

**SECOND AMENDED AND RESTATED BY-LAWS OF
BEAUTY BAY HOMEOWNERS ASSOCIATION, INC.**

(An Idaho Nonprofit Corporation)

Amended: October 2020

**ARTICLE I
IDENTITY AND PURPOSE**

1. Beauty Bay Homeowners Association, Inc., (hereinafter the "Association"), a non-profit corporation organized and existing under the laws of the State of Idaho, incorporated on March 2, 1981, hereby adopts these Second Amended and Restated By-Laws of the Association for the purpose of revising, clarifying and updating the existing By-Laws of the Association. These Second Amended and Restated By-Laws shall replace and supersede all previous Association By-Laws and amendments thereto.
2. The registered, mailing, and principal office of the Association is Beauty Bay Homeowners Association, 9224 South Highway 97, Coeur d'Alene, Idaho, 83814. The address of the registered, mailing, or principal office may be changed at the discretion of the Board of Directors as reflected in the annual reports filed with the Idaho Secretary of State. Notice shall be provided to all Members of the Association by regular US Mail should the registered, mailing, and principal office be changed.
3. These Second Amended and Restated By-Laws are being adopted in connection with, the 1971 Declaration of Restrictions, Covenants, and Conditions recorded in the public records of Kootenai County as Instrument No. 587622 (to the extent such Declaration applies to Lot 1, Block 6 of Beauty Bay Subdivision); the 1973 Declaration of Restrictive Covenants ("the 1973 CC&R's) Declaration of Restrictive Covenants, and the Articles of Incorporation, recorded in the public records of Kootenai County as Instrument No. 621539, and any amendments or supplements thereto (the 1971 and 1973 Declarations are collectively referred to herein as "the Declarations"); and the Articles of Incorporation for the Association filed in the records of the Idaho Secretary of State.

4. These Second Amended and Restated By-Laws are adopted for the purpose of promoting the general betterment and lifestyle of all Members of the Association and to provide a method and structure for the conducting of the day to day business of the Association and for the purposes of maintenance and improvement of the "Common Area" owned and or operated by the Association. "Common Area" shall mean and consist of the beach frontage, docks, park, and parking area owned by the Association. The boat slips attached to the docks and owned by the Association shall be designated as "Limited Common Area." Usage of the boat slips shall be allowed and limited in accordance with Article IV herein.

ARTICLE II

MEMBERSHIP

1. MEMBERS. Membership shall be determined in accordance with the Articles of Incorporation and the Declarations. Membership shall continue until the Member transfers or conveys their lot, or the ownership interest is transferred by operation of law, at which time the Membership shall automatically be conferred upon the transferee. Each Member (lot owner), for each lot owned, shall enjoy all the rights and privileges established by the Declarations, Articles of Incorporation, By-Laws, and Regulations of the Association so long as such Member remains current with the Association on all assessments, dues, fees and charges levied by the Association. Members who are current in the payment of all assessments, dues, fees and charges shall be considered Members "in good standing."
2. VOTING RIGHTS. Each Member in good standing shall have one vote for each lot owned. Any such votes may be cast in person or by proxy executed in writing and filed with the Secretary-Treasurer of the Association or assigned to a member in good standing of their choice. When more than one person holds an interest in any lot the vote for such lot shall be exercised as those owners of such lot themselves determine and notify the Secretary-Treasurer of the Association prior to any meeting. In the absence of such notice, the vote appurtenant to such lot shall be suspended in the event more than one

person seeks to exercise it. Such a suspended vote shall be counted for the purpose of calculating a quorum, but such a suspended vote shall not be cast with regard to voting matters of the Association until the persons owning such lot determine how such vote shall be cast and so advise the Secretary-Treasurer of the Association.

