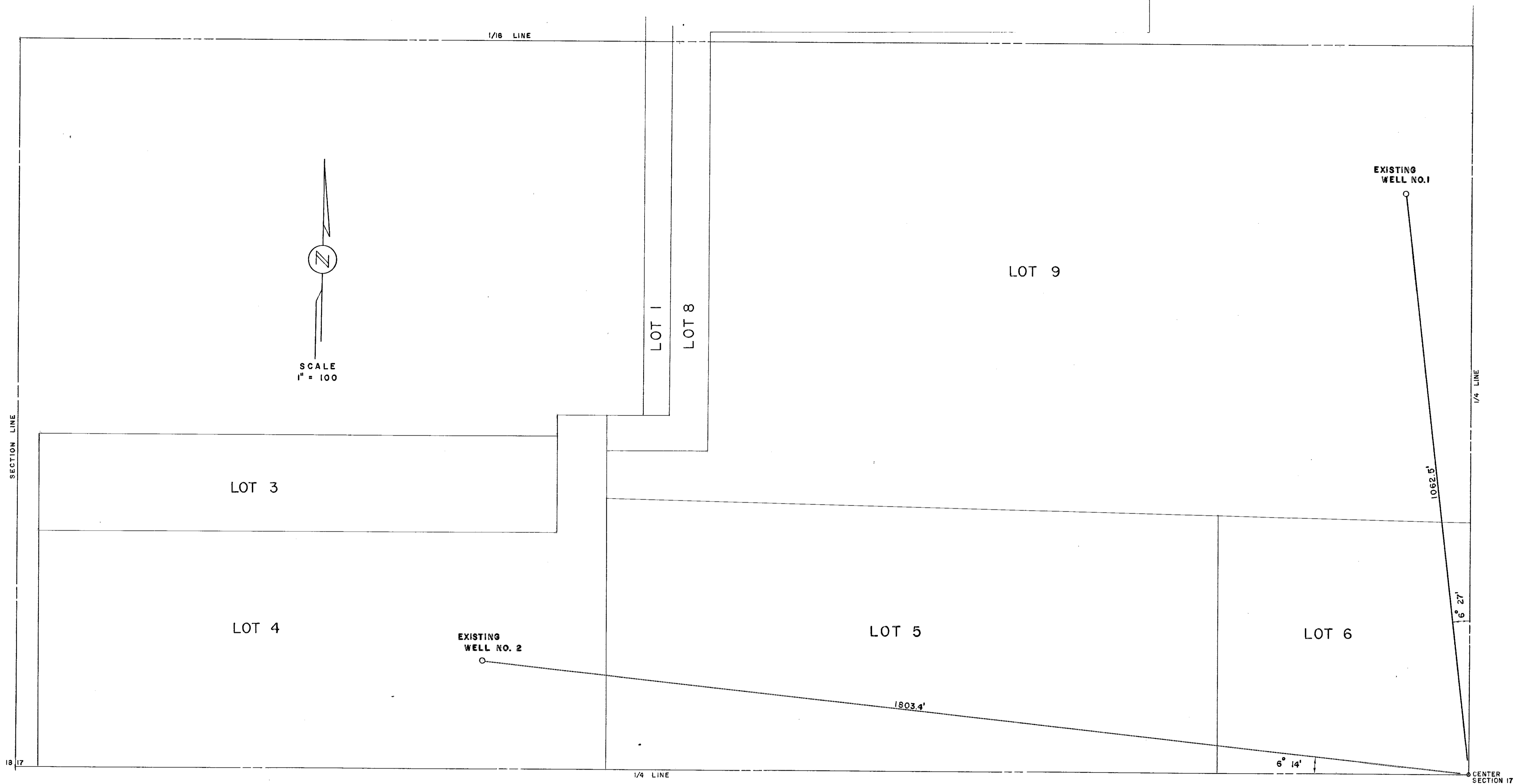
MY COMMISSION EXPIRES April 21, 1969

Vinal C. Francis  
NOTARY PUBLIC

6  
Service  
Commit.

Map No. 547-2  
App. No. 587-2

WATER RIGHTS MAP  
 S 1/2, NW 1/4, SEC. 17, T2N, R9E, BHM  
 (SHOWING LOCATION OF WELLS 1 AND 2)



**SURVEYOR'S CERTIFICATE**

I, VINAL C. FRANCIS, A DULY REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR IN AND FOR THE STATE OF SOUTH DAKOTA DO HEREBY CERTIFY THAT THE ACCOMPANYING MAP SHOWS THE TRUE AND CORRECT LOCATION OF WELLS INDICATED AS WELL 1 AND WELL 2 HEREON LOCATED IN THE AREA DESCRIBED AS THE S 1/2 OF THE NW 1/4 OF SECTION 17 LOCATED IN T2N, R9E OF THE BLACK HILLS MERIDIAN

*Vinal C. Francis*  
 REGISTERED PROFESSIONAL ENGINEER  
 AND LAND SURVEYOR

**ACKNOWLEDGMENT**

SUBSCRIBED AND SWORN TO ME, A NOTARY PUBLIC, THIS 8<sup>th</sup> DAY OF March, 1960.

MY COMMISSION EXPIRES May 21, 1967

*Carrie M. Runne*  
 NOTARY PUBLIC

Map No 547-2  
 (App. No 587-2)

STATE OF SOUTH DAKOTA  
County of Hughes } ss.

Pierre, South Dakota, June 9, 1960

This is to certify that the foregoing application was received by the Commission at 8:15 o'clock  
6 m. upon the 17<sup>th</sup> day of March, 1960.

State Water Resources Commission  
By: Burton Jones  
Chief Engineer, Executive Officer

Number of permit 587-2

Date of first receipt of application March 12, 1960

Date of return to applicant for correction, amendments or changes required as follows: March 15, 1960

Date of receipt of corrected application March 23, 1960

Date from which applicant may claim right March 12, 1960

Approved June 8, 1960, Recorded in Book 6 Page 78

This is to certify that we have examined the foregoing application for a permit to appropriate water of the State of South Dakota, and we hereby grant the same as stated herein, subject, however, to the following limitations and conditions:

1st. The equivalent of at least one-fifth of the work above specified is to be completed on or before December 8, 1960

2nd. The whole of said work is to be completed on or before June 8, 1961

3rd. The limit of time for proof of beneficial use of water appropriated in accordance herewith is June 8, 1961

4th. The water appropriated shall be used for the purpose of Commercial & Industrial

5th. The prior right of all persons who, by compliance with the laws of the State of South Dakota, have acquired a right to the use of water must not be injuriously affected by this appropriation.

6th. The amount of the appropriation herein granted shall not exceed .022 cubic feet per second; neither shall it exceed the capacity of the above described system of diversion works, nor the least amount of water that experience may hereafter indicate as necessary for ~~the production of crops~~ in the exercise of the best husbandry, and further, said appropriation must be limited to not more than one-seventh (1/70) of one cubic foot of water per second of time for each acre of land to which water is actually ~~used for the purposes above stated~~ used for the purposes above stated on or before June 8, 1961; said water to be used during the following described annual period:

Continuously

Witness my hand this 9<sup>th</sup> day of June, 1960

State Water Resources Commission  
By: Robert Jones  
Chief Engineer, Executive Officer

Certificate of Construction Issued JULY 6, 1971

Water License Issued JULY 6, 1971

Remarks by the Applicant:

The two wells as shown on the attached linen plot as prepared by Vinal Francis, Registered Surveyor, are identical in structure, depth, etc. The water is used to supply the Villa Rancharo Shopping Center which is just east of Ellsworth Air Force Base.

Form 2A -- Wells (Supplement to Form 2)

9. (Continued)

III. Well Specifications

(a) Hole and casing

Size of drill hole or excavation ..... 36 inches ..... , Depth .. 20 feet .....

Type of casing .... CONCRETE .....  
(wood, concrete, steel, etc.)

Size of casing ..... 36 INCHES ..... , Thickness of casing ..... # 5 inches .....

Length of casing ..... If collection gallery, length, size and depth of  
gallery .. 150 feet 8 inch galvanized, 18 feet .....

(b) Screens

Type of perforated screen ..... none .....

Size of perforated screen ..... none .....  
(diameter) (length)

Thickness of gravel pack .. 3 feet (gallery) length of gravel pack .. full length of galle

(c) Water Bearing Materials

Distance to water .. 13 feet ..... Character of water bearing materials ..... pea gravel

Thickness of water bearing material ..... 3 feet .....

(d) Pump and Motor

Type of pump ..... submersible .....  
(centrifugal, propeller, mixed flow, etc.)

Name of pump ..... REDA ..... , size ..... 600 gallons per ~~hour~~ HOUR

Kind of motor ..... ELECTRIC .....  
(gasoline, electric, diesel, etc.)

Horsepower ..... 1/2 ..... , Name of Motor .....

(e) Complete well

Capacity .. 400 gallons at drawdown of .. 3 1/2 feet ..... Estimated cost .. 2,000.00 each

(f) Owner of land upon which well is located .. DOUBLE H DEVELOPMENT CORPORATION, Name

... BOX 1170 ... RAPID CITY, SOUTH DAKOTA Address

(g) Distance to nearest existing wells

On same owner's property ..... rods. On property owned by others ..... 800 ..... rods



WATER LICENSE NO. 587-2

(1) WHEREAS, On the 12th day of March A. D. 19 60

Double H. Development Corporation

made Water Right Application No. 587-2 for a permit to use .022 (10 G.P.M.) cubic feet per second of the waters of ground water

County of Pennington, State of South Dakota, for Commercial

purposes; and

(2) WHEREAS, On the 9th day of June A. D. 19 60

Permit No. 587-2, with a date of priority of March 12, 1960

was issued to said applicant for the diversion of said water, and provided for the completion of construction of the water supply system therein described on or before the 8th day of June A. D. 19 61 and for the application to beneficial use of said water on or before the 8th day of June A. D. 19 61

and:

(3) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota relating to completion of the construction of the water supply system and is entitled to divert .022 (10 G.P.M.) cubic feet per second of water for beneficial use and.

(4) WHEREAS, It is hereby certified that the applicant has complied with the provisions of the laws of the State of South Dakota relating to the application of water to beneficial use of the following extent.

water is used for commercial purposes in operation of shopping center.

(5) NOW, THEREFORE, By the virtue of the authority vested in us by the laws of the State of South Dakota, We hereby grant and confirm to Double H. Development Corporation

\_\_\_\_\_ of Rapid City, S.D.

the holder \_\_\_\_\_ and owner \_\_\_\_\_ of said permit No. 587-2 a water right, dating from March 12, 1960

\_\_\_\_\_ to use of .022 (10 G.P.M.) cubic feet per second of the waters of ground water

in the County of Pennington and State of South Dakota, or so much thereof as may be necessary for the purposes hereinbelow mentioned, to be diverted at Well No. 1, North 6<sup>0</sup> 27' West, 1062.5 feet and Well No. 2, North 83<sup>0</sup> 46' West, 1803.4 feet, both from the center, Section 17, T2N, R9E

and ~~XXXXXXXXXXXXXXXXXXXX~~ conducted to various service connections

for the purpose of Commercial use

Subject to any limitations listed in Water Right Permit No. 587-2 and subject to the laws of the State of South Dakota

WITNESS, My hand and seal of our office at Pierre, South Dakota  
this 6th day of July A. D.  
Nineteen Hundred and Seventy-one

WATER RESOURCES COMMISSION

By: \_\_\_\_\_  
Chief Engineer, Executive Officer, **J.W. GRIMES**

Permit No. 587-2

Water Diversion No. 2 RAPID CREEK Water District

CERTIFICATE OF CONSTRUCTION

This is to Certify, That Double H. Development Corporation

\_\_\_\_\_ the holder \_\_\_\_\_ of  
Permit No. 587-2, issued upon Application No. 587-2, bearing date of priority of March 12, 1960  
\_\_\_\_\_ authorizing the diversion of .022 cu. ft. per second of the waters of \_\_\_\_\_  
ground water County of Fennington, State of South Dakota at \_\_\_\_\_  
Well No. 1, North 6° 27' West, 1062.5 feet and Well No. 2, North E3° 46' West,  
1803.4 feet, both from the center, Section 17, T2N, R9E  
\_\_\_\_\_, for Commercial

purposes, has \_\_\_\_\_ complied with the provisions of the laws of the State of South Dakota relating to proof of  
completion of the works of diversion set out and described in said Permit; that said works are found in satisfactory  
condition for diverting and conveying to the place of intended use .022 (10 G.P.M.) cu. ft. per second of water.

Date July 6, 1971

WATER RESOURCES COMMISSION

By:

**J.W. GRIMES, Executive Officer**

(First Publication on or before May 12, 1960)

### APPROPRIATION OF WATER

Office of State Water Resources Commission,

Pierre, S. Dak., April 22, 1960

Notice is hereby given that the Double H. Development Corporation whose postoffice address is Rapid City S. Dak., has made an application in accordance with the provisions of the water laws of South Dakota for a permit to appropriate for beneficial use .022 cubic feet of water per second of time from ~~the~~ ground water through ~~one~~ two wells ~~are~~ the point of diversion of which is to be located ~~on the~~ SW 1/4 NW 1/4 Sec 17, and SE 1/4 1/4 of the NW 1/4 of Section 17 Twp. 2N Range 9E Said water to be used for the purpose of providing ~~irrigation of the~~ waters for villa Ranchero shopping center

This application will be taken up by the State Water Resources Commission at their office at Pierre for consideration upon the 7th day of June, 1960, at 2 P.M. All interested persons may appear and be heard.

Appropriate action will be taken by the Water Resources Commission after suitable time has elapsed for the consideration of any or all information presented.

