

Revision to By Laws
10-12-2002

PURPOSE OF THE BY LAWS:

To establish, promulgate, and provide means of enforcing codes and rules for all of the SUN VALLEY IOWA LAKE ASSOCIATION and for the harmonious and efficient operation and management of all aspects of the SUN VALLEY IOWA LAKE ASSOCIATION property.

ARTICLE 1
DEFINITIONS

The following terms as used in these By Laws are defined as follows:

“Association” means the SUN VALLEY IOWA LAKE ASSOCIATION, an Iowa not-for-profit (504a) corporation. Under Code of Iowa Chapt.

“Board” means the Board of Directors of the Association.

“By-laws” means the By-Laws of the Association

“Common Area” means all of the real property designated as such in the Supplemental Declaration or as designated by the board, together in each instance with all improvements which may be at any time constructed thereon, including parks and roads.

“Declaration” means the Declaration of Covenants and Restrictions for Sun Valley Iowa Lake development dated the 6th day of April, 1988 and recorded in Book 234, page 81 in the Ringgold County Recorders office and all amendments thereto.

“Development” means the Sun Valley Lake as the same may be shown on the maps thereof recorded from time to time hereafter and as described in the Supplemental Declaration.

“Lots” means any lot in the Development or any Lot within an area that becomes subject to the Declaration.

“Owner” means:

- (1) Any person or legal entity that hold fee simple title to any Lot, or
- (2) Any person or legal entity who has contracted to purchase fee simple title to a Lot, pursuant to a written agreement, in which case seller under said agreement, shall cease to be the owner while said agreement is in effect, or
- (3) Any owner of any property who desires to become bound by the By-laws and to become a member of the Association irrespective of owning a Lot in the Development.

“Rules and Regulations” mean regulations adopted by the Board.

“Fiscal Year” is the twelve month accounting period beginning April 1 and ending on March 31, at which time the books are closed or as changed by the Board of Directors, from time to time.

“Capital Improvement” is a permanent addition to or modification of real property that enhances its capital value and is distinguished from an ordinary repair in being designed to make the property more useful or valuable.

“Indemnification” is a promise that, in the event of a loss, an individual will be restored to the financial position that existed prior to the loss.

“Ballot” is the official document recognized by the Board and issued to members.

“Association Property” is an interest, money or land that is owned or possessed by the Sun Valley Iowa Lake Association.

“Parliamentarian” is a person who advises the Board of Directors of the procedures and rules of conducting Board meetings, as designated by the Board.

“Member in good standing” shall be a Member who has paid all Fees, Dues and Assessments when due and has abided by all the By-laws and Covenants.

“Malfeasance” Commission of some act which is positively unlawful; the doing of an act which is wholly wrongful; the unjust performance of some act which the party had no right or he/she had contracted not to do. Comprehensive term including any wrongful conduct that affects, interrupts or interferes with the performance of official duties.

“Misfeasance” A misdeed. The improper performance of some act which a man may lawfully do. Wrongful and injurious exercise of lawful authority.

“Nonfeasance” The omission of an act which a person ought to do, omission to perform a required duty at all, or total neglect of duty.

ARTICLE 2 ASSOCIATION MEMBERS

SECTION 1. Members.

One owner, by reason of ownership of a Lot, shall become a member of the Association. Each Member is allowed one vote.

SECTION 2. Voting Eligibility

No member shall be entitled to vote at the annual meeting or at any special meeting if that Member is in arrears of any assessment levied against that members property in Sun Valley Lake by Sun Valley Iowa Lake Association. There shall be one vote and one voting member regardless of the number of Lots owned or persons who may have ownership interest in such Lots, or the manner in which title is held by them. The voting member shall be designated at the request of the Association.

SECTION 3. Privileges of Members.

Members shall have a right to use Common Areas subject to the provisions of the Declaration and subject to such other rules and condition as may be established by the Board.

SECTION 4. Responsibilities of Members.

Each member shall agree to be aware of the By Laws and rules of the Association and shall be subject to them. All members are responsible for the actions of their guests or lessees and all guests

and lessees must abide by and be aware of By Laws and rules of the Association.

ARTICLE 3

EVIDENCE OF MEMBERSHIP AND TRANSFER

SECTION 1. Membership Records.

Adequate records shall be maintained by the Association showing the names of the members of the Association, the Lot number, and the date of membership.

SECTION 2. Membership Transfer.

