

By-Laws
Of
Leisure Time RV Park Subdivision Homeowner's Association

The following are By-Laws of Leisure Time RV Park Subdivision Homeowner's Association, a non-profit Idaho corporation. Each owner of a lot in Leisure Time RV Park Subdivision automatically, by virtue of such ownership, becomes a member of the Association. All present and future owners, mortgagees and other encumbrances, leases, tenants, licenses, and occupants of units and their guests and employees and any other person who may use the facilities of the park, are subject to these By-Laws and the Rules and Regulations adopted by the Board of Directors of the Association.

Words and phrases that are defined in the Rules and Regulations shall have the same meaning in these By-Laws.

All references herein to the "Board" shall apply with equal force and effect to Declarant, the managing agent or the Association's Board of Directors whichever has the responsibility for administering to the park.

ARTICLE 1 MEMBERSHIP; REGISTER

SECTION 1.1 Membership the owners of units in the project shall constitute the members. Corporations' partnerships, associations and other legal entities, trustees under an express trust, and other fiduciaries, as well as natural persons may be members of the Association. Owners of a unit as joint tenants, tenants in common, community property or other ownership involving more than one owner, shall be joint members of the Association, but the sum total of their vote shall not exceed the percentage of interest for voting power appurtenant to the unit owned. In the event of such joint ownership, the vote for a unit shall be cast as a single vote and in no event shall the percentage of votes assigned to a particular unit be further fractionalized or split. A "Unit" and a "lot" shall mean and refer to a subdivided Lot in the subdivision other than common area lots.

Section 1.2 Persons Under Disability. Minors and persons declared legally incompetent shall be eligible for membership in the Association, if otherwise qualified, but shall not be permitted to vote except through a legally appointed, qualified and acting guardian of their estate voting on their behalf or in the case of a minor with no legal guardian of his estate, through a parent having custody of the minor.

Section 1.3 Register of Members the Board shall cause a register to be kept containing the names and addresses of all members of the Association. Persons who purchase an interest in a unit shall promptly inform the Board of their interest. Persons who claim to be a

member of the Association shall, upon request, furnish the board with copies of any documents under which they assert membership of a unit or any interest therein and any mortgages thereon.

ARTICLE 2 MEMBERSHIP MEETINGS; VOTING

Section 2.1 Place Meeting of the members of the Association shall be held at such suitable place as may be convenient to the membership and designated from time to time by the Board.

Section 2.2 Annual Meetings The annual meeting of the Association shall be held in the month of July of each year on a date fixed by the Board. At such annual meeting, there shall be a financial report, the nominees receiving the largest number of votes will be announced and such other business that shall come before the meeting may be transacted.

Section 2.3 Special Meetings It shall be the duty of the president to call a special meeting of the Association as directed by resolution of the Board or upon the written request of a majority of the board or upon the written request of owners having one-third (1/3) of the total voting power of the Association. A meeting called at the request of the members shall be held at such time as the president may fix, which time shall not be less than fifteen (15) nor more than thirty (30) days after the receipt of the written request therefore.

Section 2.4 Notice of Meetings It shall be the duty of the secretary to give notice of each annual and special meeting stating the purpose thereof and the time and place where it is to be held to each member of the association and to each mortgagee that has requested notice. Notice shall be given at least thirty (30) days before the annual meeting and at least ten (10) days before special meetings. Before any meeting of the Association, any member may, in writing, waive notice of such meeting. Attendance by a member at a meeting of the Association shall be a waiver by him/her of timely and adequate notice unless he/she expressly challenges the notice when the meeting begins.

Section 2.5 Quorum The presence in person or by proxy of members of the Association or voting representatives holding ten percent (10%) of the total voting power shall constitute a quorum for the transaction of business at any meeting of members of the Association, except as otherwise provided herein or in the Declaration.

