

**BYLAWS  
OF  
REALTORS® FOR KIDS, INC.**

**ARTICLE 1  
OFFICES, CORPORATE SEAL**

**Section 1.01. Registered Office:**

The registered office of the corporation in South Dakota shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State of South Dakota changing the registered office.

**Section 1.02. Other Offices:**

The corporation may have such other offices, within or outside the State of South Dakota as the Directors shall from time to time determine.

**Section 1.03. Corporate Seal:**

The corporation shall have a corporate seal.

**ARTICLE 2  
BOARD OF DIRECTORS**

**Section 2.01. Members:**

This corporation shall have no members. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

**Section 2.02. General Powers:**

The property, affairs and business of the corporation shall be managed by the Directors.

**Section 2.03. Specific Powers:** Without limiting the general powers set forth in these By-Laws, the Board of Directors shall have the following powers and duties, subject only to requirements of the laws of the State of South Dakota:

*a.* To borrow funds to pay for any expenditure required by the provisions of the Articles of Incorporation and these Bylaws, subject to the limitations of the laws of the State of South Dakota, and to authorize officers to execute all instruments evidencing indebtedness as the Board of Directors may deem necessary. However, the Board will not borrow more than \$500.00 at any one time without the approval of two-thirds of the votes of the Directors represented in person or by proxy on the issue.

*b.* To enter into contracts within the scope of their duties and powers.

*c.* To establish bank accounts for the corporation and for all separate funds as required or deemed advisable by the Board of Directors.

*d.* To cause to be kept and maintained full and accurate books and records showing all of the receipts, expenses, or disbursements and to permit examination thereof by Directors or their representatives during convenient weekday business hours.

*e.* To maintain the insurance coverage (including without limitation fidelity insurance, or in its place, a bond covering the Board, the officers and any other persons charged with handling corporate funds) necessary to comply with the requirements of the Articles of Incorporation, these Bylaws, and the laws of the State of South Dakota.

*f.* To carry on the administration of the corporation and to do all things necessary to carry out the purposes and intent in the Articles of Incorporation, these Bylaws, and the requirements of the laws of the State of South Dakota.

*g.* To delegate to any person or entity the corporation's duties as may be more efficiently performed by someone other than by the Directors.

*h.* To prepare and approve a budget before the close of each fiscal year of the corporation.

**Section 2.04. Property:**

No Director shall have any right, title or interest in or to the property of the corporation.

**Section 2.05. Number, Qualifications and Term of Office:**

The number of Directors shall be not less than five (5), however, the number of voting Directors may be increased or decreased to any odd number, by the vote of the Directors. Any change in the number of Directors shall receive the approval, by resolution, of the Directors before it becomes effective. All Directors shall be appointed by those remaining duly qualified Directors. Each Director shall hold office for a period of three (3) years and will be limited to serving three elected terms. Directors shall serve until the annual meeting following his or her elected term or until his or her successor shall have been elected, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. Persons who would be described in Section 4946(a)(A) or (C) through (G) of the Internal Revenue Code of 1954, as now enacted or as hereafter amended, if this corporation were a "private director" as determined in Section 509(a) of the Internal Revenue Code of 1954, or as hereafter amended shall never constitute more than one-third (1/3) of the Directors of this corporation; and such persons, together with representatives of banks or trust companies which serve as Directors, investment advisors, custodians, or agents for or with respect to funds of or held for the benefit of this corporation, shall never constitute more than one-half (1/2) of the Directors of this corporation.

**Section 2.06. Organization:**

At each meeting of the Board of Directors, the President of the Board of the corporation or, in his or her absence, a chairperson chosen by a majority of the Directors present, shall preside. The Secretary of the corporation or, in his or her absence, any person who the President shall appoint, shall act as secretary of the meeting.

**Section 2.07. Resignation:**

Any Director of the corporation may resign at any time by giving written notice to the President of the Board or to the Secretary of the corporation. The resignation of any Director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 2.08. Vacancies:**

Any vacancy in the Board of Directors caused by death, resignation, disqualification, removal, or any other cause, shall be filled by appointment in the same manner as other Directors are appointed. Each Director so appointed shall hold office for the remaining term of that Directorship and until his or her successor shall be duly elected and qualified.

**Section 2.09. Place of Meeting:**

The Board of Directors may hold its meeting at such place or places, within or outside of the State of South Dakota, as it may choose.