3. **SUSPENSION AND REINSTATEMENT OF VOTING RIGHTS.** The Association, through the Board of Directors, may suspend the voting privileges of any Member, in connection with any lot, for which assessments, dues, fees and charges levied by the Association are more than forty-five (45) days past due. The Association, through the Board of Directors, may also reinstate the voting privileges for any Member, in connection with any lot, after payment of all assessments, dues, fees and charges, including legal fees, that are in arrears have been paid in full. The Secretary-Treasurer shall send a Notice of Suspension of Voting Rights containing the amount of past due assessments, dues, fees and charges to the Member by regular US Mail. Member shall have 45 days to pay all assessments, dues, fees, and charges. Failure to do so will result in the suspension of voting rights.
4. **MEMBER ADDRESS.** It is the sole responsibility of each Member to keep the Association apprised of their current mailing address, phone number and any other relevant contact information. Any change in address or contact information shall be sent to the Secretary-Treasurer of the Association without delay to the registered, mailing, and principal office of the Association or by electronic communication (preferred method).

ARTICLE III COMMON AREA

1. **MAINTENANCE OF COMMON AREAS.** The Association shall maintain the Common Area beach frontage, docks, park and parking area for the use and benefit of its Members. The Limited Common Area boat slips shall be maintained by each Member having use rights to each particular boat slip.

2. USE LIMITED TO MEMBERS AND GUESTS. The Common Area shall be limited to use by Members of the Association, members of their households, and guests accompanied by or given express permission by a Member.
3. PARKING. The common parking area may be used by Members and Member guests for temporary parking only. Common driving and walking areas shall be used exclusively for normal transit and no obstruction shall be allowed thereon or therein. Snow removal equipment, snow piling, business trucks and associated equipment, and government vehicles and equipment shall not be allowed without permission of the Board of Directors.
4. RENTERS USE OF COMMON AREA. Persons renting or leasing any lot may use the Common Area only to the same extent as the property owner. Owners must provide any renter with a copy of Articles III and IV of these Bylaws and any Rules and Regulations that may be established by the Board, and must furnish notice to the Board that the same has been provided. The property owner is responsible for all actions by renters and is liable for any damages by renters to Association property.
5. USE INCLUDING REFUSE, NOXIOUS OR ILLEGAL ACTIVITY. No noxious or offensive activities shall be carried on or in any of the Common Area. Members shall not conduct or engage in activities which may be or become an annoyance or nuisance to other Members of the Association. No refuse, waste or other noxious materials shall be permitted in the Common Area. No structures shall be allowed or constructed in or removed from the Common Area except by written consent of the Board of Directors. No illegal use shall be made at any of the common areas and no camping, campfires, fireworks, or open fire of any kind shall be allowed in the Common Area. Smoking is not permitted in any of the Common Area. All dogs in any Common Area shall be collared and a current rabies vaccination tag must be attached thereto. Dogs must be leashed or kept under the direct supervision of a person of sufficient age to restrain and control such animal via direct voice control. Owners of animals are responsible for immediate removal of animal waste.

ARTICLE IV
BOAT SLIPS

1. BOAT SLIPS. Those with boat slip use rights assigned by the Association as outlined below shall maintain the floating docks the boat slips and pilings authorized pursuant to Idaho Department of Lands Encroachment Permits Nos. L-95-S-516 and L-95-S-516E pursuant to the following rules and regulations:
 - a. Boat slip use rights were originally assigned by the Association on a seniority basis with the first slips going to those Members who in 1982 and 1983 initially furnished material and volunteer labor to rebuild the docks and boat slips and furnished the Beauty Bay Homeowners Association with three (3) large private dock signs. Assignment of boat slip use rights shall continue as previously established by the Association and is currently designated and supported by the records of the Association. All boat slip use rights assigned by the Association shall be subject to compliance with the previously established rules, regulations and resolutions and the payment by any boat slip assignee of the assessments, fees and costs set forth below which are specifically required to maintain boat slip use rights.
 - b. The Secretary-Treasurer of the Association shall maintain a current list of the assignment of boat slips to the specific Member to whom such use rights, as set forth herein, are granted. Member use rights of the boat slips shall be perpetual rights of use which shall continue to reside with such Member, and shall be a right of use transferable by such Member upon the sale of the Members lot associated with the boat slip use right, so long as the Member is current in all assessments, fees and charges levied by the Association, at the time such levy is recorded in Kootenai County. A Member may not be assigned more than one boat slip regardless of the number of lots owned by the Member. In the case where a Member holding a boat slip use right owns more than one lot, the Member may reassign the use right to any other lot owned by that Member. The reassignment will be valid upon receipt by the Secretary-Treasurer of written notice of the

Member's intent to reassign the use right and shall be recorded by the Secretary-Treasurer in the records of the Association. A Member may not reassign or transfer the Member's boat slip use right to another Member of the Association or to any other lot not currently owned by the Member holding the use right.