State Water Resources Commission

By:

~~Chief Engineer~~  
 Burton F. Jones  
 Water Right Specialist

cc: E.H. Lighter - Manager  
 Rapid City Daily Journal  
 Rapid City, South Dakota

# PROOF OF PUBLICATION

STATE OF SOUTH DAKOTA }  
County Pennington } ss.

E. H. Lighter being duly sworn, deposes and says the annexed printed copy of Notice of Intention to Appropriate Water was taken from the Rapid City Daily Journal a newspaper which during the whole time of publication of said notice herein after stated, has been and is printed and published in the City of Rapid City County of Pennington and State of South Dakota; that the said notice was published in said newspaper on the following dates:

- April 26
- May 3
- May 10
- May 17

in each and every issue of the full number thereof, the first publication being made on the 26th day of April 1960 and the last publication on the 17th day of May 1960, upon which days or times of publication aforesaid the newspaper was regularly published, and that during the whole time of said publication he was Business Manager the printer and publisher of the said newspaper.

E. H. Lighter

Subscribed and sworn to before me this 17th day of May A. D. 1960

[Signature]

Notary Public Pennington County, S. D.

Apr. 26, May 3, 10, 17  
**APPROPRIATION OF WATER**  
 Office of State Water Resources Commission  
 Pierre, S. Dak., April 22, 1960  
 Notice is hereby given that the Double H. Development Corporation whose post-office address is Rapid City, S. Dak., has made an application in accordance with the provisions of the water laws of South Dakota for a permit to appropriate for beneficial use .622 cubic feet of water per second of time from ground water through two wells, the point of diversion of which are to be located in the SW1/4NW1/4 Sec 17, and SE1/4 of the NW1/4 of Section 17 Twp. 2N Range 2E. Said water to be used for the purpose of providing waters for Villa Rancharo shopping center.  
 This application will be taken up by the State Water Resources Commission at their office at Pierre for consideration upon the 7th day of June, 1960, at 2 P.M. All interested persons may appear and be heard.  
 Appropriate action will be taken by the Water Resources Commission after suitable time has elapsed for the consideration of any or all information presented.  
 State Water Resources Commission  
 By: Burton F. Jones  
 Water Right Specialist

# STATE OF SOUTH DAKOTA



## DEPARTMENT OF STATE

United States of America, Secretary's Office  
State of South Dakota,

This is to certify that the attached instrument of writing is a true, correct and examined copy of

ARTICLES OF INCORPORATION

of

F. M. BROWN & COMPANY

and the whole thereof, and has been carefully compared with the original now on file in this office and found correct.

The within document, book, instrument, paper or law shall not be received in evidence in any court of this state unless this certificate is countersigned by the state treasurer with a statement of the fees received.

In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of the State of South Dakota, at the City of Pierre, the Capital, on this 6th day of December 1921

*[Signature]*  
Secretary of State.

FEES, \$ 15.00  
COUNTERSIGNED BY

*[Signature]*  
State Treasurer.

ARTICLES OF INCORPORATION

OF

DOUBLE H DEVELOPMENT CORPORATION

The undersigned natural persons of the age of twenty-one years or more, acting as incorporators of a corporation (hereinafter referred to as the "Corporation") under the provisions of the South Dakota General Incorporation Law (hereinafter referred to as the "Act"); adopt the following Articles of Incorporation.

ARTICLE I

Name

The name of the Corporation is Double H Development Corporation.

ARTICLE II

Period of Duration

The term for which the Corporation shall exist shall be perpetual.

ARTICLE III

Purposes and Powers

Section 1. PURPOSES. The Purposes for which the Corporation is organized are as follows:

(a) To acquire by purchase, lease, exchange or otherwise, land, buildings, and hereditaments of any nature or description, and any estate or interests therein of whatsoever kind and wherever situated, and any rights ever or connected with such lands, and to turn the same to account as may seem expedient; to improve and hold lands for investment purposes; to deal in lands, buying and selling real property of any description; to deal in leasehold estates and other estates in land less than the fee thereof; to sublet real property of every kind, character and description, and to relet and underlet any and all such real property; to engage in the business of subdividing lands and to hire, buy, sell and deal in any and all classes of real property and improvements thereon and interests therein.

(b) To develop and turn to account any land acquired by or in which the Corporation is in any way interested and in particular, but without limiting the generality thereof, by laying out and preparing the same for building sites and building purposes, and by constructing, reconstructing, altering, pulling down, decorating, maintaining, repairing, furnishing, fitting up and improving buildings of every character, kind and description including, but without limiting the generality thereof, offices, flats, apartments, houses, hotels, motels, auto courts, restaurants, places of amusement and recreation, market and shopping centers, parking areas, stores, store buildings, factories, mills, warehouses, shops, wharves, service stations, wagon, buildings, works and conveniences of all kinds, and by consolidating, or connecting or subdividing properties, and by leasing and disposing of the same.

(c) To construct, acquire, own, maintain, improve, develop, work, operate, control and manage any waterworks, gas works, reservoirs, roads, tramways, irrigation works, wharves, canals, tunnels, conduits, subways, electric power and heat and light supply works, telephone works, hotels, motels, auto courts, trailer courts, apartments, houses, garages, storage warehouses, factories, mills, clubs, restaurants, baths, places of worship, places of amusement and recreation, pleasure grounds, parks, gardens, stores, shops, dairies and other works and conveniences which the Corporation may think directly or indirectly beneficial and to contribute or otherwise assist or take part in the construction, maintenance, development, working, promotion, advertising, control and management thereof.

(d) To manage, land, buildings, and other property, whatsoever situated, whether belonging to the Corporation or not, and to collect rents and income, and to supply tenants, occupiers and others with all types and descriptions of services, advantages and conveniences; to supervise and manage all classes of properties, income bearing and otherwise for other persons, corporations and associations.

(e) To act as agent, broker or attorney-in-fact, on a commission basis or otherwise, for any other person, corporation or association, to negotiate sales, mortgages, deeds of trust and other encumbrances of properties of other persons, corporations and associations, real, personal and mixed, whatsoever situated; and generally to maintain, conduct and carry on the business of real estate agent and broker.

(f) To manufacture, buy or otherwise acquire, sell or otherwise dispose of, import, export, distribute and deal in, either as principal or agent, goods, wares and merchandise of every kind and description.

(g) To acquire and take over any business or undertaking carried on, upon, or in connection with, any land or building which the Corporation may desire to acquire or become interested in, or have an interest in, and the whole or any of the assets or liabilities of such business or undertaking, and to carry on the same, or to dispose of, remove or put an end thereto, or otherwise deal with the same as may seem expedient.

(h) To establish and carry on, and to promote the establishment and carrying on, upon any property in which the Corporation is interested, or any business which may be conveniently carried on upon or in connection with such property, and the establishment of which may seem calculated to directly or indirectly enhance the value of the Corporation's interest in such property or facilitate the disposal thereof.

(i) To make, enter into, perform and carry out contracts and agreements of all kinds with builders, property owners, tenants and others, and to advance and lend money, either with or without security, and generally to such persons and upon such terms and conditions as the Corporation may think fit, and in particular, but without limiting the generality thereof, to persons undertaking to build or improve any property in which the Corporation is interested, and to tenants, builders and contractors.

(j) To engage in and carry on in all of their respective branches, the businesses of builder, contractor, engineer, architect, decorator and dealer in brick, cement, aggregates, lumber, hardware and other building and construction materials.

(k) To engage generally, in the business of financing any lawful enterprise in any lawful way.

(l) To act as agent, factor or broker in the purchase, sale or lease of lands or property of any kind; to act as agent or broker in negotiating loans, placing bond issues, promoting and financing the construction of improvements of any description, and in selling or purchasing corporate shares, bonds, debentures or other securities.

(m) To act as agent in soliciting and receiving applications for fire, earthquake, lightning, windstorm, tornado, casualty, automobile, plate glass, fidelity, surety, boiler, elevator, sprinkler, health, accident, workman's compensation, liability, theft, burglary, forgery, rent use and occupancy, marine, credit and life insurance and all other kinds of insurance; to collect premiums upon insurance, and to do such other business as may be delegated to insurance agents; and to conduct a general insurance agency and insurance brokerage business.



(n) To exploit, develop, mine, extract, drill and operate for, produce, process, refine, prepare for market, transport, store, market and sell, in crude or refined form, petroleum, oil and gas and any other type or variety of mineral, ore or deposits, and generally to exploit and develop any and all natural resources connected with and contained in or upon any land acquired by the Corporation or in which it has any interest and to buy, sell, lease, hold and dispose of such real and personal estate as may be necessary and convenient, and to construct and erect such pipe lines, buildings, machinery and appliances as may be necessary and convenient in conducting such business of said Corporation.

(o) To do everything necessary, proper, advisable, or convenient for the accomplishment of the purposes hereinabove set forth, and to do all other things incidental thereto or connected therewith, which are not forbidden by the Act, by other law, or by these Articles of Incorporation.

(p) To carry out the purposes hereinabove set forth in any state, territory, district or possession of the United States, or in any foreign country, to the extent that such purposes are not forbidden by the law of such state, territory, district or possession of the United States, or by such foreign country; and, in the case of any state, territory, district, or possession of the United States, or any foreign country, in which one or more of such purposes are forbidden by law, to limit the purpose or purposes which the Corporation proposes to carry on in such state, territory, district or possession of the United States, or foreign country, to such purpose or purposes as are not forbidden by the law thereof in any certificate for application to do business in such state, territory, district or possession of the United States, or foreign country.

Section 2. STATUTORY POWERS. The Corporation shall have and exercise the statutory powers specified in Title Eleven (11) of DUC 1939 and all acts amendatory thereto.

Section 3. SPECIFIC POWERS. Subject to any specific written limitations or restrictions imposed by the Act, by other law, or by these Articles of Incorporation, the Corporation shall have and exercise the following specific Powers:

(a) To have the capacity to act possessed by natural persons.

(b) To elect or appoint officers and agents of the Corporation, and define their duties and fix their compensation.

(c) To act in the State of South Dakota and in any state, territory, district, or possession of the United States, or in any foreign country, in the capacity of agent or representative for any individual, association or corporation, or other legal entity, and as such to develop and extend their business and aid in any of their lawful enterprises.

(d) To acquire (by purchase, exchange, lease, hire or otherwise), hold, own, develop, improve, manage, operate, let as lessor, sell, assign, convey or mortgage, or otherwise dispose of and encumber, either alone or in conjunction with others, real estate of every kind, character and description whatsoever and wherever situated, and any interest therein, and to pay or exchange therefor in whole or in part with cash or other property, or with shares, bonds or other obligations of this Corporation.

(e) To acquire (by purchase, exchange, lease, hire or otherwise), hold, own, manage, operate, mortgage, pledge, hypothecate, exchange, sell, deal in and dispose of, either alone or in conjunction with others, personal property and commodities of every kind, character and description whatsoever and wherever situated, and any interest therein, and to pay or exchange therefor in whole or in part with cash or other property, or with shares, bonds or other obligations of this Corporation.

(f) To purchase, take, receive, subscribe for, or otherwise acquire, own, hold, vote, use, employ, mortgage, lend, pledge, exchange, sell, assign, transfer, or otherwise dispose of and otherwise use and deal in and with, shares of the stock of, voting trust certificates for shares of the stock of, or any bonds or other securities, evidences of indebtedness or other interests in, or obligations of, other domestic or foreign corporations, associations, partnerships or individuals, or direct or indirect obligations of the United States or of any government, state, territory, governmental district or municipality or any instrumentality thereof, and to pay or exchange therefor in whole or in part, with cash or other property or with shares, bonds or other obligations of this Corporation, and, while the owner or holder of any such shares, or voting trust certificates for shares, or bonds or other securities, evidences of indebtedness or other interests in, or obligations of any such other corporation or corporations, to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including the right to vote thereon and to consent in respect thereof for any and all purposes; to hold for investment purposes securities of any and every description in whatsoever manner acquired.

(g) To aid by loan, guaranty, subsidy or in any other manner whatsoever, insofar as may be permitted by law, any corporation or corporations, organized under the laws of the State of South Dakota or of any other state, or of any country, nation or government, any shares or voting trust certificates for shares or bonds or other securities or evidences of indebtedness or obligations, of which shall be held by or for this Corporation, or in which, or in the welfare of which, this Corporation shall have any interest, and to do any acts or things designed to protect, preserve, improve or enhance the value of any such shares, voting trust certificates, bonds or other securities or evidences of indebtedness or obligations.

(h) To join and become a party to, and to participate in, any plan or agreement for the reorganization of, or the readjustment of the capital structure of, or for the composition of the creditors of, any other corporation, shares of which, or voting trust certificates for the shares of which, or bonds, or other securities or evidences of indebtedness or obligations created by which, this corporation may own, hold or be possessed of, or entitled to a beneficial interest in, and to possess, exercise and enjoy any and all rights, powers and privileges, for any purpose under the terms of such plan or agreement, to the same extent that an individual would be entitled to do.

(i) To purchase, take, receive, or otherwise acquire, hold, own, pledge, transfer, or otherwise dispose of the shares of the Corporation, but it shall not purchase, either directly or indirectly, its own shares except out of its surplus funds by resolution of the holders of the shares of the (Class A Voting Stock or by their unanimous consent in writing, except as permitted by the Act, by other law, or by these Articles of Incorporation.

(j) To acquire (by application, assignment, purchase, exchange, lease, hire, or otherwise), hold, own, use, license, lease, sell, convey or mortgage, either alone or in conjunction with others, the absolute or any partial or qualified interest in and to charters, franchises, licenses, permits, whether indefinite or otherwise, certificates of convenience and necessity, certificates of authority, memberships, seats on commodity and other exchanges, and other authorizations.

