

Prepared by:
Roger A. Tellinghuisen
DEMERSSEMAN JENSEN
TELLINGHUISEN & HUFFMAN, LLP
516 5th Street, PO Box 1820
Rapid City, SD 57709-1820
(605) 342-2814

BYLAWS OF
DEER MOUNTAIN VILLAGE HOMEOWNERS ASSOCIATION

ARTICLE I.
NAME AND LOCATION

The name of the association is DEER MOUNTAIN VILLAGE HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the Association shall be located at _____, _____, _____. Meetings of Members and Directors may be held at such places within the State of South Dakota, County of Lawrence, as may be designated by the Board of Directors.

ARTICLE II.
MEMBERSHIP

Section 1. Membership. Every tract or lot owner within the Deer Mountain Village, ("Development") shall be a member ("Member") of the Association and entitled to vote on matters coming before the membership. In any vote required of the membership, Owners, as defined in the covenants of the Development (Declaration of Covenants), shall be entitled to one (1) vote per lot. However, as long as KR Deer Mountain Club 2021, LLC, a South Dakota limited liability company (hereafter "Developer"), owns property within the Development, it shall be entitled to veto any decision by the Association.

Section 2. Annual Meeting of Membership. The annual meeting of the Membership shall be held each year on a date selected by the Board of Directors.

Section 3. Order of Business. The order of business at all annual meetings shall be as follows:

- A. Roll call. The roll call may be dispensed with by motion approved by a majority of the voting members present.

- B. Minutes. Reading of minutes of the previous annual meeting and of any special meetings held subsequent to the previous annual meeting. The reading of said minutes may be dispensed with by motion of a majority of the voting members present.
- C. Reports of Officers.
- D. Reports of Standing Committees (if any).
- E. Reports of Special Committees (if any).
- F. General Business.
- G. Election of Directors.

Section 4. Special Meetings. Special meetings of the Members of the Association may be called by the Board of Directors at any time and the Board of Directors shall call such a meeting upon the written request of 50% of the membership. At special meetings no action shall be taken upon any subject except the subject stated in the notice of such meeting.

Section 5. Notice of Annual or Special Meetings. Notice of each annual meeting or special meeting and adjourned meetings of Members of the Association shall be mailed, emailed, or posted on the Association website (if any) not less than ten (10) or more than twenty (20) days prior to the date of such meeting. Each Member shall be required to leave a current mailing address and/or current email address with the Association's secretary. Failure to provide such address or change of address and/or a current email address shall be regarded as a waiver of any notice provided in the by-laws.

Section 6. Absentee Ballots. Each Member currently in good standing may request an absentee ballot for the purpose of voting in absentia at any annual or special meeting of the Association. Such ballot must be signed by the voting member and must be mailed or emailed to the Association's office in time to be received at least five (5) days prior to the annual or special meeting for which it is intended. Absentee ballots shall be counted at the same time as the ballots at the meeting of Members.

Section 7. Quorum. A majority of the Members shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Members present at a duly held meeting at which a quorum is present shall be regarded as the act of the Membership.

ARTICLE III.
BOARD OF DIRECTORS

Section 1. Number of Directors. The Board of Directors shall consist of 5 persons who shall be Members of the Association. The initial Board of Directors shall be appointed by Developer. Upon 90% of the lots within the Development being sold, an election of Directors shall be held at which time two (2) Directors receiving the highest number of votes shall be elected for a three (3) year term; two Directors receiving the next highest number of votes shall be elected for a two (2) year term; and the remaining one (1) Director shall be elected for a one (1) year term. Thereafter, Director terms shall be for three (3) year terms.

Section 2. Vacancies. Whenever a vacancy occurs in the Board of Directors, the remaining Directors shall have the power to appoint a qualified Member to fill the unexpired term.

Section 3. Nominating Committee. A nominating committee, consisting of not less than two Directors and two Members at Large of the Association shall be appointed and chaired by the President not less than sixty (60) days prior to each annual meeting. The committee shall recommend to the Board of Directors as many candidates for election as there are Directors to be elected, and when the nominations have been approved by the Board of Directors, the Secretary/Treasurer or their designee, shall mail/email the list to the Members with the agenda for the meeting.

Section 4. Regular Meetings. A regular annual meeting of the Board of Directors shall be held after the annual meeting of the Members.

Section 5. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two Directors, after not less than three (3) days' notice to each Director.

Section 6. Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 7. Financial Report. The Board of Directors shall submit a report of the affairs and any financial statement of the Association at each annual meeting.

Section 8. Failure to Attend. A Member of the Board of Directors, failing to attend three (3) consecutive regular meetings of Board of Directors without reasonable excuse there for, acceptable to the Board, may be dropped from the Board upon a majority vote of the remaining Members of the Board of Directors. Attendance may include video or teleconferencing.

Section 9. Conflict of Interest. The Board of Directors shall establish a written conflict of interest guideline relating to business dealings between the Association and Board Members or firms in which Board Members have a significant financial interest. Said guidelines shall preclude any Board Member from voting on issues where there is

a possible of conflict of interest; shall preclude Board Members from either acquiring or disseminating confidential or inside information pertaining to the Association's business.

ARTICLE IV.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- A. Adopt and publish rules and regulations governing the use of Association property and rights;
- B. Suspend the voting rights and right to use of the facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days, for infraction of published rules and regulations;
- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to membership by other provisions of these bylaws or the Declaration of Covenants;
- D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors without reasonable excuse as provided in Article III (8) above.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting.
- B. Supervise all officers, agents and employees of the Association, and to see that their duties are properly performed.
- C. As more fully provided in the Declaration of Covenants:
 - (1) Fix the amount of the annual assessment against each lot in advance of each annual assessment period;
 - (2) Send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3) Foreclose the lien against any property for which assessments are not paid after due or to bring an action at law against the owner personally obligated to pay the same.

D. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

E. Procure and maintain adequate liability and hazard insurance on property owned by the Association.

F. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

ARTICLE V. OFFICERS

Section 1. Enumeration of Officers. The officers of this Association shall be a President and Vice President, who shall at all times be members of the Board of Directors, and a Secretary and a Treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein. The acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President: The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments; and shall co-sign all checks and promissory notes.

Vice President: The Vice President shall act in place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary: The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the Members of the Association, together with their addresses; and shall perform such other duties as required by the Board.

Treasurer: The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

ARTICLE VI. COMMITTEES

The Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE VII. BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration of Covenants, and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at a reasonable cost.

ARTICLE VIII.
ASSESSMENTS

As more fully provided in the Declaration of Restrictive Covenants, each Member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate established for judgment under the laws of the State of South Dakota, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property. Interest, costs, and reasonable attorney fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE IX.
AMENDMENT

After 90% of the tracts or lots within the Development have been sold, these Bylaws may be amended, at a regular or special meeting of the Members, by a vote of a majority of a quorum of Members present in person or by proxy.

ARTICLE X.
MISCELLANEOUS

Section 1. Prevailment. In the case of any conflict between these Bylaws and the Declaration of Restrictive Covenants, the Declaration of Restrictive Covenants shall control.

Section 2. Fiscal Year. The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of the adoption of these Bylaws.

IN WITNESS WHEREOF, these Bylaws are executed this _____ day of _____, 2022.

DEER MOUNTAIN VILLAGE
HOMEOWNERS ASSOCIATION

By _____
Gerard Keating, Managing Member of
KR Deer Mountain Club 2021, LLC

