

BYLAWS

(As amended effective April 12, 2025)

PURPOSE OF THE BYLAWS:

To establish, promulgate, and provide means of enforcing codes and rules for 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 Bylaws are defined as follows:

“Association” means the SUN VALLEY IOWA LAKE ASSOCIATION, an Iowa not-for-profit corporation under Code of Iowa Chapter 504 (the Revised Iowa Nonprofit Corporation Act).

“Association Property” is i) all real property owned or possessed by the Association, ii) all personal property (whether tangible or intangible) owned or possessed by the Association, and iii) all other property interests of any kind that are owned or possessed by the Association.

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

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

“Bylaws” means the Bylaws of the Association

“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.

“Common Area” means all 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 but not limited to the lake, 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 Recorder’s 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.

“Fiscal Year” is the twelve-month accounting period beginning April 1 and ending on March 31.

“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.

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

“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 person 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.

“Member in Good Standing” shall be a Member who has paid all Fees, Dues, Assessments, fines and other liabilities when due and has abided by all the Bylaws and Covenants.

“Misfeasance” A misdeed. The improper performance of some act which a person 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.

“Owner” means:

1. Any person or legal entity that holds 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 the 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 Bylaws and to become a Member of the Association irrespective of owning a Lot in the

Development, and to whom the Board grants membership pursuant to Article 3, Section 3 of these Bylaws.

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

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

“Sign” or “signature” includes a manual, facsimile, conformed, or electronic signature, or other expression the writer intends to be effective as his or her signature.

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 Member’s property in Sun Valley Lake by the Association, or if the Member is otherwise not a Member in Good Standing. 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 conditions as may be established by the Board.

SECTION 4. Responsibilities of Members.

Each Member shall agree to be aware of the Bylaws and Rules and Regulations of the Association (as any of these may be amended from time to time) 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 the Bylaws and Rules and Regulations 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 an 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 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 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 for that meeting.

SECTION 2. The Annual Meeting.

The annual meeting of the Association shall be held during the month of April as determined by the Board.

SECTION 3. Special Meetings of the Association.

Special meetings of the Association may be called by the Board at any time in the manner herein provided. A special meeting also 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 a 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 Annual or Special Meeting of the Association

Written notice of the date and hour of the meeting, the case of a special meeting, the purpose, or purposes for which the meeting was called, shall be given in a fair and reasonable manner, not more than sixty (60) days and not less than ten (10) before the date of the meeting, to each Member entitled to vote at such meeting. Notice by electronic transmission is written notice and is effective when transmitted in a manner authorized by the Member. Notice may also be delivered personally, by mail or as additionally permitted under the Revised Iowa Nonprofit Corporation Act. 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 Ballot in 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.

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 Bylaws 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, 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.

Establish and levy reasonable fees for the issuance of permits for erecting or placing improvements on any Lot, and 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 as 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 therefor.

The Board shall, prior to the annual meeting of the Association in each year, adopt and approve an operating budget. 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 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 Board. 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/crime or money and security coverage in an amount the Board deems appropriate in its business judgment for the Treasurer and all other persons who handle monies of the Association, workers' compensation insurance for all employees and errors and omissions insurance for Board members and officers in such amounts as determined by the Board to be necessary.

Service on the Board 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 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 Bylaw 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. Number 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 twelve (12) months prior to the dates said person would be elected as a Director.

Shall be at least twenty-one (21) years of age.

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

Shall never have been convicted of a felony.

No other person from the prospective Director's immediate family shall be serving as a Director at the same time, and 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 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, and 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 Ballot, which shall be delivered to each Member entitled to vote simultaneously with the delivery of the notice of the Annual Meeting of the Association. The Ballot shall be delivered to a Member in the same manner as the notice of the Annual Meeting of the Association delivered to the Member pursuant to these Bylaws. A Ballot may be delivered, and a vote may be cast on that Ballot, by electronic transmission. An electronic transmission of a Ballot shall contain or be accompanied by information indicating that a Member, a Member's agent, or a Member's attorney authorized the electronic transmission of the Ballot. Each Member entitled to vote shall receive one Ballot.

