

**BYLAWS
OF THE
LAVA RANCH PROPERTY OWNERS ASSOCIATION
AND THE
LAVA RANCH BOARD OF DIRECTORS**

Be it known to all persons that Lava Ranch Properties Owners Association is an Idaho Non-profit Cooperative Corporation, reincorporated under the Laws of the State of Idaho, and the prevailing bylaws of the Lava Ranch Property Owners' Association, Inc., approved by the membership on the 12th day of July, 1986, are hereby revoked. The following bylaws are adopted by the Membership of the Lava Ranch Property Owners' Association in permanent substitution for the original bylaws in accord with the action of the Board of Directors, and voted upon by the membership of the Lava Ranch Property Owners' Association at an annual meeting on July 11, 2015.

These bylaws, in accordance and compliance with the Lava Ranch Articles of Incorporation and the governing Lava Ranch Protective Covenants, are enacted to ensure the best development and use of Lava Ranch Subdivision properties, and to maintain and preserve the aesthetic and economic value of the property; to further provide the greatest safety for all persons who become involved with the property; and to further promote the enjoyment of the property as a recreational site for all present and future members of the Association.

Article I. CORPORATE OFFICES

Section I. Principal address

The principal address of the Lava Ranch Property Owners' Association, as designated in the annual report filed with the State of Idaho, shall be established and usually maintained in the City of Pocatello, County of Bannock, State of Idaho, or at any other designated address identified by the Board of Directors.

Section 2. Other addresses

The Association may have additional addresses at other places which the Board of Directors of the Lava Ranch Property Owners' Association may establish from time to time, if needed. Additional addresses may include post office boxes.

Article II. MEMBERSHIP OF THE ASSOCIATION

Section 1. Standing Membership of the Association

The membership of the Lava Ranch Property Owners' Association (hereafter referred to as the Association) shall be composed of all individuals who hold filed deeds, deeds-in-trust or contracts in the Lava Ranch Recreational Subdivision, Bannock County, Idaho, as platted during 5 phases: 1 - January 13, 1978; 2 - July 10, 1978; 3 - January 19, 1979; 4 - June 20, 1979; 5 - May 16, 1979. If any additional phases are added to the Lava Ranch Recreation Subdivision, members owning properties in said phases shall hold mandatory membership privileges in the Association automatically.

Section 2. Standing membership of the Board of Directors

The Board of Directors of the Association (hereafter referred to as the Board) will be composed of not less than five (5) and no more than nine (9) individuals. The Directors shall be elected by the members of the Association who are in good standing, as described in Section 1, Article VI of these bylaws.

Article III. MEETINGS AND QUORUM

Section 1. Place and Time of Regular Meetings

The Association shall meet to consider and conduct business annually. Meetings will occur on a Lava Ranch Property, designated by notice to the membership not less than 30 days prior to the second Saturday in July. Thirty-five (35) members of the Association shall constitute a quorum. Association meetings shall be conducted under Roberts' Rule of Order.

The Board shall meet quarterly to consider and conduct business as required by the Laws of the State of Idaho, or as requested by the members of the Association at annual or special meetings. Five (5) members of the Board shall constitute a quorum. Board meetings shall be conducted under Roberts' Rules of Order. Board meetings may be held by conference call or by other two-way electronic/digital/media communication, if necessary.

Section 2. Special meetings

Meetings of the Association may be called for any purpose by the President of the Board upon written petition by 20 percent or more of all members of the Association entitled to vote at the Meetings. Notice of said special meetings must be provided in writing to members of the Association entitled to vote not less than 30 days in advance of a special meeting. Special meetings of the Board may be called by the President as is convenient and as necessary.

Article IV. BOARD OF DIRECTORS

Section 1. General Powers

The business and affairs of the Association shall be managed by its Board. The Board shall have the power to adopt such procedures, rules, and regulations as the Board in its discretion deems to provide for the maintenance, use, and function of all common areas, recreational facilities, and other properties within the subdivision. The Board shall also have the power to adopt such procedures, rules, and regulations as the Board in its discretion deems necessary to maintain, and preserve the aesthetic and economic value of the Subdivision.