When a member ceases to be a owner such person's membership shall cease, but such person shall remain liable for all Association financial charges, owed by the member, and other obligations hereunder incurred prior to the giving of written notice to the Association that such person is no longer an owner.

SECTION 3. Other Members.

The Board of Directors may grant any person or entity, even though not otherwise an owner of a Lot, membership in the Association on such terms and conditions established by the Board of Directors but not less onerous than the terms of other members memberships.

ARTICLE 4

MEETINGS OF MEMBERS

SECTION 1. Place of Meetings.

Any meeting of the members of the Association shall be held in the State of Iowa at such a place therein as may be stated in the notice of such a meeting.

SECTION 2. The Annual Meeting.

The annual meeting of the Association shall be held on a Sunday during the month of April or May as determined by the Board of Directors.

SECTION 3. Special Meetings of the Association.

Special meetings of the Association may be called by the Board of Directors at any time in the manner herein provided. A special meeting may be called upon request of twenty percent (20%) of the membership who would have the right to vote at such a meeting.

Notice of special meeting shall set forth the purpose of such meeting. If the stated purpose of special meeting will not serve any legitimate purpose, as determined by a vote of two-thirds of the then constituted Board of Directors, the request for such special meeting may be dishonored and in that event, the purpose for which said special meeting was requested shall be placed on the agenda of the next annual meeting of the Association.

SECTION 4. Notice of Meeting of the Association.

Written notice of the place, date and hour of the meeting, and in

the case of the special meeting, the purpose or purposes for which the meeting was called, shall be delivered not less than ten (10) days nor more than forty (40) days before the date of the meeting, either personally or by mail, to each member entitled to vote at such meeting. If mailed such notice shall be deemed to have been delivered when deposited in the United States mail, addressed to the member at his or her address as it appears on the records of the Association, with postage prepaid. At a special meeting, no business shall be conducted except that stated in the notice of said meeting, unless agreed upon by a majority of members present.

SECTION 5. Quorum.

A quorum at any special meeting or annual meeting shall be ten percent (10%) of the members entitled to vote. A majority vote cast in person and by absentee ballot at a meeting at which a quorum is present shall be necessary for the adoption of any matter voted upon by the members, unless a greater portion is required by law.

**ARTICLE 5
THE DIRECTORS**

SECTION 1. Powers.

The Board shall:

Cause the association to employ sufficient personnel to adequately perform the responsibilities of the Association.

Elect the officers of the Association.

It may establish committees of the Association and appoint the members thereof. It shall assign to such committees such responsibilities and duties consistent with provisions of these By Laws or with state law as it may deem appropriate.

Enter into agreements relating to the orderly transfer of Common Areas to the Association in order to facilitate the business of the Association and to further the interests of the members of the Association. Such agreements may contain such provisions as the directors may in their judgment feel are appropriate and in the best interests of the Association and its members. However, the Board shall require notice of the existence of such agreements and provisions and terms thereof to the general membership in such manner as may be deemed appropriate by the Board, but in no event, later than the next regularly scheduled communication.

Have the right and the obligation to the Association to seek legal counsel for the affairs of the Association as deemed necessary including the expense of litigation.

Each year the Board shall appoint a Parliamentarian to be a non voting member of the Board.

Adopt such rules and regulations relating to the use of Association property and all other matters within the jurisdiction of the Association, and sanctions for noncompliance therewith, as it may

deem reasonably necessary for the best interest of the Association and its members.

The Board may also establish and levy reasonable fees for the issuance of permits for erecting or placing improvements on any Lot, and also for the use of Association property.

Manage and control the affairs of the Association.

SECTION 2. Finance

The Board shall designate a banking institution or institutions as depository for the Association's funds, and name the officer or officers authorized to make withdrawals therefrom, and to execute obligations on behalf of the Association.

The Board shall perform other acts of authority for which has been granted herein or by Law, including the borrowing of money for Association purposes. A resolution by the Board that the interest of the Association requires the borrowing of money shall be sufficient evidence for any person that the borrowing is for a proper corporate purpose. The Board may, if it determines that the same shall be reasonably necessary, assign, pledge, mortgage, or encumber any Association property as security for such borrowing, and they may pledge or assign future revenues of the Association as security therefore.

The board shall, prior to the annual meeting of the Association in each year, adopt and approve an operating budget to be presented at the annual meeting. The board shall, taking into consideration other sources of income that the Association may have, levy the assessment for each lot for the following year, if the operating expenses exceed the approved budget in any fiscal year or if funds are needed for unbudgeted repairs, capital improvements or for other purposes the Board is authorized to levy a special assessment.