**Section 2.10. Annual Meeting:**

During the month of August of each year, an annual meeting of the corporation shall be held in conjunction with or following the annual meeting of the Northern Black Hills Association of Realtors®, Inc. for the purpose of election of officers of the corporation and any other business or transactions as shall come before the meeting. Notice of the annual meeting shall be given in writing not less than ten (10) days prior to the meeting date.

**Section 2.11. Regular Meetings:**

Regular meetings of the Board of Directors shall be held at such time and place within the State of South Dakota as the Board may determine by resolution adopted by a majority of the whole Board of Directors. Notice of regular meetings need not be given.

**Section 2.12. Special Meetings; Notice:**

Special meetings of the Board of Directors shall be held whenever called by the President of the Board or by two or more of the Directors. Notice of each such special meeting shall be mailed to each Director, addressed to him or her at his or her residence or usual place of business, at least two (2) days before the day on which the meeting is to be held or to be delivered personally or by telephone, no later than two (2) days before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting, but need not state the purposes thereof except as otherwise herein expressly provided. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors of the corporation then in office shall be present thereat or waive such notice in writing before, at, or after such meeting.

**Section 2.13. Quorum and Manner of Acting:**

Except as otherwise provided by statute or by these Bylaws, a minimum of 50% of the Directors shall be required to constitute a quorum for the transaction of business at any meeting, and the act shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn any meeting until a quorum be had. Notice of any adjourned

meeting need not be given. Shareholders participating by teleconference or remote electronic transmission may participate in meetings and may be counted as attending the meeting.

**Section 2.14. Removal of Directors:**

Any Director may be removed with cause at any time. Removal shall be by a vote of a majority of the Directors of the corporation at a special meeting of the Directors called for the purpose. Proper notice must be given in writing ten (10) days prior to such a meeting and the vacancy in the Board of Directors caused by any such removal shall be filed in the manner specified in Section 3.06 hereof.

**Section 2.15. Proxies:**

Proxies shall not be allowed or used.

**Section 2.16. Action Taken Without a Meeting:** The Directors have the right to take any action they could take at a meeting in the absence of a meeting by obtaining the written approval of all of the Directors. Any action so approved shall have the effect as though taken at a meeting of the Directors.

**ARTICLE 3  
OFFICERS**

**Section 3.01. Number:**

The officers of the corporation shall be a President of the Board, a Secretary, a Treasurer, and, if the Board shall so elect, one (1) or more Vice President(s) and such other officers as may be appointed by the Board of Directors. Any two (2) or more offices, except those of President of the Board and Vice President, may be held by the same person.

**Section 3.02. Election, Term of Office and Qualifications:**

All officers shall be elected annually by the Directors of the corporation, except in the case of officers appointed in accordance with the provisions of Section 3.10 each shall hold office for a period of one (1) year and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. Officers shall be Directors.

**Section 3.03. Resignations:**

Any officer may resign at any time by giving written notice of his or her resignation to the Board of Directors, to the President of the Board or to the Secretary of the corporation. Any such resignation shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

**Section 3.04. Removal:**

Any officer may be removed, with cause, by a vote of the Board of Directors at a meeting called for that purpose, and such purpose shall be stated in the notice or waiver of notice of such meeting unless all the Directors of the corporation shall be present thereat.

**Section 3.05. Vacancies:**

A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in the Bylaws for election or appointment to such office.

**Section 3.06. President of the Board:**

The president of the Board shall assume all duties normally associated with the Presidency of a corporation. The President of the Board shall be the chief executive officer of the corporation and shall have general active management of the business of the corporation. He or she shall, when present, preside at all meetings of the Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she, with the proper signature of one other duly qualified officer of the corporation, may execute and deliver in the name of the corporation any deeds, mortgages, bonds, contracts or other instruments pertaining to the business of the corporation, including without limitation, any instruments necessary or appropriate to enable the corporation to donate income, or principal of the corporation to or for the account of such organizations, causes, and projects described in the Articles of Incorporation of the corporation as the corporation was organized to support. He or she shall have such other duties as may from time to time be prescribed by the Board of Directors.

**Section 3.07. Vice-President:**

Each Vice-President shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the President of the Board. In the event of absence or disability of the President of the Board, the Vice-President shall succeed to his or her power and duties in the order designated by the Board of Directors.

**Section 3.08. Secretary:**

The Secretary shall be the secretary of, and when present shall see that the proceedings of the meetings of the Board of Directors are kept. He or she shall when directed to do so, cause proper notice of meetings of members and Directors to be given. He or she shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President of the Board and in general shall perform all duties incident to the office of Secretary.