(k) To acquire (by application, assignment, purchase, exchange, lease, hire or otherwise), hold, own, use, license, lease and sell either alone or in conjunction with others, the absolute or any partial or qualified interest in and to inventions, improvements, letters patent and applications therefor, licenses, formulas, privileges, processes, copyrights and applications therefor, trade-marks and applications therefor, and trade names and applications therefor.

(l) To acquire (by purchase, exchange, lease, hire or otherwise), hold, own, use, assign, lease, sell, convey, mortgage, or in any manner dispose of, either alone or in conjunction with others, the good will, rights, property and business of any person, entity, partnership, association or corporation and to conduct in any lawful manner the whole or any part of the business thus acquired.

(m) To enter into any lawful arrangement for sharing profits, union of interest, reciprocal association, or co-operative association with any corporation, association, partnership, individual, or other legal entity, for the carrying on of any business, and to enter into any general or limited partnership.

(n) To enter into, make, perform and carry out, or cancel and rescind contracts for any lawful purposes pertaining to its business with any person, firm, association, private, public or municipal corporation, any state, territory, municipality, district, or possession of the United States or any foreign government, colony or body politic.

(o) To make any guaranty respecting stocks, dividends, securities, indebtedness, interest, contracts or other obligations created by any individual, partnership, association, corporation, or other entity.

(p) To promote, aid and assist, financially or otherwise, corporations, copartnerships, joint stock companies, syndicates, trustees, associations and individuals to the extent legally permissible to a corporation organized under the laws of the State of South Dakota; and to a like extent to endorse or underwrite the shares, bonds, debentures, notes, securities or other obligations or undertakings of any corporation, copartnership, joint stock company, association, syndicate, trustee or individual.

(q) To borrow or raise moneys and, from time to time, without limit, as to amount: to execute, accept, endorse, and deliver, as evidence of such borrowing, all kinds of securities, including, but without limiting the generality thereof, promissory notes, drafts, bills of exchange, warrants, bonds, debentures and other negotiable or non-negotiable instruments and evidences of indebtedness; and to secure the payment and full performance of such securities by mortgage on, or pledge, conveyance, or assignment in trust of, the whole, or any part, of the assets of the Corporation, real, personal, or mixed, including contract rights, whether at the time owned or thereafter acquired; and from time to time to issue bonds, debentures, notes or other obligations, secured or unsecured, of the Corporation for moneys so borrowed, or in payment for property acquired or services rendered to it or for any other of the objects or purposes of the Corporation or in connection with its business.

(r) To lend money, invest its funds from time to time, and take and hold real and personal property as security for the payment of funds so loaned or invested; but to make no loans secured by the shares of the Corporation.

(s) To lend money to, and otherwise assist, its employees, other than its officers and directors; but to make no loans secured by the shares of the Corporation.

(t) To make donations for the public welfare or for charitable, scientific or educational purposes; and in time of war to make donations in aid of war activities.

(u) The Corporation shall indemnify any director, officer, or employee, or former director, officer, or employee of the Corporation, or any person who may have served at its request as a director, officer, or employee of another corporation in which it owns shares of capital stock, or of which it

is a creditor, against expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of being or having been such director, officer, or employee, except in relation to matters as to which he shall be adjudged in such action, suit, or proceeding to be liable for negligence or misconduct in the performance of duty. The Corporation may also reimburse to any director, officer, or employee the reasonable costs of settlement of any such action, suit, or proceedings, if it shall be found by a majority of a committee composed of the directors not involved in the matter in controversy (whether or not a quorum) that it was to the interests of the Corporation that such settlement be made and that such director, officer, or employee was not guilty of negligence or misconduct. Such rights of indemnification and reimbursement shall not be deemed exclusive of any other rights to which such director, officer, or employee may be entitled under any by-law, agreement, vote of shareholders, or otherwise.

(v) In connection with the purchase, lease or other acquisition by the Corporation of any property of whatsoever nature and wheresoever situated, to pay therefor in cash or property or to issue in exchange therefor shares, bonds or other securities or evidences of indebtedness of the Corporation, and to assume in connection with any such acquisition any liabilities of any person, firm, association or corporation.

(w) To conduct its business in all or any of its branches in the State of South Dakota or in any or all other states, territories, possessions, districts, colonies and dependencies of the United States and in any and all foreign countries, and to have one or more offices within and without the State of South Dakota.

(x) To do any and all things necessary, suitable, convenient or proper for, or in connection with, or incidental to, the accomplishment of any of the purposes or attainment of any one or more of the objects herein enumerated, or designed directly or indirectly to promote the interests of this Corporation, or to enhance the value of any of its properties; and in general to do any and all things and exercise any and all powers which it may now or hereafter be lawful for the Corporation to do or to exercise under the laws of the State of South Dakota that may now or hereafter be applicable to this Corporation.

(y) The business or purpose of the Corporation is, from time to time and at any time, to do one or more of the acts and things herein set forth, and to have all the powers, rights and privileges now or hereafter conferred by the laws of the State of South Dakota upon corporations organized under the general laws of South Dakota authorizing the formation of corporations.

Section 4. CONSTRUCTION OF POWERS AS PURPOSES. The powers enumerated in Sections 2 and 3 of this Article shall be construed as purposes as well as powers, and the matters expressed in such Sections, and each Clause thereof, shall, unless otherwise expressly provided, be in no wise limited by reference to, or inference from, the terms of any other Clause, each of such Sections and Clauses being regarded as creating independent powers and purposes. The enumeration of specific additional powers in the Clauses of Section 3 shall not be construed as limiting or restricting in any manner either the meaning of general terms used in this Article or the scope of the powers of the Corporation created thereby; nor shall the expression of one thing be deemed to exclude another not expressed, although it be of like nature. The Corporation shall not, however, exercise any power in any state, territory, district, or possession of the United States, or in any foreign country, which a corporation organized under the laws thereof could not engage in or exercise.

Section 5. DIRECTION OF PURPOSES AND EXERCISE OF POWERS BY DIRECTORS. Subject to any specific provisions, limitations or restrictions imposed by the Act, by other law, or by these Articles of Incorporation, the Board of Directors of the Corporation is hereby authorized to direct, by resolution duly adopted, the purposes and to exercise the powers set forth in this Article, without previous authorization or subsequent approval by the Shareholders of the Corporation; and all parties dealing with the Corporation shall have the right to rely upon any action taken by the Corporation pursuant to such authorization by the Board of Directors.

## ARTICLE IV

Authorized Shares

The aggregate number of shares, which the Corporation shall have authority to issue, is 102,000 shares, consisting of:

2,000 shares with the par value of \$50. per share;  
100,000 shares with the par value of \$ 5. per share.

## ARTICLE V

Designation of Each Class of Shares, and Statement of Preferences, Limitations, and Relative Rights in Respect of the Shares of Each Class

Section 1. DESIGNATION OF CLASSES OF SHARES. One thousand (1,000) shares of the authorized shares, with the par value of \$50. per share, having an aggregate par value of \$50,000, shall be known as "Preferred Stock-Series A"; one thousand (1,600) shares of the authorized shares, with the par value of \$50. per share, having an aggregate par value of \$80,000, shall be known as "Preferred Stock-Series B"; ten (10) shares of the authorized shares with a par value of \$5. per share, having an aggregate par value of \$50, shall be known as "Class A Voting Stock"; and ninety-nine thousand nine hundred and ninety (99,990) shares of the authorized shares with the par value of \$5. per share, having an aggregate par value of \$499,990, shall be known as "Class B Non-Voting Stock". All shares of Preferred Stock shall be identical as to dividends. Wherever the term "Preferred Stock" appears in these Articles of Incorporation, without further limitation or qualification, it shall be deemed to mean and include both Preferred Stock-Series A and Preferred Stock-Series B. Wherever the term "Common Stock" appears in these Articles of Incorporation, without further limitation or qualification, it shall be deemed to mean and include Class A Voting Stock and Class B Non-Voting Stock.

Section 2. DIVIDENDS ON PREFERRED STOCK.

Clause (a). Source, Rate, Dates and Preferences. The holders of the Preferred Stock-Series A and the Preferred Stock-Series B shall be entitled to receive, when and as declared by the Board of Directors, out of the unreserved earned surplus of the Corporation, cash dividends at the rate of \$3. per share, annually, and no more, payable quarterly, semi-annually, or annually as the Board of Directors may from time to time determine. Such dividends on said Preferred Stock shall be cumulative and shall be payable before (i) any dividends shall be paid upon or set apart for stock of any other class, or (ii) any sums shall be paid or set apart for the redemption or the purchase for retirement, either in part or of the whole of any of said Preferred Stock, pursuant to the provisions of Section 3 or Section 4 of this Article. Accumulations of dividends shall not bear interest.

Clause (b). Limitation upon Dividends. No dividends shall be paid upon the Preferred Stock of the Corporation under any one of the following circumstances:

Item (i). Unearned Surplus. If the surplus from which it is proposed to pay such dividends, is due to, or arises from, unrealized appreciation in value, or from a revaluation of assets; or

Item (ii). Reserved Earned Surplus. If the earned surplus from which it is proposed to pay such dividends, has been set aside by resolution of the Board of Directors of the Corporation to create a reserve or reserves for any proper purpose, or purposes, and remains so set aside; or

Item (iii). Insolvency. If the Corporation is, or is thereby rendered, incapable of paying its debts as they become due in the usual course of business.

Item (iv). Impairment of Capital. If the stated capital of the Corporation and capital surplus, or either, is thereby impaired.

### Section 3. REDEMPTION OF PREFERRED STOCK.

#### Clause (a). Right to Redeem and Price.

Item (i). Preferred Stock-Series A. On and after January 1, 1954, the Preferred Stock-Series A shall be redeemed by the Corporation, by resolution of the holders of its Class A Voting Stock, in an amount each fiscal year equal to one-half of the unreserved earned surplus remaining after all dividends accrued and unpaid upon the issued and outstanding shares of both the Preferred Stock-Series A and the Preferred Stock-Series B, up to and including the date fixed for redemption, have been paid or deposited with a bank or trust company in accordance with Clause (b) of this Section, until all of the issued and outstanding shares of said Preferred Stock-Series A shall have been fully redeemed. Prior to January 1, 1954, said Preferred Stock-Series A may be redeemed, in whole or in part, at the option of the Corporation, by resolution of the holders of its Class A Voting Stock, at any time and from time to time, but such redemption shall be at the sole discretion of the Corporation. The redemption price shall be \$50. per share, plus an amount equal to dividends accrued and unpaid on such shares of Preferred Stock-Series A, up to and including the date fixed for redemption, whether or not earned or declared. The date fixed for redemption shall coincide with a regular dividend date. The Corporation may, at its option, by resolution of the holders of its Class A Voting Stock, redeem, in whole or in part, at any time and from time to time, any of the issued and outstanding Preferred Stock-Series A over and above any mandatory requirement as to redemption for the current year. In the event that the Corporation does so redeem an excess number of shares of such stock above any mandatory yearly requirements, it shall be allowed to credit such overage to quotas for subsequent years, and thereby avoid being in default of the terms of this provision.

Item (ii). Preferred Stock-Series B. On and after January 1, 1954, and not before, the Preferred Stock-Series B may be redeemed, in whole or in part, at the option of the Corporation, by resolution of the holders of its Class A Voting Stock, at any time or from time to time, except when the Corporation is in default of the mandatory redemption requirements in Preferred Stock-Series A as provided in Item (i) of this Clause, at a price of \$2.50 per share plus an amount equal to dividends accrued and unpaid on such Preferred Stock-Series B up to and including the date fixed for redemption, whether or not earned or declared. The date fixed for redemption shall coincide with a regular dividend date.

Clause (b). Notice. Effect of Deposit of Redemption Monies. Not less than 30 nor more than 60 days previous to the date fixed for redemption, a notice specifying the time and place thereof shall be given

shareholders of record of the Preferred Stock to be redeemed, in the names and at the addresses as the same shall appear in the Shareholders' Ledger, and by publication at least once in at least one newspaper printed in the English language of general circulation in the County of Pennington, South Dakota, but no failure to mail such notice, nor any defect therein nor in the mailing thereof, shall affect the validity of the proceedings for the redemption of any shares of the Preferred Stock so to be redeemed. At any time after notice of redemption has been given by publication in the manner prescribed above to the holders of the Preferred Stock so to be redeemed, the Corporation may deposit the aggregate redemption price in trust with a bank or trust company named in such notice, for payment on the date fixed for redemption or prior to such date, if so determined by the Board of Directors to the holders of the shares so to be redeemed, on endorsement, if required by the Board of Directors, and upon surrender of the certificates for such shares. Upon the deposit of such money or, if no such deposit is made, upon such redemption date (unless the Corporation shall default in making payment of the redemption price as set forth in such notice), such holders shall cease to be shareholders with respect to such shares; and from and after the making of such deposit, or, if no such deposit is made, after the redemption date (the Corporation not having defaulted in making payment of the redemption price as set forth in such notice), such holders shall have no interest in, or claim against, the Corporation, and shall have no voting or other rights with respect to such shares, except the right to receive such monies on the date fixed for redemption or earlier if so determined from such bank or trust company, or from the Corporation, without interest thereon, upon endorsement, if required, and surrender of the certificate; and the shares represented thereby shall no longer be outstanding. In event the holder of any such shares of the Preferred Stock shall not, within six years after such deposit, claim the amount deposited as above stated for the redemption thereof, the depository shall, upon demand, pay over to the Corporation such unclaimed amount so deposited, and the depository shall thereupon be relieved of all responsibility therefor to such holder.