In no event, however, shall the special assessment exceed 100% of the collective annual dues in any one year, without a vote of the property owners approving the special assessment, by a simple majority of the voting property owners. The Board has the right and obligation to levy special assessments as may become necessary from time to time. In no event, however, shall the annual assessment be less than Two Hundred (\$200.00) per year per lot, however where there is ownership of multiple lots by one person, the Board will determine the annual assessment. The Board may, by resolution, fix the time of payment of annual assessments which may be on a semi-annual basis.

SECTION 3. Insurance, Bonding and Indemnification.

The Board shall carry, maintain and timely pay the premiums for insurance to protect the physical assets of the Sun Valley Iowa Lake Association.

The Board shall also carry, maintain and timely pay the premiums for public liability insurance (general liability insurance) covering the common areas and all recreational facilities, all owned buildings

and structures located thereon, all in such amounts as may be determined at the discretion of the Association Board of Directors.

The Board shall also carry, maintain and timely pay the premiums for liability insurance for the Officers and Directors.

The Association may from time to time require other forms of insurance as it deems necessary.

The Board shall also provide fidelity bonds in an amount not less than the annual revenues of the Association for the Treasurer and all other persons who handle monies of the Association, workmen's compensation insurance for all employees and errors and omissions insurance for Board officers and Board of Directors in such amounts as determined by the Board of Directors to be necessary.

Service on the Board of Directors of the Association, or as an officer, or employee thereof, or any such service at the request of the Association in a like position on behalf of any other corporation, partnership, joint venture, trust, or other entity, is deemed by the Association to have been undertaken and carried on in reliance by such persons on the full exercise by the Association of all powers of indemnification which are granted under the Iowa Business Corporation Act as amended from time to time as if applicable to the Association. Accordingly, the Association shall exercise all of its permissive powers whenever, as often as necessary, and to the fullest extent possible to indemnify such persons. Such indemnification shall be limited or denied only when and to the extent that the Iowa Business Corporation Act or other applicable legal principles limit or deny the Association's authority to so act. This By Law and the indemnification provisions of the Iowa Business Corporation Act (to the extent not otherwise governed by controlling precedent) shall be construed liberally in favor of the indemnification of such persons.

SECTION 4. Numbers of Directors.

The number of Directors shall be five (5): all of whom shall be elected by the members.

SECTION 5. Term

Directors shall serve a term of three (3) years.

Directors shall serve not more than two consecutive three (3) year terms. The Directors shall be elected on a staggered basis (for example: in 2003 one (1) Director shall be elected, in 2004, two (2) Directors shall be elected, In 2005, two (2) directors shall be elected, etc.).

SECTION 6. Qualification of the Directors

No person shall serve as a director of the Association unless he or she meets the following qualifications, and if an acting director fails to meet the following qualifications during his or her term of office, then he or she may be subject to removal hereunder, in addition to being subject to removal pursuant to Article V, Section 12 below:

Shall be a member of the Association, for 12 months prior to the dates said person would be elected as a director.

Being at least twenty-one years of age.

His or her membership is in good standing with the Association pursuant to the provisions of these By Laws.

He or she never having been convicted of a felony or a crime involving moral turpitude.

No other person from the prospective director's immediate family shall be serving as a director at the same time or that no other co-owner of the same lot shall be serving as a Director at the same time. Persons of the immediate family shall include a husband, wife, child, or co-habitant.

SECTION 7. Election of Directors.

Election of Directors shall be by written Ballot as is hereinafter provided. In all elections of Directors, each member entitled to vote as set forth in ARTICLE 2, SECTION 2, shall be entitled to as many votes as there are openings to be filled. Fractional votes are not allowed, cumulative voting is not allowed.

Between the first day of January and the last day of February of each year, any member in good standing may file with the Secretary of the Association a statement of his or her candidacy for election as a director of the Association for the term beginning with the date of the annual meeting of that year. The Secretary of the Association shall cause notice of each candidacy and a brief biographical statement of each candidate to be included in the notice of the annual meeting for that year.

All elections to the Board shall be made by written Ballot, which shall be prepared and mailed by the Secretary of the Association to each member entitled to vote simultaneously with the mailing of the notice of the Annual Meeting of the Association. Each member entitled to vote shall receive one Ballot.

The completed Ballot shall be returned as follows:

The Ballot shall be returned by mail to the Secretary of the Association or the Boards designated agent, at such address as the Board may from time to time determine. The Boards designated agent must receive the Ballot on or before the Friday immediately preceding the annual meeting. The Ballot may also be submitted to the Association by members attending the annual Meeting and will be accepted on the day of the annual meeting until such time as the balloting is declared closed by the Board of Directors.