**Section 3.09. Treasurer:**

The Treasurer shall cause to be kept accurate accounts of all moneys of the corporation received or disbursed. He or she shall deposit all moneys, drafts and checks in the name of, and to the credit of, the corporation in such banks and depositaries as a majority of the whole Board of Directors, by resolution, shall from time to time designate. He or she shall have power to endorse for deposit all notes, checks and drafts received by the corporation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the President of the Board, and, in general, shall perform all duties incident to the office of Treasurer.

**Section 3.10. Other Officers:**

The corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

**Section 3.11. Directors:**

The Board of Directors may establish a body of Directors to assist in the development and operation of the Directors. The Directors may be appointed by the Board of Directors in any number the Directors may, from time to time, deem necessary. The Directors shall have no vote in Directors matters and no authority to affect Directors policy.

**ARTICLE 4  
COMMITTEES**

**Section 4.01. Other Committees:**

The Board of Directors may act by and through such other committees as may be specified in resolutions adopted by a majority of the whole number of Directors. Each such committee shall have such duties and responsibilities as are granted to it by the Board of Directors. Each such committee shall at all times be subject to the direction of the President of the Board of Directors.

**Section 4.02. Miscellaneous:**

A member of the Board of Directors may sit as the chairperson of committees. Non-Directors may be established as committees of the Board. The chair of any such committee may be a Director. The structure, purpose, and reason for the committees' existence may from time to time be altered to fit Directors goals and corporate purpose. Each committee of the corporation may establish the time for its regular meetings and may change that time as it deems advisable. Special meetings of any committee of this corporation may be called by the chairperson of that committee or by the President of the Board. Two (2) days notice by mail, telephone or fax shall be given of any special meeting of a committee. At all meetings of committee of this corporation each member thereof shall be entitled to cast one vote on any question coming before such meeting. The presence of one-third (1/3) of the membership of any committee of this corporation shall constitute a quorum at any meeting thereof, but the members of a committee present at any of such committee meetings, although less than a quorum, may adjourn the meeting. A majority vote of the members of a committee of this corporation present at any meeting thereof, if there be a quorum, shall be sufficient for the transaction of the business of such committee. All action of committees shall be subject to the approval of the Board of Directors.

**ARTICLE 5  
FISCAL AGENTS**

This corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

**ARTICLE 6  
RESPONSIBILITY**

It shall be the policy of this corporation that the Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds held or administered by this corporation.

**ARTICLE 7  
DISTRIBUTION OF PRINCIPAL AND INCOME**

It shall be the policy of this corporation to make annual distributions for one or more of the non-profit purposes for which this corporation is organized, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of such purposes, in an amount determined by the Board of Directors to be appropriate for carrying out the purposes of the Directors. In any such distribution of funds no discrimination shall be made on account of the age, sex, color, religious affiliation or national origin of the individuals or programs to be benefited thereby.

**ARTICLE 8  
BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND**

**Section 8.01. Books and Records:**

The Board of Directors of this corporation shall cause to be kept:

- a.* Records of all proceedings of Directors, and committees; and,
- b.* Such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

**Section 8.02. Documents Kept at Registered Office:**

The Board of Directors shall cause to be at the registered office of this corporation originals or copies of:

- a.* Records of all proceedings of Directors, and committees;
- b.* All financial statements of this corporation; and,
- c.* Articles of Incorporation and Bylaws of this corporation and all amendments thereto and restatements thereof;

**Section 8.03. Audit and Publication:**

The Board of Directors may cause the records and books of account of this corporation to be audited at least once in each fiscal year in such manner as may be deemed necessary or appropriate, and also shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any Director, agent, or custodian for

the benefit of this corporation, and may retain such person or firm for such purposes as it may deem appropriate. Not later than six months after the close of each fiscal year of this corporation, the Board of Directors of this corporation may furnish copies of the corporation's financial statements for its immediately preceding fiscal year or, if determined necessary or appropriate by the Board of Directors, cause such financial statements to be published in one or more local newspapers having general circulation and distribution, as may be selected by the Board of Directors.

**Section 8.04. Fiscal Year:**

The fiscal year of the corporation shall end on December 31<sup>st</sup> of each year.

**Section 8.05. Bond:**

The corporation shall obtain bond on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

**ARTICLE 9  
WAIVER OF NOTICE**

Whenever any notice whatsoever is required to be given by these Bylaws or any of the corporate laws of the State of South Dakota, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether before, at, or after the time stated therein, or before, or at the meeting.