Section 2.6 Ballots Any unit owner or voting representative may vote by written Ballot on any corporate action that may be taken at any annual or special meeting of the members if the corporation delivers a written ballot to every member entitled to vote.

If a written ballot for action is taken without a meeting, the written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

All solicitations for written ballot with or without a meeting shall:

(a) Indicate the number of responses needed to meet the quorum requirements;

(b) State the percentage of approvals necessary to approve each matter other than election of directors; and

(c) Specify the time by which a ballot must be received by the Association in order to be counted.

Ballots shall be signed by the owner or voting representative and filed with the board. Ballots must be returned by the date specified to be valid for the intended election.

Section 2.7 Majority Vote Except as otherwise provided by statute by the Declaration or by these By-Laws, passage of any matter submitted to vote at a meeting where a quorum is in attendance shall require the affirmative vote of at least fifty-one percent (51%) of the voting power present.

Section 2.8 Order of Business The order of business at meetings of the Association shall be as follows unless dispensed with a motion:

- a. Roll Call
- b. Proof of Notice of Meeting or Waiver of Notice
- c. Minutes of Preceding Meeting
- d. Reports of Officers
- e. Reports of Committees
- f. Election of directors (annual meeting or special meeting called for such purpose)
- g. Unfinished business
- h. New business
- i. Adjournment

Section 2.9 Parliamentary Authority In the event of dispute, the parliamentary authority for meetings shall be the most current available edition of Robert's Rules of Order.

ARTICLE 3 BOARD OF DIRECTORS

Section 3.1 Number of Qualifications The affairs of the Association shall be governed by a Board of five (5) directors, who must be members of the Association, and who shall be elected by ballot from the members of the Association. At any annual meeting, members may change the number of directors within those limits, but shall not reduce the number in such a manner to deny an incumbent director (unless removed for cause) a full term of office. If a corporation is a member of the Association, any one of its officers, directors or shareholders may be elected to the Board. If a partnership is a member, any one partner of such partnership may be elected to the Board.

Section 3.2 Powers and Duties The Board shall have the powers and duties provided for the administering authority of the project in the statutes and in the Declaration and all other

power necessary for the administration of the affairs of the Association and may do all such acts and things as are not prohibited by statute or by the Declaration required to be done in another manner. No contract made by the Board or any officer for the Association shall have a fixed term longer than one (1) year.

Section 3.3 Managing Agent Management of the project may initially be carried out by Declarant or a managing agent appointed by Declarant. An experienced professional managing agent may be employed by the Declarant or the Board to assist in the management and operation of the project subject to the contractual limitations set forth in the Declaration.

Section 3.4 Election, Nomination and term of office the term of the office of the board of directors shall begin on the first day of the calendar month following the date of adjournment of the annual meeting at which they are elected. The normal term of office for directors will be three (3) years on a rotating schedule. Each year two (2) Board members are to be elected, with one (1) elected each third year, and continuing on this rotation.

At least sixty (60) days in advance of the Annual Business Meeting date, the Association will mail a printed form to all members for entering a member's name for nomination for election to the Board. It is required that this form containing the nominee's name and the signature of the member who placed it in nomination be returned to the management company no later than fifteen (15) days after receipt of such form. The list of nominees will be given to the board immediately upon receipt to verify the willingness of each nominee to serve. All nominees must be members in good standing. At this time names of nominees not willing to serve will be removed. The Association will then prepare a Ballot of all nominees for the election of Board Members to be mailed out thirty (30) days in Advance of the Annual Meeting date. Ballots must be returned no later than five (5) days prior to the date of the Annual Business Meeting. The nominees receiving the largest number of votes will be announced at the annual meeting.

Section 3.5 Vacancies Vacancies on the Board caused by reasons other than the removal of a director by a vote of the Association shall be filled by vote of the majority of the remaining directors even though they may constitute less than a quorum. Each person so selected shall be a director and is to serve the balance of the unexpired term to ensure continuity of the Board of Directors.