- c. The Secretary-Treasurer of the Association shall maintain a waiting list of Members wishing to obtain boat slip use rights. Priority on the waiting list shall be determined on a first-come, first-served basis. Members desiring to obtain a boat slip use right shall make written request to the Association to be placed upon the waiting list. Such notice shall be sent via a written time stamped request to the Secretary-Treasurer of the Association and shall be recorded by the Secretary-Treasurer on the official waiting list. The Secretary-Treasurer shall notify the Board of any additions and/or changes to the official waiting list. When a boat slip becomes available the Member first on the official waiting list shall be offered the boat slip use rights via certified letter from the Board. Such Member shall have forty-five (45) days after the written offer of boat slip rights has been mailed to respond to said offer and must do so via certified mail. If such Member declines to assume the rights and obligations of boat slip use, either in writing or by no response, within the forty-five (45) day period, the boat slip use rights shall be offered to the next Member on the official waiting list. Any Member declining to assume the rights and obligations of boat slip use when offered shall be removed from the waiting list. Any further request by said Member to be placed on the official waiting list shall be in writing via certified mail and will be treated as a new request.

- d. In order to maintain the boat slip use rights described herein, any Member granted such boat slip use rights must, in addition to regular and special Association assessments common to all lots owners, pay to the Association by a separate assessment the pro-rated share of all costs and expenses associated with the boat docks, including without limitation, any costs or expenses required for

maintaining the Encroachment Permits with the Idaho Department of Lands, the cost of any liability and casualty insurance on the dock, the cost of any necessary dock repair expenses and any reasonable expenses directly associated with the docks. The payment of these "costs associated with boat slip use rights" shall be assessed by the Association against those Members who have been granted boat slip use rights.

- e. The boat slip use rights shall not be used for any gain by any Member. No lease or rental of boat slip use shall be made by any Member except and to the extent that such rental or lease is specifically associated with the rental or lease of the lot or lots of said Member associated with the boat slip use right. A copy of such rental or lease agreement must be provided to the Secretary-Treasurer. Violation of this restriction on use of the boat slip will result in the forfeiture of the boat slip use right by any Member so violating this provision.
- f. The Association and those with boat slip use rights shall be guided by and comply with the Department of Lands rules and regulations as stated in the Idaho Department of Lands Lake Protection and Submerged Land Leasing Rules and the Navigable Waters Procedures Manual and attachments.

ARTICLE V

MEMBER MEETINGS

1. ANNUAL MEETING. The Association shall hold an annual Members' meeting which shall be held at the Homeowners Park, or other designated area, on the third Saturday in the month of August, in each year, beginning with the year 1993, at a time designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business for which lawful notice has been provided and such other business which may come before the meeting.
2. SPECIAL MEETINGS. Special meetings may be called by the President, a majority of the Board of Directors, or not less than one third of the Members, for any purpose and at any time within Beauty Bay Estates First Addition, Kootenai County, Idaho, provided lawful notice requirements set forth in these By-Laws are complied with. Any business

transacted at all special meetings shall be confined to the objects and actions to be taken as stated in the notice of the meeting.

3. QUORUM. The presence of a simple majority of voting lot owners in good standing in person or by proxy shall form a quorum for transaction of business at any meeting of the Members of the Association. Signed proxy statements shall be sent or presented to the Secretary-Treasurer prior to any vote cast at the Annual Meeting. A simple majority of all votes entitled to be cast by the Members represented at a meeting where a quorum is present shall decide any question brought before the meeting, except when a lesser or greater vote is otherwise specifically required by the Declarations, the Articles of Incorporation or these By-Laws.
4. RULES OF ORDER. Roberts Rules of Order shall govern all business, including voting procedures, conducted at Member meetings and shall proceed generally as follows:
 - a. Call to order
 - b. Roll call
 - c. Introduction of guests
 - d. Reading of minutes of previous meeting
 - e. Treasurers Report – presentation of Treasurer’s report
 - f. Corrections or approval
 - g. Old Business
 - h. New Business
 - i. Elections
 - j. Adjournment

ARTICLE VI

NOTICE OF ANNUAL AND SPECIAL MEMBER MEETINGS

1. ANNUAL MEETING. Written notice stating the place, day, and hour of any meeting of Members shall be delivered either personally, by US Mail, or electronically to each Member if the Member has consented to electronic notice and such consent has been recorded in the records of the Association, not less than thirty (30) nor more than sixty (60) days before the date of such meeting, by or at the direction of the President or the Secretary-Treasurer. It shall be the duty of the Secretary-Treasurer to mail notice of each

annual meeting, stating the purpose as well as date, time and place to be held, to each Member at the address furnished by the Member and as listed in the Association records.