The Board shall have power to provide for the enforcement of these Bylaws and the Protective Covenants governing the Lava Ranch Subdivision through written warnings, citations, assessing fines and penalties, and all other powers that belong to it by operation of law.

The Board shall have the power to assess and collect from every member of the Association a uniform yearly charge and any special assessments in an amount required to meet the obligations of the Property Owners' Association. If the Uniform Yearly Charge or any Special Assessment is not paid in full within 60 days of the due date, it shall bear interest from the due date in the amount of 18% per annum until paid in full. The Board shall have the power to secure payment of delinquent Uniform Yearly Charges or Special Assessments, plus costs and reasonable legal fees, through court action and/or liens to encumber the members' lot(s) in accordance with the laws of the State of Idaho.

The Board, in its discretion, on behalf of the Association, as a "party in interest", shall have the right, but no obligation, to intercede in a Bannock County Tax Delinquency and pay in full or in part the Bannock County Tax Delinquency on real property located within the Association boundaries. Payment by the Board of any Bannock County Tax Delinquency shall be considered a secured loan by the Association to the Member and result in a lien being filed against the property for which the Bannock County Tax Delinquency was paid. The secured loan shall accrue interest at the rate of 18% per annum. The affected Member shall have one year from the date of recording of the lien against the property to pay the loan in full. In the event the Member does not pay the loan in full within one year, the Board shall be empowered to take whatever judicial means the Board deems necessary to foreclose the lien to recoup its delinquency payments, expenses, attorney's fees, and costs associated with the loan and foreclosure of the loan.

Section 2. Officers

The officers of the Board shall consist of a President, a Vice President, a Secretary, and a Treasurer as prescribed by the Articles of Incorporation, dated January 16, 1978. Each officer shall be elected by the Board at a meeting following the Annual Property Owners' Meeting. Each officer shall hold office until a successor has been duly elected, until his/her death, resignation, or removal from office. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Section 3. Length of Service

Board members shall serve for three (3) years. Board members shall be replaced in staggered elections with three (3) Board members being elected each year by the Association during its Annual Meeting.

Section 4. Removal or Absence of Board Members

Any Board Member may be removed from office before the expiration of his/her term by a two-thirds vote of those present at a meeting of the Board or the Association membership. A Removal Action requires that there be a 30 day prior notice of the proposed action to either the Board or the General Membership who will be entitled to vote at the meeting. The Board may elect a member in good standing to serve the balance of the unexpired term of non-officers or officers absent or removed until the next annual meeting of the Association.

Section 5. President

The President shall be the principal executive officer of the Board and the Association. The President shall supervise and control all business activities of the Association. He/she (or his/her appointed deputy in the absence of the Vice-President) shall preside over all meetings of the Board and Association. With the Secretary or any other officers so authorized by the Board, he/she may sign contracts or other instruments which the Board has authorized to be executed, except where prohibited in the Declaration of Building and Use Restrictions and Protective Covenants for Lava Ranch Properties as amended and executed on July 31, 2000 (recorded (recorded as Instrument # 20012158 and Instrument #20328791), or as indicated in subsequent modifications.

Section 6. Vice President

In event of the absence, incapacity or death of the President, the Vice President shall perform the duties of President. When acting as the President, he/she shall have all powers of and be subject to all the restrictions upon the President. In general, the Vice President shall perform such duties as the President or Board may assign.

Section 7. Secretary

The Secretary shall maintain and authenticate the records of the Corporation and the Association; prepare the minutes of the regular and special meetings of the Association members and the Board; prepare and mail all notices to comply with provisions of these bylaws, annual reports to the Idaho Secretary of State, or any other notices as required by law; keep an up-to-date record of Association members; respond to inspection requests by members; and perform all duties as the President or the Board may assign.