Section 3.6 Removal of Directors At any regular or special meeting after the Transition Date, any one or more directors may be removed with cause by the holders of a majority of the total voting power of the Association and a successor may then and there be elected to fill the vacancy thus created and to serve the balance of the unexpired term. Any director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

Section 3.7 Compensation No compensation shall be paid to directors for their services as directors.

Section 3.8 Regular Meetings Regular meetings of the Board may be held at such time and place as shall be determined from time to time by a majority of the directors, but at least two (2) such meeting shall be held during each fiscal year. Notice of regular meeting of the Board shall be given to each director personally or by email, mail or telephone at least seven (7) days before the day fixed for the meeting.

Section 3.9 Special Meetings Special meetings of the Board may be called by the president on seven (7) days' notice to each director given personally or by email, mail or telephone, which notice shall state a time, place and purpose of the meeting. Special meetings of the Board shall be called by the president in like manner and on like notice on the written request of any two (2) directors.

Section 3.10 Waiver of Notice Before any meeting of the Board, any director may, in writing, waive notice of such meeting. Attendance by a director at any meeting of the Board shall be a waiver by him of timely and adequate notice unless he expressly challenges the notice when the meeting begins.

Section 3.11 Quorum At all meeting of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board.

Section 3.12 Open Meeting Any unit owner or voting representative may attend any meeting of the Board but shall not be entitled to participate.

Section 4.1 Designation The principal officers of the Association shall be a president, a vice president, a secretary and a treasurer, all of whom shall be elected by the Board. The directors may appoint such other officers as in their judgment may be necessary or desirable. Two or more offices may be held by the same person, except that a person may not hold the offices of president and secretary simultaneously.

Section 4.2 Election of Officers The officers of the Association shall be elected annually by the board at the first Board meeting after the annual meeting of the Association. They shall hold office at the pleasure of the Board.

Section 4.3 Removal of Officers At any regular meeting of the Board or at any special meeting of the Board called for such purpose, upon an affirmative vote of a majority of the members of the Board, any officer may be removed, with cause. A successor to the removed officer may be elected at any such meeting.

Section 4.4 President the president shall be the chief executive officer of the Association. He shall, when present, preside at all meetings of the Association and of the Board and shall have all powers and duties usually vested in the office of the president.

Section 4.5 Vice President The vice president shall perform the duties of the president when the president is absent or unable to act and shall perform such other duties as may be prescribed by the Board.

Section 4.6 Secretary The secretary shall keep the minutes of all meeting of the Board and of the Association and shall have custody of the business records of the Board and the Association other than financial records kept by the treasurer. He/she shall also perform such other duties as may be prescribed by the Board.

Section 4.7 Treasurer The treasurer shall have the responsibility for the Association fund and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association.

Section 4.8 Other Officers and Employees Other officers of the Association and any persons employed to assist the officers shall have the authority and shall perform such duties as the Board may prescribe with the provisions of the applicable statutes, the Declaration and these By-Laws.

Section 4.9 Compensation The board may pay reasonable compensation to any officer or unit owner who performs substantial services for the project in carrying out the management duties of the Board. The Board's decision to compensate an officer shall no become final until sixty (60) days after notice of it (including the amount of compensation to be paid) has been given to all persons entitled to notice of meeting of the Association and any such decision may be reversed by the members of the Association at a meeting duly called and held with sixty (60) days after the notice of the decision was given.

ARTICLE 5 COMMITTEES

Section 5.1 Committees and Directors The Board may appoint one or more committees that consist of one or more directors. Such committees, if composed entirely of Board members, shall have and exercise, to the extent provided in the resolution establishing the committee, the authority of the Board in the management of the Association. The appointment of any such committee shall not relieve the Board of its ultimate responsibility for the administration and management of the project.

Section 5.2 Other Committees other committees, not having or exercising the authority of the Board in the management of the Association may be appointed by the president or the directors and such committees may be composed of one or more members of the Association other than Board members, but at least one member must be a Board member.