Clause (c). Method of Redemption. The Corporation shall not call for redemption any shares of Preferred Stock-Series A or Preferred Stock-Series B, unless either

Item (i). All shares of the particular series outstanding are called for simultaneous redemption; or

Item (ii). If less than all shares of the particular series outstanding are called for redemption at any time, the number of shares called for redemption from each registered holder at that time shall be that number which bears the same proportion to the total number of shares of such series registered in the name of such holder, as the number of shares called for redemption at that time bears to the total number of shares of such series then outstanding.

Clause (d). Limitations upon Redemption. No Preferred Stock shall be redeemed under any one of the following circumstances:

Item (i). Insolvency. If the Corporation is, or is thereby rendered, incapable of paying its debts as they become due in the usual course of business; or

Item (ii). Impairment of Certain Other Capital Commitments. If such redemption reduces the net assets of the Corporation below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the Corporation upon dissolution.

Clause (e). Cancellation of Redeemed Stock. The redemption of shares of the Preferred Stock shall effect a cancellation of such shares, and the same shall not be reissued; and the Corporation shall from time to time take appropriate action to reduce the number of shares of the Preferred Stock which the Corporation is authorized to issue.

Section 4. PURCHASE FOR RETIREMENT OF PREFERRED STOCK.

Clause (a). Right to Purchase and Price. On and after January 1, 1954, and not before, the Preferred Stock (Series A or Series B) may be purchased for retirement, in whole or in part, at the option of the Corporation, by resolution of the holders of its Class A Voting Stock, at any time or from time to time, either by public or private purchase, upon the best terms obtainable, through public offers, if by public purchase, or through private offers, if by private purchase, but in no event at a price (i) in respect of any shares of Preferred Stock-Series A greater than \$50 per share nor (ii) in respect of any shares of Preferred Stock-Series B greater than \$52.50 per share, and subject always to the provisions of the following Sections.

Clause (b). Method of Purchase. Both the Corporation and its subsidiaries may purchase the Preferred Stock-Series A and the Preferred Stock-Series B either in whole or in part without making an invitation for tenders, or a purchase offer in writing to all holders of the particular series or upon the same terms. If less than all shares of a particular series outstanding are to be purchased, the shares to be acquired shall be purchased by the Board of Directors from shares offered at the lowest price.

Clause (c). Limitations upon Purchase. No Preferred Stock shall be purchased for retirement under any one of the following circumstances:

Item (i). Insolvency. If the Corporation is, or is thereby rendered, incapable of paying its debts as they become due in the usual course of business; or

Item (ii). Impairment of Certain Other Capital Obligations. If such purchase reduces the net assets of the Corporation below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the Corporation upon dissolution.

Item (iii). While Corporation in Default of Required Redemption of Preferred Stock-Series A. No Preferred Stock shall be purchased for retirement during any period of time when the Corporation is in default of the mandatory redemption requirements on Preferred Stock-Series A, as provided in Section 3, Clause (a), Item (i) of this Article.

Clause (d). Cancellation of Purchased Stock. The purchase for retirement of shares of the Preferred Stock shall effect a cancellation of such shares, and the same shall not be reissued; and the Corporation shall from time to time take appropriate action to reduce the number of shares of the Preferred Stock which the Corporation is authorized to issue.

Section 5. DIVIDENDS ON CLASS A VOTING AND CLASS B NON-VOTING STOCK.

Clause (a). Source and Medium. Subject to the provisions of the foregoing Sections, and not otherwise, the holders of the Class A Voting and Class B Non-Voting Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the remaining unreserved earned surplus of the Corporation, dividends payable either in cash, in property, or in shares of the Class B Non-Voting Stock of the Corporation. No distinction shall be made between these two classes of stock with respect to payment of dividends and they shall be equal to each other in this respect.



Clause (b). Limitations upon Dividends. No dividends shall be paid upon the Class A Voting and the Class B Non-Voting Stock of the Corporation under any one of the following circumstances:

Item (i). Unearned Surplus. If the surplus, from which it is proposed to pay such dividends, is due to, or arises from, unrealized appreciation in value, or from a revaluation of assets; or

Item (ii). Reserved Earned Surplus. If the earned surplus, from which it is proposed to pay such dividends, has been set aside by resolution of the Board of Directors of the Corporation to create a reserve or reserves for any proper purpose or purposes, and remains so set aside; or

Item (iii). Insolvency. If the Corporation is, or is thereby rendered, incapable of paying its debts as they become due in the usual course of its business; or

Item (iv). Impairment of Capital. If the stated capital of the Corporation and capital surplus, or either, is thereby impaired; or

Item (v). Non-Payment of Dividends on Preferred Stock. If dividends in full on all outstanding shares of the Preferred Stock for all past dividend periods, and for the then current dividend period, shall not have been paid or been declared and set apart for payment,

Item (vi). While Corporation in Default of Required Redemption of Preferred Stock-Series A. If the Corporation is in default of the mandatory redemption requirements on Preferred Stock-Series A, as provided in Section 3, Clause (a), Item (1) of this Article.

Section 6. PURCHASE OF CLASS B NON-VOTING STOCK. So long as any of the Preferred Stock shall be outstanding, the Corporation shall not purchase, or otherwise acquire for value, any of the Class B Non-Voting Stock of the Corporation; or pay, set aside, or make available any moneys to or for a sinking fund for the purchase or redemption of any such Class B Non-Voting Stock. Provided, however, that none of these limitations shall apply to the purchase or acquisition by the Corporation of its Class A Voting Stock.

Section 7. ISSUE, TRANSFER, SALE AND PURCHASE OF CLASS A VOTING STOCK. No more than one share of Class A Voting Stock shall be issued to any one person, firm, association or corporation. The Corporation shall initially issue five (5) shares of its Class A Voting Stock and at no time shall there be less than five (5) shares of its Class A Voting Stock issued and outstanding. In no event shall the Corporation issue any shares of its Class A Voting Stock when there are five (5) shares thereof issued and outstanding unless an increase in this minimum number has been authorized by resolution of the holders of the issued and outstanding shares of its Class A Voting Stock. Subsequent to the initial issue of said Class A Voting Stock, the holders of the issued and outstanding shares shall determine to whom and for what consideration, not less than par, the same shall be issued. Before any holder of a share of Class A Voting Stock may sell or in any manner transfer or dispose of such share, he shall first offer it to the Corporation and the Corporation shall have the first option to purchase such share of Class A Voting Stock at a price not to exceed book value thereof plus any unpaid dividends declared thereon prior to or on the date of such purchase, said option to be exercised within (6) days of receipt by the Secretary of the Corporation of written notice by such shareholder notifying the Corporation of his desire to sell or otherwise dispose of such share of Class A Voting Stock and offering the same to the Corporation. The option to purchase by the Corporation shall be exercised by resolution of the remaining holders of the issued and outstanding shares of Class A Voting Stock. Failure of the Corporation to exercise said option within the time limited frees said stock from the restriction on sale and transfer. Upon the death of a holder of a share of Class A Voting Stock, said share of stock shall revert to the treasury of the Corporation without thereby effecting a cancellation

thereof, and the Corporation shall, within 60 days after receipt by its Secretary of written notice of the death of such shareholder and surrender of the Certificate for such share of Class A Voting Stock, pay to the person entitled thereto a sum not to exceed the book value of such share of Class A Voting Stock plus any unpaid dividends declared prior to or on the date of the death of such shareholder; this provision shall be binding upon the legatee and heirs of such deceased holder of said stock. Any share of Class A Voting Stock issued, held, sold, purchased, transferred or otherwise acquired or disposed of in violation of the terms of this Section shall be void and shall have no rights or privileges while it remains outstanding in violation of this Section. All actions by the holders of issued and outstanding shares of Class A Voting Stock with respect to the issue, transfer, sale and purchase of such stock by the Corporation shall be by a majority in number of such holders.

### Section 8. PRIORITY OF PREFERRED STOCK IN EVENT OF DISSOLUTION.

Clause (a). Nature of Priority. Subject to the remaining provisions of this Section, the Preferred Stock shall be preferred over the Common Stock as to the net assets of the Corporation, no matter in which liabilities of the Corporation such net assets are reflected on its balance sheet, including, but without limiting the generality thereof, liabilities for stated capital and surplus.

Clause (b). Preferred Stock in Event of Dissolution. In the event of any dissolution, liquidation or winding up of the Corporation, after due payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Preferred Stock-Series A shall be entitled to receive, out of the net assets of the Corporation, \$50. cash for each share plus an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, whether or not earned or declared, and no more, before any distribution shall be made to the holders of the Common Stock; and the holders of the Common Stock-Series B shall be entitled to receive, out of the net assets of the Corporation, \$2.50 cash for each share plus an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, whether or not earned or declared, and no more, before any distribution shall be made to the holders of the Common Stock. There shall be no priority between the Preferred Stock-Series A and the Preferred Stock-Series B as to the net assets upon dissolution, except as to the amount the shareholder shall receive.

Clause (c). Distribution on Preferred Stock if it is Impaired. If upon any dissolution, liquidation, or winding up, the net assets of the Corporation distributable among the holders of the Preferred Stock-Series A and the Preferred Stock-Series B shall be insufficient to pay in full the preferential amounts to which such holders are entitled respectively, then such net assets, or the proceeds thereof, shall be distributed among the holders of Preferred Stock-Series A and Preferred Stock-Series B ratably up to the amount of \$50. per share, then the holders of Preferred Stock-Series B shall be entitled to \$2.50 per share before any part of accrued and unpaid dividends may be paid upon either series of Preferred Stock to the holders thereof, but after such payment of said \$2.50 per share to the holders of said Preferred Stock-Series B, the remaining net assets, or proceeds thereof shall be distributed among the holders of both series of said Preferred Stock ratably in accordance with the sums which would be payable on such distribution if all sums payable were discharged in full.

Clause (d). Distribution on Common Stock. In event of any dissolution, liquidation or winding up of the Corporation, the holders of the Class A Voting Stock and the Class B Non-Voting Stock shall be entitled, after due payment or provision for payment of the debts and other liabilities of the Corporation, and the amounts to which the holders of its Preferred Stock shall be entitled, to share ratably, without priority or preference between said classes of stock, in the remaining net assets of the Corporation.

Section 9. ISSUE OF AND CONSIDERATION FOR CAPITAL STOCK. Fifty (50) shares of Class B Non-Voting Stock shall be issued by the Board of Directors for cash at \$10. per share, and the \$500. received in payment therefor shall constitute the initial stated capital of the Corporation, before receiving which it will not commence business, pursuant to the provisions of Article VII of these Articles of Incorporation. The remaining 99,940 shares of Class B Non-Voting Stock and the 10 shares of Class A Voting Stock may be issued for such consideration, not less than the par value thereof, as may be fixed from time to time by the Board of Directors; and the 2,000 shares of Preferred Stock may be issued for such consideration, not less than the par value thereof, as shall be fixed from time to time by the Board of Directors, subject, nevertheless, to allowance by the Corporation, out of the consideration received by it in payment for such shares, of the reasonable expenses of, and compensation for, the sale or underwriting of such Preferred Stock, not inconsistent with the laws of the State within which sold, without thereby rendering such shares not fully paid and non-assessable.

Section 10. RIGHT AND METHOD OF VOTING.

Clause (a). Class A Voting Stock. At every meeting of the shareholders, every holder of the Class A Voting Stock of the Corporation shall be entitled to one vote in person or by proxy. At each election for directors, every holder of the Class A Voting Stock of the Corporation shall have the right to vote, in person or by proxy, one vote for as many persons as there are directors to be elected and for whose election he has a right to vote. Any such shareholder present at any meeting of shareholders may vote the proxies that he holds for any absent member without impairing or limiting his vote or the vote of such absent shareholder.

Clause (b). Class B Non-Voting Stock. Holders of Class B Non-Voting Stock shall not be entitled to vote with respect to any questions, and the total number of such shares of stock issued shall be excluded from the total number of subscribed shares of stock in determining the number of shares required by law to be represented at any meeting or election. The holders of the Class B Non-Voting Stock shall have no right under any circumstances to vote at any election for directors, or upon any subject or proposal with respect to which these Articles of Incorporation do not affirmatively entitle them to vote.

Clause (c). Preferred Stock. At every meeting of the shareholders, every holder of the Preferred Stock of the Corporation shall be entitled, with respect to every question upon which he has the right to vote, pursuant to the remaining Sections of this Article, to one vote in person or by proxy for each share of the Preferred Stock standing in his name on the books of the Corporation.

Section 11. MEETING OF DIRECTORS.

Clause (a). Right of Holders of Class A Voting Stock. The holders of the Class A Voting Stock shall have the right to elect all of the Directors of the Corporation unless at the time of any annual meeting or any special meeting called by the holders of the Preferred Stock pursuant to the provisions of Clause (b) of this section, the Corporation shall be in default upon the payment of any mortgage indebtedness or taxes owed by the Corporation, in which event the holders of the Class A Voting Stock shall have the right to elect only a minority of the said Directors; and such right shall continue so to be restricted until such defaults shall have been made up.

Clause (b). Right of Holders of Preferred Stock. If the Corporation is at any time in default on any mortgage indebtedness or taxes owed by it, the holders of the Preferred Stock-Series A and the Preferred Stock-Series B shall have the right to collectively elect a majority of the Directors, at any annual meeting, at which time such condition shall exist, or at a special meeting called by the holders of ten per cent in number of the combined shares outstanding of said Preferred Stock-Series A and Preferred Stock-Series B. This right shall continue thereafter at all meetings for the election of Directors until such default is made up.