Upon receipt of each Ballot returned by mail, the Boards designated agent shall place them unopened in a safe place and deliver the unopened ballots to the Secretary, no later than the beginning of the annual meeting. The Vice-President shall appoint a committee of up to six (6) Members to count the ballots. The Board shall certify the results of the count before the close of the annual meeting, and the terms of office of the Directors so elected.

All Ballots and statements of candidacy shall be retained for a period of one (1) year.

SECTION 8. Meetings of the Board of Directors

The Board shall meet at least monthly and Board meetings except for closed sessions, shall be open to all members. Special meetings of the Board may be called by a majority of the Board and shall be held at such place as the call or notice of the meeting shall designate.

Notice of a special meeting shall be given in writing at least ten (10) days prior to the date of said special meeting, unless notice is waved in writing.

SECTION 9. Action Without Meeting

Unless prohibited by law, any action which may be taken at a meeting of the Board may be taken without a meeting if authorized in writing signed by all of the Directors who would be entitled to vote upon said action at a meeting, and filed with the Secretary of the Association.

SECTION 10. Quorum

A majority of the Directors shall constitute a quorum to transact business of the Board, and the act of the majority of the Directors present at any meeting shall be deemed to be the act of the Board.

SECTION 11. Vacancies

If any vacancy exists on the Board, such vacancy shall be filled by Board appointment of a Member to fill the unexpired term.

SECTION 12. Removal of Directors

Any Director who ceases to meet the qualifications of a Director in Article 5, Section 6 shall no longer be a Director of the Association.

Any person who is a Director may be removed for cause as determined by eighty percent (80%) of the Board. Cause shall include, but not limited to: violations of By-laws, malfeasance, misfeasance and nonfeasance.

Any member in good standing may bring charges for removal against a Director by Petitioning The Board supported by 20% of the membership who would have the right to vote. The Board shall investigate and initiate necessary action.

ARTICLE 6

THE OFFICERS OF THE BOARD

SECTION 1. Officers

The officers of the Board shall be the President, the Vice President, the Secretary, the Treasurer and such other officers and assistant officers as the Board may from time to time elect. Officers shall serve at the will of the Board. No more than one office may be held by the same person, nor shall any offices be combined.

SECTION 2. President

The President shall be the principal officer of the Association and shall be vested with the powers and duties generally incident to the office of President. The President shall, when present, preside at all meetings of the members and of the Board of Directors. The President shall be subject to the control of the Board of Directors.

SECTION 3. Vice President

In the absence, or in the event of the President's inability of or refusal to act, the Vice President is empowered to act and shall thereupon be vested with the powers and duties of the President.

SECTION 4. Secretary

The Secretary of the Association shall keep the minutes of the business and other matters transacted at the meetings of the members and the Board. The Secretary shall mail, or cause to be mailed, all notices required under the By Laws. The Secretary shall have the custody of the corporate records and maintain a list of the members and their addresses and perform all other duties incident to the office of the Secretary.

SECTION 5. Treasurer

The Treasurer shall have custody of the funds of the Association, collect monies due, pay the obligations of the Association out of its funds, and perform such other duties as are incident to the office of Treasure.

ARTICLE 7

COMPLIANCE OF MEMBERSHIP

SECTION 1. Payment of Assessments.

The charges or assessments levied by the Board shall be paid on or before the date or dates fixed by resolution of the Board. If not so paid, the amount of such assessments, plus any other charges thereon, including interest at the maximum limit provided by the law per annum from date of delinquency and costs of collection, including attorney's fees, if any, shall constitute and become a lien on the Lot as assessed when the Board causes to be recorded in the office of the Ringgold County Recorder, a notice of assessment, which shall state the amount of such assessment and such other charges and a description of the Lot which has been assessed. The Secretary of the Association, on behalf of the Association, shall sign such notice. Upon payment of said assessment and charges, or other satisfaction thereof, the Board shall, within a reasonable time, cause to be recorded a further notice stating the satisfaction and the release of said lien. Release of said lien shall be made by any Board member or Board designee.

SECTION 2. Priority of Lien.

Conveyance of any Lot shall not affect any lien for assessment provided herein. Such lien shall be prior to all other liens recorded subsequent to the date of levy.

SECTION 3. Enforcement.