**ARTICLE 10  
INDEMNIFICATION**

**Section 10.01. Scope of Indemnification:**

To the maximum extent permitted by law and consistent with the Articles of Incorporation, the Corporation will indemnify every Officer, Director, Member, Employee and Agent of the Corporation and every person who serves at the request of the Corporation as a director, officer, employee, fiduciary, or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, or other enterprise or employee benefit plan against liability asserted against or incurred by that person in that capacity or arising out of that person's capacity as such. The indemnification permitted under this Article shall extend, in any event, to any act or omission occurring before the date of incorporation of the Corporation arising out of membership on the Board of Directors of the predecessors of the Corporation. Such indemnification shall include, but is not necessarily limited to, the following:

*a.* Indemnifying any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, other than an action by or in the right of the Corporation, by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise, against expenses, including attorneys' fees, judgments, fines, and amounts paid in settlement actually and reasonably incurred

by such person in connection with such action, suit, or proceeding if that person acted in good faith and in a manner in which that person reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner which that person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such conduct was unlawful;

b. Indemnifying any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, or agent of another corporation, limited liability company, partnership, joint venture, trust, or other enterprise against expenses, including attorneys' fees, actually and reasonably incurred by that person in connection with the defense or settlement of such action or suit if that person acted in good faith and in a manner that such person reasonably believed to be in or not opposed to the best interests of the Corporation and except that no indemnification may be made in respect of any claim, issue or matter as to which such person has been adjudged to be liable for negligence or misconduct in performance of any duty to the Corporation unless and only to the extent that the court in which such action or suit was brought determines upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnification for such expenses which the court deems proper;

c. To the extent that a Director, Officer, employee, or agent of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in SDCL §§ 47-22-65.1(1) and (2), or in defense of any claim, issue or matter therein, he or she shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith;

d. Any indemnification under SDCL §§ 47-22-65.1(1) and (2), unless ordered by a court, shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because he/she has met the applicable standard of conduct set forth in SDCL §§ 47-22-65.1(1) and (2). Such determination shall be made by the Board of Directors by a majority vote of a quorum consisting of Directors who were not parties to such action, suit, or proceeding, or if such a quorum is not obtainable, or, even if obtainable a quorum of disinterested directors so directs, by independent legal counsel in a written opinion;

e. Any expense incurred by an Officer or Director in defending a civil or criminal action, suit or proceeding may be paid by the Corporation in advance of the final

disposition of such action, suit, or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of such director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized by SDCL §§ 47-22-65.1 to 47-22-65.8, inclusive. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate; and,

*f.* No indemnification provided by SDCL §§ 47-22-65.1 to 47-22-65.8, inclusive, is exclusive of any other rights to which those seeking indemnification may be entitled under any bylaw, agreement, vote of disinterested Directors, or otherwise, both as to action in his/her official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a Director, Officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person.

**Section 10.02. Settlements:** In the event of a settlement, the Corporation will provide indemnification for those matters covered by the settlement only if counsel advises the Corporation that the person to be indemnified has not been guilty of the alleged actions or omissions in the performance of the person's duties for the Corporation.

**Section 10.03. Does Not Exclude Other Rights:** The foregoing rights will not be exclusive of other rights to which the member of the Board of Directors or Officer or other person may be entitled.

**Section 10.04. Treated as Common Expense:** All liability, loss, damage, cost, and expense arising out of or in connection with the foregoing indemnification provisions will be treated and handled by the Corporation as a Common Expense of the Corporation.

## **ARTICLE 11 AMENDMENTS**

The Board of Directors may amend this corporation's Articles of Incorporation, as heretofore or hereafter from time to time amended or restated, to include or omit any provision which could be lawfully included or omitted at the time such amendment is made. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, either may be submitted and voted upon at a single meeting of the Board of Directors and be adopted at such meeting a quorum being present, upon receiving the affirmative vote of not less than two-thirds (2/3) of the whole number of Directors of this corporation or may be adopted, in accordance with Article 11 hereof, by writing signed by all of the Directors of this corporation.

**ARTICLE 12  
DISSOLUTION**

*Upon the dissolution or the winding up of the affairs of the corporation, the Board of Directors, after providing for payment of all obligations, shall distribute any remaining assets, within its discretion, to any other non-profit tax exempt organization.*

REALTORS® FOR KIDS, INC.

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SECRETARY,

The Bylaws of REALTORS® FOR KIDS, INC. were unanimously adopted at a meeting of the Board of Directors held on January 10, 2005, at Spearfish, South Dakota, as evidenced by the signatures of all duly constituted Directors set forth herein below.

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