Clause (c). Majority-Minority. The number representing a majority and minority of the Directors for the purposes of this Section are as follows:

<u>Number of Directors</u>	<u>Majority</u>	<u>Minority</u>
3	2	1
5	3	2
7	4	3
9	5	4
11	6	5
13	7	6
15	8	7

Section 12. NOTICES OF SHAREHOLDERS' MEETINGS. The holders of the Class A Voting Stock shall be entitled to receive notice of all meetings of the shareholders; but the holders of the Preferred Stock shall be entitled to receive notice only of such meetings of the shareholders at which questions are presented upon which they are, by the foregoing Sections of this Article, entitled to vote.

Section 13. NEGATION OF EQUITABLE INTERESTS IN SHARES OR RIGHTS. The Corporation shall be entitled to treat the registered holder of any shares of the Corporation as the owner thereof for all purposes, including all rights deriving from such shares, and shall not be bound to recognize any equitable or other claim to, or interest in, such shares or rights deriving from such shares, on the part of any other person, including, but without limiting the generality thereof, a purchaser, assignee or transferee of such shares or rights deriving from such shares, unless and until such purchaser, assignee, transferee or other person becomes the registered holder of such shares, whether or not the Corporation shall have either actual or constructive notice of the interest of such purchaser, assignee, transferee or other person. The purchaser, assignee, or transferee of any of the shares of the Corporation shall not be entitled to receive notice of the meetings of shareholders; to vote at such meetings; to examine a complete list of the shareholders entitled to vote at meetings; or to own, enjoy, and exercise any other property or rights deriving from such shares against the Corporation until such purchaser, assignee, or transferee has become the registered holder of such shares.

#### ARTICLE VI

##### Liability of Stockholders-Corporate Lien on Stock for Indebtedness to Corporation

Section 1. The liability of each stockholder of the Corporation shall be limited to the amount remaining unpaid on his capital stock.

Section 2. The Corporation shall have a first lien upon shares of its stock for any indebtedness owed by the holder thereof to the Corporation.

#### ARTICLE VII

##### Commencement of Business - Stated Capital

The capital with which the Corporation shall begin business shall be five hundred (\$500.00) dollars. The Corporation will carry on business with a capital consisting of the aggregate par value of all issued and outstanding shares and such additional amounts as from time to time may by resolution of the Board of Directors of the Corporation be transferred thereto.

#### ARTICLE VIII

##### Pre-emptive Rights

The holders from time to time of the Class B Non-Voting Stock of the Corporation shall have the pre-emptive right to purchase, at such respective equitable prices, terms and conditions (including adjustments of such cash or fractional

shares) as shall be fixed by the Board of Directors, such of the shares of the Class B Non-Voting Stock of the Corporation as may be issued from time to time over and above the initial issue of such stock of the Corporation as is approved by the South Dakota Securities Commission. Such pre-emptive right shall apply to all shares of Class B Non-Voting Stock issued after such initial issue of such stock, whether such additional shares constitute a part of the shares presently or subsequently authorized or constitute shares held in the treasury of the Corporation, and shall be exercised in the respective ratio which the number of shares held by each such shareholder at the time of such issue bears to the total number of shares outstanding in the names of all such shareholders at such time.

The holders of the Preferred Stock and the Class A Voting Stock of the Corporation shall have no pre-emptive right, as such holders, to purchase any shares or securities of any class which may at any time be sold or offered for sale by the Corporation.

In no event shall any pre-emptive rights be exercised by holders of any class of stock with respect to shares of Class A Voting Stock.

#### ARTICLE IX

##### Provisions for Regulation of the Internal Affairs of the Corporation

Section 1. MEETINGS OF SHAREHOLDERS. Meetings of the shareholders of the Corporation may be held at such place, either within or without the State of South Dakota, as may be provided in the Code of By-Laws. In the absence of any such provision, all meetings shall be held at the registered office of the Corporation.

Section 2. MEETINGS OF DIRECTORS. Meetings of the Board of Directors of the Corporation, regular or special, may be held either within or without the State of South Dakota.

Section 3. CODE OF BY-LAWS. The initial Code of By-Laws of the Corporation shall be adopted by a majority of the holders of the issued and outstanding Class A Voting Stock of the Corporation. The power to alter, amend, or repeal the Code of By-Laws, or to adopt a new Code of By-Laws, may be delegated to the Board of Directors by a vote representing two-thirds of the issued and outstanding Class A Voting Stock at any annual meeting or any meeting called for the purpose of repealing, altering or amending the Code of By-Laws, or adopting a new Code of By-Laws. The Code of By-Laws may contain any provisions for the regulation and management of the affairs of the Corporation not inconsistent with the Act, or these Articles of Incorporation.

Section 4. EXECUTIVE COMMITTEE. If the Code of By-Laws so provides, the Board of Directors, by resolution adopted by a majority of the number of directors fixed by the Code of By-Laws, or in the absence of a by-law fixing the number of directors, then of the number stated in these Articles of Incorporation, may designate two or more directors to constitute an Executive Committee, which Committee, to the extent provided in such resolution or the Code of By-Laws, shall have and may exercise all of the authority of the Board of Directors in the management of the Corporation, except as to election of officers of the Corporation; but the designation of such Executive Committee and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed upon it or him by law.

Section 5. PLACES OF KEEPING BOOKS OF ACCOUNT, ETC. Subject to the limitations existing under the Act and the laws of the State of South Dakota, the books of account, records, documents, and papers of the Corporation may be kept at any place or places within or without the State of South Dakota. Limitations on the place or places where the books of account, records, documents, and papers of the Corporation may be kept may be made from time to time by the Code of By-Laws of the Corporation.

Section 6. PROVISIONS FOR WORKING CAPITAL. The Board of Directors of the Corporation shall have power, from time to time, to fix and determine and to vary the amount to be reserved as working capital of the Corporation, and before the payment of any dividends or the making of any distribution of profits, it may set

aside out of the net profits or earned surplus of the Corporation such sum or sums as it may from time to time in its absolute discretion determine to be proper whether as a reserve fund to meet contingencies or for the equalizing of dividends, or for repairing or maintaining any property of the Corporation, or for an addition to the stated capital, capital surplus, or earned surplus, or for any corporate purposes that the Board of Directors shall think conducive to the best interest of the Corporation, subject only to such limitations as the Code of By-Laws of the Corporation may from time to time impose.

Section 7. TO WHOM SHARES MAY BE SOLD. Subject to the provisions of Article VIII of these Articles of Incorporation, any shares of the Corporation, other than its shares of Class A Voting Stock, may be issued, sold or otherwise disposed of by it from time to time to such persons, corporations, or other legal entities as the Board of Directors of the Corporation may determine. The shares of the Class A Voting Stock of the Corporation, following the initial issue as provided in Article V, Section 7 of these Articles of Incorporation, may only be issued, sold or otherwise disposed of by it from time to time to such persons, corporations or other legal entities as the holders of the issued and outstanding Class A Voting Stock may determine.

Section 8. INTEREST OF DIRECTORS IN CONTRACTS. Any contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any firm of which one or more of its directors are members or employees, or in which they are interested, or between the Corporation and any corporation or association of which one or more of its directors are shareholders, members, directors, officers, or employees, or in which they are interested, shall be valid for all purposes, notwithstanding the presence of such director or directors at the meeting of the Board of Directors of the Corporation, which acts upon, or in reference to, such contract or transaction, and notwithstanding his or their participation in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the directors present, such interested director or directors to be counted in determining whether a quorum is present, but not to be counted in calculating the majority necessary to carry such vote. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

Section 9. COMPENSATION OF DIRECTORS. The Board of Directors is hereby specifically authorized, in and by the Code of By-Laws of the Corporation, to make provision for reasonable compensation to its members for their services as Directors, and to fix the basis and conditions upon which such compensation shall be paid. Any director of the Corporation may also serve the Corporation in any other capacity and receive compensation therefor in any form.

Section 10. AMENDMENTS OF ARTICLES OF INCORPORATION. The Corporation reserves the right from time to time to amend, alter, or repeal, or to add any provision to, its Articles of Incorporation, in any manner now or hereafter prescribed or permitted by the provisions of the Act, or any amendment thereto, or by the provisions of any other applicable statute of the State of South Dakota; and all rights conferred upon shareholders by these Articles of Incorporation, or any amendment hereto, are granted, subject to this reservation.

#### ARTICLE X

##### Principal Place of Business

The place where the principal business of the Corporation shall be transacted and its main office located and maintained is Rapid City, Pennington County, South Dakota, with such branch offices located elsewhere as may be designated by the Board of Directors.

#### ARTICLE XI

##### Data Respecting Directors

The number of Directors of the Corporation shall be not less than three (3) nor more than fifteen (15), but shall be always an odd number. The names and

residences of the persons who are to serve as directors until the election of their successors are as follows:

<u>NAME</u>	<u>RESIDENCE</u>
Jere Strick	Sacramento, California
Woodrow Wilson	Sioux Falls, South Dakota
Francis J. Parker	Deadwood, South Dakota

In the absence of a by-law fixing the number of directors, the number shall be three (3).

IN TESTIMONY WHEREOF, We have hereunto set our hands this \_\_\_\_\_ day of November, 1951.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STATE OF SOUTH DAKOTA )  
 ) SS  
 County of Pomington

BE IT REMEMBERED, That on this 29<sup>th</sup> day of November, 1951, before me, the undersigned, personally appeared the above named Woodrow Wilson and Francis J. Parker, well and personally known to me to be the persons described in and who executed the foregoing instrument and severally acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at said County the day and year last above written.

\_\_\_\_\_  
 F. FRANCIS PARKER  
 Notary Public

(SEAL)

My commission expires: November 10, 1952

STATE OF CALIFORNIA )  
 ) SS  
 COUNTY OF SACRAMENTO

BE IT REMEMBERED, That on this \_\_\_\_\_ day of November, 1951, before me, the undersigned, personally appeared the above named Jere Strick, well and personally known to me to be the person described in and who executed the foregoing instrument and severally acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at said County the day and year last above written.

(SEAL)

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

STATE OF SOUTH DAKOTA }  
COUNTY OF PENNINGTON } SS

Hoodrow Wilson and Francis J Parker, being first duly sworn, each for himself, deposes and says: That he is one of the persons described in and who signed the foregoing Articles of Incorporation as an incorporator therein; that he has read said Articles of Incorporation and knows the contents thereof; that the incorporators intend in good faith to form a corporation for the purpose of the promotion of a lawful business as set forth in said Articles and not for the purpose of enabling any corporation or corporations to avoid the provisions of 1939 SDC Title 13, Part III, Chapter 13.18 of the State of South Dakota, relating to unlawful business practices and laws amendatory thereto.

Hoodrow Wilson  
Francis J. Parker

Subscribed and sworn to before me this 29<sup>th</sup> day of November, 1951.

F. Thomas Parker  
F. THOMAS PARKER  
Notary Public

(SEAL)  
My commission expires December 10, 1952

STATE OF CALIFORNIA }  
COUNTY OF SACRAMENTO } SS

Jere Strisek, being first duly sworn, for himself, deposes and says: That he is one of the persons described in and who signed the foregoing Articles of Incorporation as an incorporator therein; that he has read said Articles of Incorporation and knows the contents thereof; that the incorporators intend in good faith to form a corporation for the purpose of the promotion of a lawful business as set forth in said Articles and not for the purpose of enabling any corporation or corporations to avoid the provisions of 1939 SDC Title 13, Part III, Chapter 13.18 of the State of South Dakota, relating to unlawful business practices and laws amendatory thereto.

Jere Strisek

Subscribed and sworn to before me this 26 day of November, 1951.

James G. Gordon  
Notary Public

(SEAL)

My commission expires \_\_\_\_\_



No. 4724

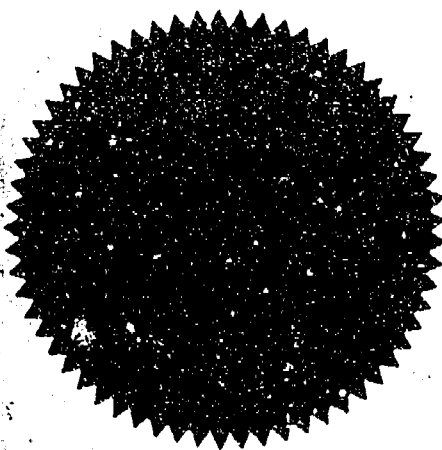
# Certificate of Amendment

STATE OF SOUTH DAKOTA  
DEPARTMENT OF STATE

## This is to Certify

That ECOUMIN DEVELOPMENT CORPORATION

a Corporation organized and existing under the laws of the State of South Dakota,  
has this day filed in this Department an Amendment to its Articles of Incorporation  
changing concerning the Designation of Classes of Shares of Capital Stock.



In Testimony Whereof, I have hereunto set my  
hand and affixed the Great Seal of the State of  
South Dakota, at Pierre, the Capital, this 22nd  
day of October, 19 57

[Signature]  
Secretary of State.