The lien provided for herein may be foreclosed by suit by the Board in the like manner as a mortgage and, in such event, the Board or Board designee may be a bidder at the foreclosure sale. The Board may also pursue any other remedy against any Owner owing money to it, which is available to it by law or equity for collection of debt. The owner shall pay all court cost, attorney fees incurred by the Association, as well as the amount due and owing in the case of enforcement.

SECTION 4. Proof of Payment.

Upon request, the Board shall furnish a statement certifying that all assessments then due have been paid or indicating the amount then due.

SECTION 5. Membership Transfer.

The Association shall not be required to transfer memberships on its books or to allow the exercise of any rights or privileges of membership on account thereof to any Owner or to any person claiming them under the membership rights unless or until all assessments and charges to which they are subject have been paid.

SECTION 6. Fines & Suspension.

It shall be the duty of each member of the Association to comply with the By Laws and rules of the Association. In the event that a member shall be accused of a By Law or rule infraction, he or she shall be instructed to appear before a Hearing Committee established by the Board which shall be convened to hear the case. The Hearing Committee will decide his or her guilt or innocence by majority vote. If a member is found guilty, he or she shall be subject to a fine of not less than Fifty Dollars (\$50.00). The decision of the Hearing Committee may be appealed to the Board. The decision of the Board is final.

In the event a member does not appear before the Hearing Committee or Board, after notice to appear, he or she shall be subject to a suspension of member's privileges. If a member is found guilty of the same infraction a third time in a twelve (12) month period, membership privileges shall be suspended. Membership privileges shall be suspended for the duration of the noncompliance and/or a period not to exceed four (4) months unless by action of the Board of Directors.

ARTICLE 8

BOOKS AND PAPERS

The books, records and papers of the Association shall at all times be maintained at the associations central office and during normal business hours be subject to inspection of any member in good standing.

**ARTICLE 9
AMENDMENTS**

These By-laws may be amended at the annual or special meeting of the Association property owners, by a vote of a majority of the voting property owners which shall constitute a quorum of property owners (with voting rights) present or by absentee written vote.

(Procedure to amend the by-laws by a property owner)

1. Submit in writing to the Board of Directors the proposed amended wording. Submit a written explanation detailing why the proposed amendment is necessary, also list the benefits to be gained by the proposed change.
2. The proposed amendment will be put on the monthly meeting agenda so that the author of the proposed amendment can present and explain the necessity for the proposed amendment to the Board of Directors.
3. The proposed amendment will be put on the following months meeting agenda for discussion by the Board of Directors. The Board will determine if the proposed amendment has merit and should be voted upon at the annual meeting of the Association. If action on the matter is needed sooner, a special meeting can be scheduled by the Board.
4. The Sun Valley Lake property owners will be advised of the proposed amendment at least 14 days prior to the vote on the proposed amendment. Votes will be cast by written ballot.

**ARTICLE 10
COMMITTEES**

SECTION 1. Standing Committees.

Committees may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Except as otherwise provided in such resolution, members of each such committee shall be Members of the Association, and any Member thereof may be appointed or removed by the Board of Directors whenever, in the Director's judgment, the best interests of the Association shall be served by such an action.

SECTION 2. Specially Appointed Committees.

The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committee. The Board of Directors shall make appointments to the committees and shall set forth the responsibilities of the special committees with precisely set guidelines and goals.

SECTION 3. Powers.

The committees shall serve at the convenience and discretion of the Board of Directors. The committee shall make recommendation for Board approval.

SECTION 4. Term of Office.

Each member of a committee shall continue as such until the next annual meeting of the members of the association and until his or her successor is appointed, unless the committee shall be sooner terminated or unless such member be removed from such committee, or unless such member shall cease to qualify as a member thereof.

SECTION 5. Chairperson.

One member of each committee shall be appointed as chairperson. A Director of the Board shall not serve as chairperson.

SECTION 6. Vacancies.

Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

SECTION 7. Quorum.

Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee constitutes quorum and the act of a majority of the members present at a meeting at which a quorum is present shall be an act of the committee.

SECTION 8. Rules.

Each committee may adopt rules for its own government not inconsistent with the By Laws or the rules adopted by the Board of Directors.

ARTICLE 11

PARLIAMENTARY AUTHORITY

The rules contained in the current edition of "Robert's Rule of Order" newly revised as established by the Board of Directors, shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with these By Laws and any special rules of order the Association may adopt. A parliamentarian shall be appointed by the Board of Directors for a term of one year.

Sun Valley Iowa Lake Association

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By - Laws



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