The completed Ballot shall be returned as follows:

The Ballot shall be returned to the Secretary of the Association or the Board's designated agent, as the Board may from time to time determine. The Board shall establish

reasonable procedures for ensuring the security and integrity of Ballots, which will be accepted until such time as the balloting is declared closed by the Board.

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. If questions arise relating to the accuracy of the Ballot count due to technology challenges or other matters, the Board may in its discretion delay certifying the results of the count and take steps as it deems appropriate to resolve the questions.

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

SECTION 8. Meetings of the Board

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 the President or a majority of the Board and shall be held in such manner as the call or notice of the meeting shall designate.

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

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 signed by all 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 Bylaws, 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.

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 deliver, or cause to be delivered, all notices required under the Bylaws. 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 Treasurer.

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. An officer or authorized employee 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 costs, attorney fees incurred by the Association, as well as the amounts 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 & Suspensions.

It shall be the duty of each Member of the Association to comply with the Bylaws and Rules and Regulations of the Association (as any of these may be amended from time to time). In the event that a Member shall be accused of a Bylaw, Rule or Regulation infraction and is assessed a fine or suspension related to a specific activity (e.g., boating or fishing) pursuant to Association rules, he or she shall have the opportunity to request a hearing before a Hearing Committee established by the Board which shall be convened to hear the case. The Hearing Committee will determine by majority vote whether to affirm, reverse, or modify the fine or suspension. The decision of the Hearing Committee may be appealed to the Board. The decision of the Board is final.

In addition to and independent from the process relating to fines and suspensions related to a specific activity as described above in this Section 6, the Board may suspend all voting rights, if any, and all rights to use the Association's Common Areas of any Member for any period during which any Association assessment or other obligation remains unpaid, or during the period of any continuing violation of the provisions of the Declaration by such Member. The Board's authority in this regard is more fully described in Article XI of the Declaration, titled "Remedies." Suspensions that the Board imposes are not subject to Hearing Committee review.

ARTICLE 8 RECORDS

The Association shall maintain corporate records as required under the Revised Iowa Nonprofit Corporation Act. Members have inspection rights with respect to corporate records as provided in the Revised Iowa Nonprofit Corporation Act.

ARTICLE 9 AMENDMENTS

These Bylaws may be amended at the annual or special meetings of the Association, by a majority vote, provided a quorum is present in accordance with Article 4, Section 5 of these Bylaws.

Bylaw amendments may be proposed by the Board or by a Member. The Board may propose Bylaw amendments by

voting to adopt such amendments, subject to approval by the Members in accordance with these Bylaws.

Bylaw amendments proposed by a Member shall be considered in accordance with the following procedures:

The Member shall submit in writing to the Board the proposed amended wording, with a written explanation detailing why the proposed amendment is necessary, also listing the benefits to be gained by the proposed change. 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. The Board may comment on the proposed amendment but is not required to do so.

The proposed amendment will be put on the following month's meeting agenda for discussion by the Board. The Board will determine if the proposed amendment has merit and should be voted upon at the annual meeting of the Association. If the Board determines that action on the matter is needed sooner, a special meeting can be scheduled by the Board.

Members will be advised of proposed Bylaw amendments in accordance with these Bylaws, and votes will be cast as provided herein.

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 whenever, in the Board's judgment, the best interests of the Association shall be served by such an action.

SECTION 2. Specially Appointed Committees.

The Board, by resolution adopted by a majority of the Directors in office, may designate one or more committees. The Board 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. The committee shall make recommendations 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 by the Board 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 designating a committee, a majority of the whole committee constitutes a 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 governance not inconsistent with the Bylaws or the rules adopted by the Board.

ARTICLE 11 GOVERNING AUTHORITY

The provisions of the Revised Iowa Nonprofit Corporation Act shall govern the Association in all cases to which they are applicable and in which they are not inconsistent with i)

the Articles of Consolidation of Domestic Corporations with Sun Valley Iowa Lake Association Being the New Corporation (dated October 14, 1989), as may be amended from time to time, ii) these Bylaws and iii) any special rules of order the Board may adopt for purposes of conducting an orderly meeting. A Parliamentarian shall be appointed by the Board for a term of one year. The President and the Parliamentarian shall have reasonable discretion in the conduct and handling of meetings.