# STATE OF SOUTH DAKOTA



## DEPARTMENT OF STATE

United States of America, } Secretary's Office  
State of South Dakota, }

*This is to certify that the attached instrument of writing is a true, correct and examined copy of*

\_\_\_\_\_

*and the whole thereof, and has been carefully compared with the original now on file in this office and found correct.*

*The within document, book, instrument, paper or law shall not be received in evidence in any court of this state unless this certificate is countersigned by the state treasurer with a statement of the fees received.*

*In Testimony Whereof, I have hereunto set my hand and affixed the Great Seal of The State of South Dakota at the City of Pierre, the Capital, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_*

FEES \$ \_\_\_\_\_  
COUNTERSIGNED BY \_\_\_\_\_

State Treasurer

Secretary of State

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION  
OF  
DUBLE H DEVELOPMENT CORPORATION

By, Carl T. Burgess and Thomas Parker, Vice President and Secretary respectively of the Double H Development Corporation, a Corporation organized under the laws of the State of South Dakota, hereby certify as follows:

1. That at 10:00 o'clock A.M., on the 11th day of May, 1957, at the Sheraton-Johnson Hotel in Rapid City, South Dakota, a special meeting of all of the stockholders of the Double H Development Corporation was held, pursuant to 30 days prior notice, in writing, given to each stockholder of said Corporation.
  2. That at the time of the calling, giving of notice, and convening of said special meeting of the stockholders of Double H Development Corporation, the total number of outstanding shares of capital stock of said Corporation was 10,997.
  3. That 10,915 shares of the outstanding stock of Double H Development Corporation being present in person and by proxy at said special meeting voted in favor of the Resolution of stockholders approving amendments to the Articles of Incorporation, a true copy thereof, marked "A" is attached hereto and made a part hereof by reference. That said outstanding shares present at such meeting and voting in favor of said Resolution represented 99.26% of all of the outstanding stock of Double H Development Corporation.
  4. That the undersigned officers of said Corporation were duly authorized by said Resolution of stockholders approving amendments to Articles of Incorporation, to prepare and execute in duplicate this Certificate and to file the same with the Secretary of State of the State of South Dakota.
- IN WITNESS WHEREOF, we have hereunto set our hands and caused the seal of the said corporation to be affixed hereto, this 30th day of September, 1957.

Carl T. Burgess  
Vice President

Thomas Parker  
Secretary

STATE OF SOUTH DAKOTA )

COUNTY OF FAULKNER )

On the 25th day of October, 1957, before me, Donald E. Chitt, Notary Public in and for the State of South Dakota.

STATE OF SOUTH DAKOTA  
DEPARTMENT OF REVENUE  
TAX - 2

The undersigned officer, personally appeared Carl L. Surprenant and Thomas Parker, who acknowledged before me to be and are known by me to be the Vice President and President, respectively, of South Dakota Development Corporation, a Corporation, and they as such are authorized and operating, respectively, agents authorized by me to execute and acknowledge certificates of amendment of articles of incorporation of South Dakota Development Corporation, for the purposes therein contained, as the certified officers of said Corporation, to signify their names as such certifying officers.

In witness whereof, personally met by me and read.

*Harold E. White*

Notary Public, South Dakota

My commission expires: June 1, 1961

RESOLUTION OF STOCKHOLDERS APPROVING  
AMENDMENTS TO ARTICLES OF INCORPORATION

WHEREAS, It appears advisable that provisions of the Articles of Incorporation of the Corporation be changed, amended, and altered as hereinafter set forth, and

WHEREAS, the stockholders of the Double H Development Corporation, do hereby approve of the said proposed amendments,

RESOLVED, that Article V, Section 1. of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

"Section 1. DESIGNATION OF CLASSES OF SHARES. One thousand (1,000) shares of the authorized shares, with the par value of \$50.00 per share, having an aggregate par value of \$50,000.00 shall be known as 'Preferred Stock-Series A'; one thousand (1,000) shares of the authorized shares, with the par value of \$50.00 per share, having an aggregate par value of \$50,000.00 shall be known as 'Preferred Stock-Series B'; and one hundred thousand (100,000) shares of authorized shares with the par value of \$5.00 per share, having an aggregate par value of \$500,000.00 shall be known as 'Common Stock'. All shares of Preferred Stock shall be identical as to dividends. Wherever the term 'Preferred Stock' appears in these Articles of Incorporation, without further limitation or qualification, it shall be deemed to mean and include both Preferred Stock-Series A and Preferred Stock-Series B."

RESOLVED, that Article V, Section 2, Clause A, Item (1) of the articles of Incorporation of the said Corporation shall be amended, changed and altered so as to read as follows:

"Item (1). Preferred Stock - Series A. On and after January 1, 1954, the preferred Stock - series A shall be redeemed by the Corporation, by resolution of the holders of its Common Stock, in an amount each fiscal year equal to one-half of the unreserved earned surplus remaining after all dividends accrued and unpaid upon the issued and outstanding shares of both the Preferred Stock - Series A and the Preferred Stock - Series B, up to and including the date fixed by redemption, have been paid or deposited with a bank or trust company in accordance with Clause (b) of this section, until all of the issued and outstanding shares of said Preferred Stock - Series A shall have been fully redeemed. Prior to January 1, 1954, said Preferred Stock - Series A may be redeemed, in whole or in part, at the option of the Corporation, by resolution of the holders of its Common Stock, at any time and from time to time, but such redemption shall be at the sole discretion of the Corporation. The redemption price shall be \$50.00 per share, plus an amount equal to dividends accrued and unpaid on such shares of Preferred Stock - Series A up to and including the date fixed for redemption, whether or not earned or declared. The date fixed for redemption shall coincide with a regular dividend date. The Corporation may, at its option, by resolution of the holders of its Common Stock, redeem, in whole or in part, at any time and from time to time, any of the issued and outstanding Preferred Stock - Series A over and above any mandatory requirement as to redemption for the current year. In the event that the Corporation does so redeem an excess number of shares of such stock above any mandatory requirements, it shall yearly

be allowed to credit such overage as quotas for subsequent years, and thereby avoid being in default of the terms of this provision."

RESOLVED, that Article V, Section 3, Clause (a), Item (ii) of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

"Item (ii) Preferred Stock-Series B. On and after January 1, 1954, and not before, the Preferred Stock-Series B may be redeemed, in whole or in part, at the option of the Corporation, by resolution of the holders of its Common Stock, at any time or from time to time, except when the Corporation is in default of the mandatory redemption requirements on Preferred Stock-Series A as provided in Item (i) of this Clause, at a price of \$52.50 per share plus an amount equal to dividends accrued and unpaid on such Preferred Stock-Series B up to and including the date fixed for redemption, whether or not earned or declared. The date fixed for redemption shall coincide with a regular dividend date."

RESOLVED, that Article V, Section 4, Clause (a) of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

"Clause (a). Right to Purchase and Price. On and after January 1, 1954, and not before, the Preferred Stock (Series A or Series B) may be purchased for retirement, in whole or in part, at the option of the Corporation, by resolution of the holders of its Common Stock, at any time or from time to time, either by public offers, if by public purchase, or through private offers, if by private purchase, but in no event, at a price (i) in respect of any shares of Preferred Stock-Series A greater than \$50.00 per share nor (ii) in respect of any shares of Preferred Stock-Series B greater than \$52.50 per share, and subject always to the provisions of the following sections."

RESOLVED, That Article V, Section 5, Clause (a) of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

"Clause (a). Source and Medium. Subject to the provisions of the foregoing Sections, and not otherwise, the holders of the Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of the remaining unreserved earned surplus of the Corporation, dividends payable either in cash, in property or in shares of the Common Stock of the Corporation."

RESOLVED, That Article V, Section 5, Clause (b) of the Articles of Incorporation of the said Corporation, be amended, changed and altered so as to read as follows:

"Clause (b). Limitations upon Dividends. No dividends shall be paid upon the Common Stock of the Corporation under any one of the following circumstances."

RESOLVED, That Article V, Section 6 of the Articles of Incorporation of the said Corporation, be amended, changed and altered so as to read as follows:

"Section 6. PURCHASE OF COMMON STOCK. So long as any of the Preferred Stock shall be outstanding, the Corporation shall not purchase, or otherwise acquire, for value, any of the Common Stock of the Corporation; or pay, set aside, or make available any moneys to or for a sinking fund for the purchase or redemption of any such Common Stock."

RESOLVED, That Article V, Section 7, of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

RESOLVED, That Article V, Section 7, clause (a) of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

"Clause (b). Preferred Stock in Event of Dissolution. In the event of any dissolution, liquidation or winding up of the Corporation, after due payment or provision for payment of the debts and other liabilities of the Corporation, the holders of the Preferred Stock-Series A shall be entitled to receive out of the net assets of the Corporation, \$50.00 cash for each share plus an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, whether or not earned or declared, and no more, before any distribution shall be made to the holders of the Common stock; and the holders of the Preferred Stock-Series A shall be entitled to receive, out of the net assets of the Corporation, \$52.50 cash for each share plus an amount equal to all dividends accrued and unpaid on such share up to and including the date fixed for distribution, whether or not earned or declared, and no more, before any distribution shall be made to the holders of the Common stock. There shall be no priority between the Preferred Stock-Series A and the Preferred Stock-Series B as to the net assets upon dissolution, except as to the amount the shareholder shall receive."

RESOLVED, That Article V, Section 8, Clause (d) of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

"Clause (d). Distribution on Common Stock. In the event of any dissolution, liquidation or winding up of the Corporation, the holders of the Common Stock, shall be entitled, after due payment or provision for payment of the debts and other liabilities of the Corporation, and the amounts to which the holders of its Preferred Stock shall be entitled, to share ratably in the remaining net assets of the Corporation."

RESOLVED, that Article V, Section 9 of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

"Section 9. ISSUE OF AND CONSIDERATION FOR CAPITAL STOCK. Fifty (50) shares of Common Stock shall be issued by the Board of Directors for cash at \$10.00 per share, and the \$500.00 received in payment therefor shall constitute the initial stated capital of the Corporation, before receiving which it will not commence business, pursuant to the provisions of Article VII of these Articles of Incorporation. The remaining 99,950 shares of Common Stock may be issued for such consideration, not less than the par value thereof, as may be fixed from time to time by the Board of Directors; and the 2,000 shares of Preferred Stock may be issued for such consideration, not less than the par value thereof as shall be fixed from time to time by the Board of Directors, subject, nevertheless, to allowance by the Corporation, out of the consideration received by it in payment for such shares, of the reasonable expense of, and compensation for, the select underwriting of such Preferred Stock, not inconsistent with the laws of the State within which sold, without thereby rendering such shares not fully paid and non-assessable."

RESOLVED, That Article V, Section 10, Clause (a) of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

"Clause (a). Common Stock. At every meeting of the shareholders, every holder of the Common Stock of the Corporation shall be entitled to one vote for each share of Common Stock standing in his name on the books of the Corporation. At each election for directors, every holder of the Common Stock of the Corporation shall have the right to vote, in person or by proxy, the number of shares owned by him for as many persons as there are directors to be elected and for whose election he has a right to vote, or to cumulate his votes by giving one candidate as many votes as the number of such directors multiplied by the number of his shares shall equal, or by distributing such votes on the same principle among any number of such candidates. Any such shareholder present at any meeting of shareholders may vote the proxies that he holds for any absent shareholder without impairing or limiting his vote or the vote of such absent shareholder."

RESOLVED, That Article V, Section 10, Clause (b) of the Articles of Incorporation of the said Corporation, be and it is hereby repealed.

RESOLVED, That Article V, Section 11, Clause (a) of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

"Clause (a) Rights of Holders of Common Stock. The holders of the Common Stock shall have the right to elect all of the Directors of the Corporation unless at the time of any annual meeting or any special meeting called by the holders of the Preferred Stock pursuant to the provisions of Clause (b) of this Section, the Corporation shall be in default upon the payment of any mortgage, indebtedness or issues owed by the Corporation, in which event the holders of the Common Stock shall have the right to elect only a minority of the said Directors; and such right shall continue to be restricted until such defaults shall have been made up."

RESOLVED, That Article V, Section 12 of the Articles of Incorporation of the said Corporation, be amended, changed and altered so as to read as follows:

"Section 12. NOTICES OF SHAREHOLDERS' MEETINGS. The holders of the Common Stock shall be entitled to receive notice of all meetings of the shareholders but the holders of the Preferred Stock shall be entitled to receive notice only of such meetings of the shareholders at which questions are presented upon which they are, by the act or the foregoing Sections of his Articles, entitled to vote."

RESOLVED, That Article VIII of the Articles of Incorporation of the said Corporation be amended, changed and altered so as to read as follows:

**"ARTICLE VIII**  
**"Pre-emptive Rights"**

"The holders from time to time of the Common Stock of the Corporation shall have the pre-emptive right to purchase, at such respective equitable prices, terms and conditions (including adjustments of such cash or fractional shares) as shall be fixed by the Board of Directors, such of the shares of the Common Stock of the Corporation as may be issued from time to time over and above the initial issue of such stock of the Corporation as is approved by the South Dakota Securities Commission. Each pre-



emptive right shall apply to all shares of Common Stock issued after such initial issue of such stock, whether such additional shares constitute a part of the shares presently held in the treasury of the Corporation, and shall be exercised in the respective ratio which the number of shares held by each such shareholder at the time of such issue bears to the total number of shares outstanding in the names of all such shareholders at such time.

"The holders of the Preferred Stock of the Corporation shall have no pre-emptive right, as such holders, to purchase any share or securities of any class which may at any time be sold or offered for sale by the Corporation."

RESOLVED, That Article IX, Section 3 of the Articles of Incorporation of said corporation be amended, changed and altered so as to read as follows:

"Section 3. CODE OF BY-LAWS. The initial Code of By-Laws of the Corporation shall be adopted by a majority of the holders of the issued and outstanding Common Stock of the Corporation. The power to alter, amend or repeal the Code of By-Laws, or to adopt a new Code of By-Laws, may be delegated to the Board of Directors by a vote representing two-thirds of the issued and outstanding Common Stock at any annual meeting or amending the Code of By-Laws, or adopting a new Code of By-Laws. The Code of By-Laws may contain any provision for the regulation and management of the affairs of the Corporation not inconsistent with the Act, or these Articles of Incorporation."