ARTICLE 6 OBLIGATION OF OWNERS

Section 6.1 Monthly Assessments Owners are obligated to pay monthly assessments imposed by the association to meet the common expenses of the project as provided in the Declaration.

Section 6.2 Compliance with Covenants, By-Laws and Administrative Rules and Regulations Each Unit owner shall comply strictly with the Declaration, the By-Laws and with

the administrative Rules & Regulations adopted pursuant thereto, as they may be lawfully amended from the time to time and with any covenants, conditions and restrictions set forth in the deed to his unit. Failure to comply with any of the foregoing shall be grounds for an action to recover sums due, damages and for injunctive relief of any or all of them, maintainable by the Board or the managing agent on behalf of the Association or by a particularly aggrieved unit owner.

ARTICLE 7 HANDLING FUNDS

Section 7.1 Accounts The Association shall establish the necessary funds or accounts to provide properly for the operation and maintenance of the project. Overall superintendence of these funds shall be the responsibility of the treasurer of the Association. All accounts with bank(s) or other depositories shall require the signature of two (2) officers on checks or withdrawals. There shall be at least three (3) separate funds as described in Sections 7.2., 7.3 and 7.4, which shall be accounted for separately, but need not be segregated.

Section 7.2 Working Capital Fund The treasurer shall cause to be established a “Working Capital Fund.” This fund will be used for the normal operation of the projects and will receive all monthly assessments and other monies received by the Association. Checks shall be issued from this account for all management and operation expenditures necessary for the project and maintenance expenses of a routine or minor nature that do not require resorting to the Reserve Fund for Common Area Facilities.

Section 7.3 Reserve Fund for Insurance Premiums the treasurer shall cause to be established the “Reserve Fund for Insurance Premiums.” Each month the treasurer shall cause to be accounted into this fund and amount equal to at least one-twelfth (1/12) of total cost of all premiums for the policy or policies and bonds the Association is required by the Declaration to purchase. Such premiums shall be paid out of this fund.

Section 7.4 Reserve Fund for Common Areas and Facilities The Association shall maintain an account which shall be known as the “Reserve Fund for Common Areas and Facilities”. The purpose of the reserve account will be to provide for the periodic maintenance, Repair and replacement of the common areas and facilities. An amount adequate for this purpose shall be included in each annual budget and collected as a part of the monthly assessments.

ARTICLE 8 KEEPING RECORDS AND REPORTS

Section 8.1 General The Board shall cause to be kept complete, detailed and accurate books and records of the receipts and expenditures of the Association in a form that complies with generally accepted accounting principles. The books and records, authorizations for payment of expenditures and all contracts, documents, papers and other records of the

Association shall be available for examination by the owners, mortgagees and the agents or attorney of either of them during normal business hours and at any other reasonable time or times.

Section 8.2 Financial Reports the Board shall cause to be issued and mailed to all members of the Association and to all mortgagees that request them, within ninety (90) days following the end of each fiscal year of the project, a financial statement for that fiscal year, which shall include a balance sheet and a statement of operations and a comparison between the actual expenses and operation and the expenses that had been projected for that year. Holders of the first mortgages may require the submission of additional financial data concerning the project as is reasonable required by prudent mortgage loan management.

ARTICLE 9 AMENDMENTS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by the Board of Directors or members at any regular or special meetings. The amendment of these By-Laws is subject to the limitations set forth in the Declaration.

ARTICLE 10 INDEMNIFICATION

To the full extent permitted by applicable law, each member of the Board, each member of Association committee, each officer, the Declarant who filed the Declaration and the managing agent shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or imposed in connection with any proceeding to which he may be a party or in which he may become involved by reason of holding or having held such position or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, however, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interest of the Association; and further provided that this right of indemnification shall be inapplicable to the extent necessary, if at all, for the Association to obtain an insurance required in the Declaration.