Section 8. Treasurer

The Treasurer shall serve as senior financial officer of the Association and be responsible for all funds and assets of the Association. The duties include authority to receive all monies due and payable to the Association; sign checks and drafts for disbursement of funds payable for duly authorized purposes as provided by the Board; provide updated financials each quarter to the Board and the Association membership; develop and present an annual budget for Board and Association membership approval; and perform such duties as the President may assign.

In the case of the death or incapacity of the Secretary, the Vice President or Treasurer is authorized to perform the duties normally assigned to that person.

Section 9. Salaries

No member of the Board shall receive salary for duties performed in the name of the Association. Board members may request reimbursement of reasonable expenses incurred as a result of their duties.

Article V. CONTRACTS AND BANKING ARRANGEMENTS

Section 1. Contracts

The Board may authorize one or more officers or agents to enter into any contract, execute and deliver any instrument on behalf of the Association. The authority thus granted may be general or may be confined to specific circumstances including but not limited to filing of claims or liens on properties for unpaid Association assessments, transferring Association assets or granting easements.

Section 2. Loans

The Association shall contract no loans or issue any evidences of indebtedness in its name unless a resolution of the Board so authorizes. Should authorization occur, no single loan or the combined loans of the Association may exceed an amount of one-half the anticipated Association dues for the subsequent calendar year unless the membership of the Association votes otherwise at an annual Meeting. In the event that a special authorization may be required prior to the annual meeting of the Association, the Board may elect to poll a decision from the membership of the Association by written ballot. A simple majority of cast ballots by Association members in good standing shall constitute a decision against or for such authorization. This provision includes the restrictions placed on money held in the Capital Reserve Fund.

Section 3. Payment of Association Funds

All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness of the Association shall be signed only by officers or agents designated by the Board. Evidence of use of such funds will be provided to the membership, in writing, at each annual meeting of the Association.

Section 4. Deposits in Checking and Savings Accounts

Funds of the Association shall be deposited to the credit of the Association in such banks or invested in such other ways as the Board may direct.

Article VI. VOTING PRIVILEGE

Section 1. Members in Good Standing

Each member of the Association in good standing is entitled to one vote for each 5 acre parcel owned in part or whole as recorded three (3) weeks prior to any annual or special meeting of the Association, provided that no Association assessments or fees are outstanding for any parcel. Assessments in the name of the Association will be considered outstanding and delinquent if unpaid 60 days after the due date of the yearly annual assessment.

Section 2. Transfer of Voting Privilege

Voting privilege may not be transferred nor assigned by individual members except as indicated by written proxy signed and delivered to the Board Secretary prior to any annual or special meeting of the Association.

Section 3. Board Members

At Board meetings, one vote is accorded each Board member irrespective of the quantity of 5-acre parcels owned. The President of the Board or chair person may vote on actions taken during Board meetings and has the same voting rights as any other member. Any issue or resolution before the board must have a majority of five (5) members to pass. In the event there is a tie vote, the issue or resolution will not pass. The Secretary will record the total votes for, against, or abstentions to motions in all minutes.

Article VII. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December in each year. Association annual assessments will be considered in the arrears 60 days after the due date of the yearly annual assessment.

Article VIII. WAIVER OF NOTICE

When a notice is required to be given to any member in the Association or Board under the provisions of these bylaws, the provisions of the Articles of incorporation or the provisions of the Business Corporation Act of the State of Idaho, a waiver in writing signed by the person or persons entitled to such notice, whether before or after the time of the meeting, will be deemed equivalent to the giving of such notice.

Article IX. IDAHO STATE LAWS

In any instance in which the bylaws of the Association conflict with the laws of the State of Idaho, the procedures prescribed by statute shall prevail.

Article X. BYLAW MODIFICATION

The bylaws of the Association may be amended, altered, or rescinded by a majority vote of the members of the Association in good standing at an annual or special meeting OR by a unanimous vote of five (5) members of the Board of Directors. The results of a vote of modification must be certified by an officer of the Board, and a complete record of the amendment, alteration, or rescission shall be filed in the minutes of the Association and published to the Association membership.

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