RESOLVED, That Article IX, Section 7, of the Articles of Incorporation of said Corporation be amended, changed and altered so as to read as follows:

"Section 7. TO WHICH SHARES MAY BE SOLD. Subject to the provisions of Article VIII of these Articles of Incorporation any shares of the corporation may be issued, sold or otherwise disposed of by its from time to time to such persons, corporations or other legal entities as the Board of Directors of the Corporation may determine."

RESOLVED, That the Articles of Incorporation of said Corporation be amended, changed and altered by adding Article XII so as to read as follows:

#### "ARTICLE XII

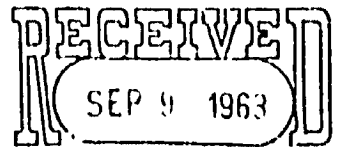
"Re-classification of Class A Voting Stock and Class A Non-Voting Stock"

"From and after the effective date of this Certificate of Amendment, all of the issued and outstanding shares of the Corporation previously designated as Class A Voting Stock and Class A Non-Voting Stock shall be re-classified as and constitute one class of other designated the 'Common Stock' of the Corporation with all of the rights, privileges and limitations granted and imposed by the Articles of Incorporation and this Certificate of Amendment."

RESOLVED further that the Vice-President and Secretary of this Corporation is and they hereby are authorized and directed to prepare and execute in duplicate a Certificate setting forth the amendments or amendments herein adopted which Certificate shall state the number of votes cast for such amendments and the total number of shares subscribed and outstanding and that the required notice provided under SDC Sapp. 11.0206 has been given, and to file one of such certificates with the Secretary of the State of South Dakota and the other with the Secretary of the Corporation; and to do all other acts required for the purpose of giving effect to the foregoing amendments.

Permit No. 587 - 2

Water Division No. 2 Rapid Creek Water District



STATE WATER RESOURCES COMM  
PIERRE, SOUTH DAKOTA

### NOTICE OF COMPLETION OF WORKS

This blank must be filled out by the holder of permit and forwarded to the Executive Officer at least 60 days before the time set for completion of works

(P. O.) RAPID CITY, S. DAK.

(Date) SEPT. 6, 1963

TO THE STATE WATER RESOURCES COMMISSION  
OF SOUTH DAKOTA, PIERRE:

DEAR SIR: Notice is hereby given of the completion of the works for the diversion of \_\_\_\_\_  
\_\_\_\_\_ .022 \_\_\_\_\_ cu. ft. per second of the waters of the state from \_\_\_\_\_  
through the \_\_\_\_\_ Year round \_\_\_\_\_  
for \_\_\_\_\_ Commercial \_\_\_\_\_ purposes  
\_\_\_\_\_ in accordance with the terms and con-  
ditions of a certain permit heretofore issued by the Water Resources Commission of the State of South Dakota.

1. The name of the person or corporation holding said permit is \_\_\_\_\_  
Double H Development Corporation

2. The postoffice address of such person or the place of business of such corporation is PO Box 1170  
Rapid City, \_\_\_\_\_  
County of Pennington State of South Dakota

3. The number of such permit is 587-2 and the date set for the completion of such work is  
June 8, 1961

4. Said water to be used for \_\_\_\_\_ Commercial \_\_\_\_\_ purposes.

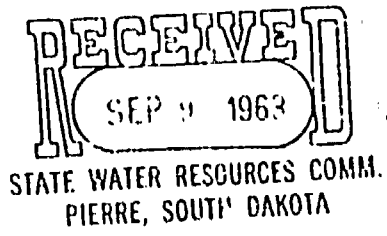
5. Said works of diversion will be fully completed on the date set for such completion, and the amount of  
water which said works are capable of conducting to the place of intended use, in accordance with the plans ac-  
companying the application for such permit, is \_\_\_\_\_ .022 \_\_\_\_\_ cubic feet per second.

6. The amount of land for which said water is available is \_\_\_\_\_ Commercial use only \_\_\_\_\_ ~~acre~~ acres,  
particularly described as follows: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I hereby certify that the facts set forth in the above notice are true.

(Signature of Owners) \_\_\_\_\_ DOUBLE H DEVELOPMENT CORPORATION \_\_\_\_\_

Donald E. Tuttle  
SECRETARY



Permit No. 587-2

Water Division No. 2 Rapid Creek Water District

Notice of Application of Water to Beneficial Use

(This blank must be filled out by holder of permit and forwarded to the State Water Resources Commission at least sixty days before the time set for application of water.)

(P. O.) Rapid City, South Dakota

(Date) Sept. 6, 1963

TO THE STATE WATER RESOURCES COMMISSION OF SOUTH DAKOTA, PIERRE:

DEAR SIR: Notice is hereby given that on the 19th day of September 1963, at Rapid City County of Pennington State of South Dakota, before J. W. Grimes (Examining Engineer or Officer) proof will be submitted of the application to beneficial use of 0.22 cubic feet per second of the waters of 2 wells in accordance with the terms and conditions of Permit No. 587-2 heretofore issued by the Water Resources Commission of South Dakota.

1. The name and postoffice address of the person or corporation holding said permit are

Double H Development Corporation, P.O. Box 1170, Rapid City, South Dakota

2. The use to which said water has been applied is Commercial and Industrial

3. The amount applied to beneficial use is

4. The place where said water is used (if for irrigation, give full and accurate description of the lands irrigated) Villa Rancharo Shopping Center Sec. 17 T. 2 N. of Range 9 E. E. H. M. Pennington County, South Dakota

5. The name of the canal or ditch or other works by which said water is conducted to such place of use is

6. The right to take the water from such works is based upon permit No. 587-2

7. The source of supply from which such water is diverted is underground supply

8. The date of priority which said user is prepared to establish is June 9, 1960

Double H Development Corporation (Sign) Conrad E. Linnell Secretary

Water Right Application 911-2

Douglas School District No. 3

At their November, 1967 meeting, the Commission considered the water right application No. 911-2 of Douglas Independent School District No. 3 to pump 0.77 cubic feet per second of water from a 40 foot deep well to water 54 acres of lawn area near some of their school buildings. Mr. E. C. Murray appeared before the Commission to express the concern of the Double H Development Corporation that such withdrawal of water would adversely affect the water system of Double H Development Corporation. The Commission deferred action, pending investigation by the Commission staff.

Douglas Independent School consists of a number of separate installations located on the east side of Ellsworth Air Force Base. Grades kindergarten through grade 12, plus some adult education classes, are taught at the school. The present enrollment is over 3,000. The enrollment comes from the Ellsworth Air Force Base and a large rural area. Drinking water, and other water used in the school buildings is obtained under contract from the Ellsworth Air Force Base.

Double H Development Corporation owns land, operates the Villa Ranchero shopping center and has household rental units on the east side of the Ellsworth Air Force Base.

The Double H Development Corporation obtained water right No. 587-2 in 1961 and report that with the aid of a Consulting Geologist and Consulting Engineer they began to develop their existing water system. They dug a number of test pits and always found a shale bedrock. However, a portion of the area tested contained a gravel basin up to 26 feet deep overlaying the shale bedrock. This gravel basin contains a layer of ground water. The Double H Development Corporation reports they constructed a 150 foot long water collection gallery in 1961. This gallery consisted of a gravel packed, eight inch pipe at 20 to 28 foot depths. Their water needs are about 10,000 gallons per day--their water right diversion rate is 10 gallons per minute. In 1962 they had to add a 26 foot deep well to their system to supply the amount of water needed. This well is located about 1,900 feet northeast of their collection gallery.

Douglas High School is only a few feet from this 1962 Double H well. Other school buildings are located further north. The deeper footings of these buildings and tunnels have had ground water problems in the past at about the 16 foot depth. French drains were placed around these footings and water was collected in sumps and pumped into the storm sewer system. When inspected in early January, 1968, the drains inspected were not producing water.

The proposed well of Douglas School District No. 3 would be located about 600 feet northwest of the 1962 Double H well. The proposed diversion rate is about 345 gallons per minute.

As reported by the Double H Development Corporation, it appears that there is a water bearing formation here, consisting of a shallow gravel basin containing a relatively thin, fluctuating water layer. Under such circumstances, the Commission staff is doubtful if the Douglas School District No. 3 can construct a 40 foot deep well and obtain a satisfactory supply of water for its proposed lawn watering system. The Commission staff believes the well system as proposed in water right application 911-2 would seriously jeopardize the Double H Development Corporation water supply as authorized in water right No. 557-2.

Because of the water management relationships among actual and prospective water users there is not unappropriated water available as requested in water right application 911-2 of Douglas School District No. 3. It is the recommendation of the staff that the application be disapproved.

It should be explained that this adverse recommendation is without prejudice. That it is recognized that the Douglas School system does need a lawn watering system, that later testing may indicate a larger underground water supply, that the Double H Development Corporation may obtain a different water supply, or that other factors can change or be changed so that a similar application could be made by Douglas School District No. 3 at a later date and be approved by the Water Resources Commission.

Permit No. 587-2

Water Division 2 RAPID CREEK Water District

REPORT OF EXAMINATION OF WORKS  
AND/OR APPLICATION OF WATER TO BENEFICIAL USE

TO: Water Resources Commission, State Office Building No. 2, Pierre, South Dakota 57501

Double II

I have this day made a thorough examination of the water use system constructed by \_\_\_\_\_  
Development Corp. \_\_\_\_\_ of Rapid City, South Dakota holder \_\_\_\_\_  
of Permit No. 587-2, bearing date of priority of March 12, 1960 xHk  
authorizing the diversion of .022 cu. ft. per second of the waters of (10 g.p.m.) ground water  
for commercial purposes, in Pennington County.

I have to report on the condition of the same as follows:

The Water Use System consists of,

- A. Works used to divert the water:
 

Well No. 1 - 25 ft. deep - 36 in. concrete casing with perforations. 1/2 H.P. electric submersible pump	Well No. 2, same as well No. 1. A 150 ft. long gravel packed gallery about 25 foot deep runs into the well - pipe in gallery is 8 inch diameter
--	--

- B. Works used to transport water to place of use,  
Approximately 3200 feet of buried 2" plastic pipe, buried 6' deep  
12,000 gallon storage tank  
pressure system

- C. Works used to apply water to beneficial use.  
Twenty five service connections

The system is in the following condition: very good

The point of diversion is located Well No. 1, North 6° 27' West, 10,625 feet and Well No. 2, North 83° 46' West, both from center of Section 17, T2N, R9E

The works are capable of diverting and conveying to the place of use .022 (10 g.p.m.)  
cu. ft. per second of water which is to be used for commercial purposes

Water has been put to beneficial use to the maximum extent as follows: system was constructed in 1960 and has been used as indicated since.

XX

Date May 3, 1971

Donald Driscoll  
(Signature)

DONALD DRISCOLL, Deputy Chief Engineer  
Water Resources Commission

*South Dakota*



GREAT FACES. GREAT PLACES.

March 28, 1991.

DEPARTMENT OF WATER & NATURAL RESOURCES

Joe Foss Building  
523 East Capitol  
Pierre, South Dakota 57501-3181

587-2

Costello Portor Hill Heisterkamp & Bushnell  
704 St Joseph Street  
Rapid City, SD 57701

Dear Sirs:

We have been informed that your law firm bought a section of land from a E. C., "Ping", Murray. The land is in Section 17, T2N, R9E in Pennington County. We have a Water Right No. 587-2 for this land which allocates water for a galvanized gallery in the Villa Ranchers Shopping Center.

What we would like to know is if you are still the owners of this property; or if not, who currently is. If you are the current owner, you will be required to complete a notice of transfer to have official ownership of the water right. We would also like to know if the gallery has been in use or if it ever will be again. As you know, South Dakota Statute states that the allocated water has to be used for beneficial use once ever three years, and if it has not been used in the last three years it is subject to cancellation.

If you have any questions on this matter, please contact me.

Sincerely,

*Norma C. Job*

Norma C. Job  
Natural Resource Engineer  
Division of Water Rights  
(605) 773-3352

Conversation or File Documentation

NAME OF PERSON OR FILE: Double H. Development Corporation

ADDRESS: Costello Portor Hill Heisterkamp + Bushnell  
P.O. Box 290 Rapid City SD 57709 COUNTY PE

DATE: 4/25/91 TELEPHONE 343-2410

RE: Current owners

COMMENTS:  
Spoke with Dennis Hill of this law firm above.  
He said they own the property and to send him  
the notice of transfer as well as a copy of the  
permit and license.

Costello Portor Hill Heisterkamp + Bushnell  
P.O. Box 290  
Rapid City SD 57709  
Attn: Dennis Hill

File in Permit or other file as necessary. Use to document conversations and what the other party was told; why action or decision was made.

NAME: Norma C. Pab





DEPARTMENT OF WATER & NATURAL RESOURCES

Joe Foss Building  
523 East Capitol  
Pierre, South Dakota 57501-3181

April 26, 1991

587-2

Costello Pertor Hill Heisterkamp & Bushnell  
C/O Dennis Hill  
PO Box 290  
Rapid City, SD 57709

Dear Mr. Hill

In response to our telephone conversation, I have enclosed a copy of the Water Right No. 587-2 permit and license. I have also enclosed a notice of transfer partially completed. You will have to complete this form and have it signed in the presence of a Notary Public. The form is to be returned along with a \$2.50 filing fee.

If you have any questions, feel free to contact me.

