

ISSUE #1

Section 1: [Article III, Section 4] Special Meetings Called Only by Officers

Special meetings of the Members of the Association may be called only by the President or the Board of Directors, and Lot Owners shall have no authority to call a special meeting by petition.

MARKUP #1 ->

Section 2: [Article IV, Section 6] Proxy Voting Duration and Revocability

Any proxy executed by a Lot Owner in favor of the Board of Directors shall be irrevocable and shall remain valid and in full force for five (5) years from the date of execution.

Section 3: [Article VII, Section 3] Loans to Officers and Directors

The Board of Directors may advance or loan Association reserve funds to any Officer or Director for personal bridge financing upon approval of the Treasurer.

MARKUP #1 · SUBJECTIVE OR OVERBROAD WORDING

BOARD & COUNSEL REVIEW

Sec. Article III, Section 4 (p. 1): Eliminating the members' statutory right to call a special meeting upon written request of 5% of voting members violates SDCL § 47-23-1.

Statutory / Legal Reference: SDCL § 47-23-1

Statutory Comparison: Under SDCL § 47-23-1, special meetings of the members may be called by the president, the board of directors, or such other officers or persons as may be provided in the articles or bylaws, or by members having not less than one-twentieth (5%) of the votes entitled to be cast at such meeting.

CURRENT WORDING IN DOCUMENT:

[Article III, Section 4] Special Meetings Called Only by Officers - Special meetings of the Members of the Association may be called only by the President or the Board of Directors, and Lot Owners shall have no authority to call a special meeting by petition.

SAMPLE DISCUSSION WORDING (FOR HOA ATTORNEY REVIEW):

Amend Section Article III, Section 4 ([Article III, Section 4] Special Meetings Called Only by Officers - Special meetings of the Members of the Association may be called only by the President or the Board of Directors, and Lot Owners shall have no authority to call a special meeting by petition.) to conform with SDCL § 47-23-1 and the manual attorney audit recommendations for Rolling Hills Homeowners Association, Inc..