Sincerely,

*Norma C. Job*

Norma C. Job  
Natural Resource Engineer I  
(605) 773-3352

enclosures



DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE SOUTH DAKOTA 57501-3181

June 25, 1992

SECOND NOTICE  
PERMIT NO. 587-2

Costello Portor Hill Heisterkamp & Bushnell  
& Dennis Hill  
P.O. Box 290  
Rapid City, SD 57709

Dear Mr. Hill:

On April 26, 1991, notice was sent to you concerning the transfer of Water Right No. 587-2 in the name of Double H Development Corporation. To date, we have not heard from you on this matter.

A transfer form was previously sent to you, enclosed is an additional form. Please have your client sign, notarize, and return the form to this office with the required filing fee of \$2.50. The right can then be transferred into your client's name. If your client is not the present owner of the land covered under this right, please notify this office. It is very important that ownership records be kept current. South Dakota Water Law 46-5-30.3 requires Notice of any sale, grant, lease, conveyance or other transfer of a Water Permit or Water Right to appropriate water to be filed with this office within ninety days.

If you have any questions, please contact Genny McMath, (605) 773-3352.

Very truly yours,

A handwritten signature in black ink, appearing to read "Ron Duvall".

RON DUVALL  
Natural Resources Engineer  
for John Hatch, Chief Engineer  
Water Rights Division

enclosure

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: 587-2

Castello Portor Hill  
Heisterkamp & Bushnell  
& Dennis Hill  
P.O. Box 250  
Rapid City, SD 57709

4a. Article Number  
P 906 559 397

- 4b. Service Type
- Registered  Insured
  - Certified  COD
  - Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
6/24

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)  
*L. W. Anderson*

Thank you for using Return Receipt Service.



September 22, 1992

DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES

JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE SOUTH DAKOTA 57501-3181

THIRD NOTICE  
WATER RIGHT NO. 587-2

Costello Portor Hill Heisterkamp & Bushnell  
& Dennis Hill  
P.O. Box 290  
Rapid City, SD 57709

Dear Mr. Hill:

On April 26, 1991 and June 25, 1992, notices were sent to you concerning the transfer of Water Right No. 587-2 in the name of Double H Development Corporation. To date, we have not heard from you on this matter.

A transfer form was previously sent to you, enclosed is an additional form. Please sign, have notarized and return the form to this office with the required filing fee of \$2.50. The water right can then be transferred to your name. If you are not the present owner of the land covered under this water right, please notify this office. It is very important that ownership records be kept current. South Dakota Water Law 46-5-30.3 requires Notice of any sale, grant, lease, conveyance or other transfer of a Water Permit or Water Right to appropriate water be filed with this office within ninety days.

Failure to keep records current can mean a delay in receiving a notice or even no receipt of a notice that pertains to the water right. In some cases, a notice from this office includes an order which could result in up to one year suspension of a permit or other penalty if not complied with.

The Statutes provide that a permit for irrigation remains appurtenant to the land. If there is an ownership change; however, no such assignment (transfer) shall be binding except upon the parties thereto, unless filed for record in this office.

If you have any questions, please contact Benny McMath (605) 773-3352.

Very truly yours,

RON DUVAL  
Natural Resources Engineer  
for John Hatch, Chief Engineer  
Water Rights Division

enclosure

Is your RETURN ADDRESS completed on the reverse side?

**SENDER:**

- Complete items 1 and/or 2 for additional services.
- Complete items 3, and 4a & b.
- Print your name and address on the reverse of this form so that we can return this card to you
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1.  Addressee's Address
- 2.  Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to: 587-2

Costello, Portor Heisterkamp &  
Bushnell

2 Dennis Hill  
P.O. Box 290  
Rapid City, SD 57709

4a. Article Number  
P 906 559 940

4b. Service Type

Registered  Insured

Certified  COD

Express Mail  Return Receipt for Merchandise

7. Date of Delivery  
9-25-92

5. Signature (Addressee)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature (Agent)

*[Handwritten Signature]*

Thank you for using Return Receipt Service.

**Water Rights Program  
File Documentation**

NAME OF PERSON OR FILE: Ken Heisterkamp

ADDRESS: Costello Porter Hill Bushnell,  
704 Saint Joseph St. #200, Rapid City, SD 57701 COUNTY: Pennington

DATE: November 30, 2004 TELEPHONE: (605)343-2410

RE: Change of ownership of Water Right No. 587-2

COMMENTS:

I contacted Mr. Heisterkamp regarding the status of Water Right No. 587-2. Heisterkamp informed me that the property was sold in late 2003 to a Rand T. Williams and Gayla Williams of 742 State Street, Spearfish, SD



Ken Buhler  
Natural Resources Engineering Specialist

**Water Rights Program  
File Documentation**

NAME OF PERSON OR FILE: Rand T. Williams

ADDRESS: 742 State Street, Spearfish, SD, 57783

COUNTY: Lawrence

DATE: November 30, 2004 TELEPHONE: (605)722-7240

RE: Forfeiture of Water Right No. 587-2

COMMENTS:

I contacted Mr. Williams regarding the status of Water Right No. 587-2. Mr. Williams informed me he purchased the land covered under Water Right No. 587-2, and the water right was no longer being used. Williams agreed the water right should be scheduled for cancellation.



Ken Buhler  
Natural Resources Engineering Specialist



**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

PMB 2020  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
[www.state.sd.us/denr](http://www.state.sd.us/denr)

January 28, 2005

**NOTICE OF CANCELLATION**

TO: Rand T Williams, 742 State Street, Spearfish SD 57783

FROM: Ron Duvall, Natural Resources Engineer  
for Garland Erbele, Chief Engineer  
Water Rights Program

SUBJECT: Cancellation of Water Right No. 587-2

Water Right No. 587-2, listed in the name of Double H Development Corporation, authorizes diversion of ground water for commercial purposes. On November 30, 2004, Ken Buhler with our program, spoke with you about the water right. You confirmed ownership of the land and indicated water was no longer being diverted as described in the water right. The Chief Engineer of the Water Rights Program is recommending cancellation of Water Right No. 587-2 due to abandonment and/or forfeiture.

The Water Management Board will consider cancellation of Water Right No. 587-2 at 10:00 a.m., March 2, 2005, in the Floyd Matthew Training Center, Joe Foss Building, 523 E Capitol, Pierre, SD.

The recommendation of the Chief Engineer is not final or binding upon the Board. The Board is authorized to 1) cancel, 2) cancel portions of, 3) delay action on, or 4) take no action on Water Right No. 587-2 based upon facts presented at the public hearing. Our records show you to be the owner of property covered by this water right. If you wish to oppose the cancellation and if you intend to participate in the hearing before the Board and present evidence or cross-examine witnesses according to SDCL 1-26, you must file a written petition with the Chief Engineer by February 18, 2005. The petition may be informal, but it must include a statement describing the reasons for your opposition to the cancellation, and your signature and mailing address or your legal counsel if legal counsel is obtained.

The hearing will be conducted pursuant to the provisions of SDCL 46-1-1 thru 46-1-10, 46-1-14 thru 46-1-15; 46-2-3.1, 46-2-9, 46-2-11, 46-2-17; 46-5-36, 46-5-37, 46-5-37.1; 46-2A-1 thru 46-2A-7; and Board Rules ARSD 74:02:01:36 thru 74:02:01:41. These are contested cases pursuant to procedures contained in SDCL 1-26.



January 28, 2005  
Rand T Williams  
Page 2

This hearing may be an adversarial proceeding. Any party has the right to be present or to be represented by a lawyer. These and other due process rights will be forfeited if they are not exercised. Decisions of the Board may be appealed to the Circuit Court and State Supreme Court as provided by law.

The time of the hearing will be automatically extended for at least twenty days upon your written request to the Chief Engineer after a petition has been filed to oppose the cancellation. If an extension is requested, the hearing on the cancellation will be continued until the next regular Board Meeting. Any request for extension must be filed with the Chief Engineer by February 18, 2005.

Prior to February 18, 2005, contact the Water Rights Program, Joe Foss Building, 523 E Capitol, Pierre, SD (605-773-3352) if assistance is needed with the following: 1) further information on the proposed cancellation; 2) to assure access to the meeting room for the handicapped; or 3) to obtain an interpreter for the hearing impaired.

**Please note:**

According to SDCL 1-26-18.3, parties to a contested case may use the Office of Hearing Examiners to conduct a hearing if either a property right is being terminated or the dollar amount in controversy exceeds \$2,500.00. If you choose to use the Office of Hearing Examiners rather than the hearing procedure described above, then you need to notify the Chief Engineer (Water Rights Program, 523 E. Capitol Avenue, Pierre SD) by February 18, 2005.



**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

PMB 2020  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
[www.state.sd.us/denr](http://www.state.sd.us/denr)

**RECOMMENDATION OF CHIEF ENGINEER**

**FOR WATER RIGHT NO. 587-2, DOUBLE H DEVELOPMENT CORPORATION**

Pursuant to SDCL 46-2A-2 and 46-5-37.1, the following is the recommendation of the Chief Engineer, Water Rights Program, Department of Environment and Natural Resources concerning Water Right No. 587-2, now owned by Rand T Williams.

The Chief Engineer is recommending cancellation of the above Water Right due to abandonment or forfeiture. In a conversation with Ken Buhler on November 30, 2004, the new owner of the property indicated the water right was no longer being used.

A handwritten signature in black ink that reads "Ron Duvall".

RON DUVALL, Natural Resources Engineer  
for Garland Erbele, Chief Engineer  
January 28, 2005

**Note:**

Cancellation of the water permit/right does not prohibit a new application for this project in the future.

CERTIFICATION

I hereby certify that on January 28, 2005 , I have personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated January 28, 2005 regarding Cancellation of Water Right No's, 1476-3 & 1477-3, 3657-3, 587-2, 4696-3 addressed as stated below:

1476-3 & 1477-3  
Marilyn Lefers  
27382 Napoleon Ave  
Corsica SD 57328-5417

3657-3  
Norman Drake  
PO Box 783  
Brandon SD 57005-0783

587-2  
Rand T Williams  
742 State Street  
Spearfish SD 57783

4696-3  
Doug Wevik  
Marimac Inc  
47172-307<sup>th</sup> St  
Beresford SD 57004

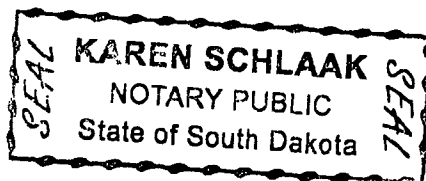
1156-1  
Stuart Johnson  
PO Box 336  
Mobridge SD 57601-0336

Eric Gronlund  
Eric Gronlund  
Natural Resource Engineer  
Water Rights

STATE OF SOUTH DAKOTA     )  
  ) SS  
COUNTY OF HUGHES         )

Sworn to, before me, this 31<sup>st</sup> day of January, 2004.

Karen Schlaak  
Karen Schlaak  
Notary Public  
My Commission expires April 1, 2007





**DEPARTMENT of ENVIRONMENT  
and NATURAL RESOURCES**

PMB 2020  
JOE FOSS BUILDING  
523 EAST CAPITOL  
PIERRE, SOUTH DAKOTA 57501-3182  
[www.state.sd.us/denr](http://www.state.sd.us/denr)

March 3, 2005

587-2

**NOTICE**

Rand T Williams  
742 State St  
Spearfish SD 57783

Dear Mr. Williams:

This will notify you that the Water Management Board cancelled Water Right No. 587-2 on March 2, 2005. This action was taken under the conditions outlined in our notice to you dated January 28, 2005. The water right, listed in the name of Double H Development Corporation, authorized diversion of ground water for commercial purposes.

SDCL 46-6-27 states that if the owner of an existing well, such as the well authorized by cancelled Water Right No. 587-2, has no plans to use the well (i.e., for domestic purposes such as livestock watering or household use) then the existing well is considered abandoned and needs to be plugged. Any well that is being used or is not abandoned shall be sealed or capped at the ground surface to prevent contamination of the groundwater. If you intend to use your well for domestic purposes (such as livestock watering or household use), the well does not need to be plugged.

Please advise if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Garland Erbele".

Garland Erbele, Chief Engineer  
Water Rights Program  
(605) 773-3352

587-2

CERTIFICATION

I hereby certify that on March 3, 2005 , I have personally deposited with the United States mail at Pierre, South Dakota, first class postage, prepaid envelopes containing a Notice dated March 3, 2005 regarding Notice of Cancellation of Water Permit Nos. 1156-1 & 4696-3 and Water Right Nos. 587-2, 1103-3, 1476-3, 1477-3,, 3447-3 & 3657-3 addressed as stated below:

1156-1  
Stuart Johnson  
PO Box 336  
Mobridge SD 57601-0336

4696-3  
Doug Wevik  
Marimac Inc  
47172 307<sup>th</sup> St  
Beresford SD 57004

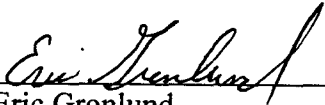
587-2  
Rand T Williams  
742 State St  
Spearfish SD 57783

1103-3  
Gary & Dawn Glover  
32118 470<sup>th</sup> Ave  
Burbank SD 57010

1476-3 & 1477-3  
Marilyn Lefers  
27382 Napoleon Ave  
Corsica SD 57328-5417


3447-3  
David Struck President  
Wernerstruck Inc  
20601 385<sup>th</sup> Ave  
Wolsey SD 57384

3657-3  
Norman Drake  
PO Box 783  
Brandon SD 57005-0783

  
Eric Gronlund  
Natural Resource Engineer  
Water Rights

STATE OF SOUTH DAKOTA     )  
  ) SS  
COUNTY OF HUGHES         )

Sworn to, before me, this 4<sup>th</sup> day of March, 2005.

  
Karen Schlaak  
Notary Public  
My Commission expires April 1, 2007