2. SPECIAL MEETINGS. In case of a special meeting or when required by statute or these By-Laws, notice of special meetings of the Members shall be mailed or delivered by the Secretary-Treasurer at least fifteen (15) days before such meeting to each Member at the address as furnished by the Member and as listed in the Association records, stating the purpose of such meeting as well as date, time and place to be held.

ARTICLE VII

BOARD OF DIRECTORS

1. BOARD OF DIRECTORS AND TERM. The Association shall have a Board of Directors which shall consist of five (5) directors. The term of office for each Director shall be two (2) years and there shall be three (3) Directors up for election on odd years and two (2) Directors up for election on even years at the regular annual meeting. Each Director shall hold office and serve until their successors are duly elected and seated or until they resign or are removed earlier in the manner as provided for herein, whichever first occurs.
2. ELECTION OF DIRECTORS. The Board of Directors shall be elected by the Members of the Association at each annual meeting of its Members. Any person to be considered for election must be a Member of the Association, and only Members who are current in all assessments, dues, fees and charges and have been in good standing for a period of one year or longer, shall be qualified to run and be elected. The procedure for electing Directors by the Members shall be by the casting of votes by Members in good standing at the regular annual meeting either in person or by proxy executed in writing and either filed with the Secretary-Treasurer of the Association or given to a Member in good standing in accordance with Article II, Section 2 of these By-Laws and by a plurality of the votes cast for any one of the nominees for each Director position to be filled.

3. POWERS. All of the powers and duties of the Association existing under the Declarations, the Articles of Incorporation and these By-Laws shall be exercised exclusively by the Board of Directors, subject only to approval by Members of the Association when such approval is specifically required. The Board of Directors shall have all of the common law and statutory powers of a nonprofit corporation under the laws of the State of Idaho, together with any powers granted to it pursuant to the terms of the Declarations, the Articles of Incorporation of the Association, and these By-Laws. Such powers shall include but not be limited to:
- a. The power to fix, levy and collect assessments, special assessments, dues, fees and charges against Member lots as provided for in the Declarations, the Articles of Incorporation, the By-Laws, and as otherwise permitted by law.
 - b. The power to record liens against the property of Members who are delinquent in the payment of assessments, special assessments, dues, fees and charges, in accordance with the Declarations, the Articles of Incorporation, the By-Laws, and as otherwise permitted by law.
 - c. The power to reassign boat slip use rights of Members who are delinquent in the payment of assessments, special assessments, dues, fees and charges common to all lot owners and separate boat slip use rights assessments, or who decline an offer of boat slip use rights in accordance with the Declarations, the Articles of Incorporation, the By-Laws, and as otherwise permitted by law.
 - d. The power to select depositories for the Association's funds, and to determine the manner of receiving, depositing, and disbursing those funds and the form of checks and the person or persons by whom the same shall be signed.
 - e. The power to expend monies collected for the purpose of paying the expenses of the Association.
 - f. The power to promote and assist adequate and proper maintenance, repair, upkeep and improvement of such Common Area of the Association.
 - g. The power to make and adopt reasonable regulations regarding use and enjoyment of the Common Area of the Association and to amend the same from time to time.

- h. The power to purchase supplies, material and lease equipment required for the maintenance, repair, upkeep, and improvement of the Common Area of the Association.
- i. The power to enter into a contract with any person, firm or corporation to provide the maintenance, repair, upkeep and improvement of the Common Area of the Association. The contract may provide that the total cost of the contract terms shall be borne by the Association.
- j. The power to establish and maintain a reasonable reserve fund for the maintenance, repair, upkeep and improvement of the Common Area of the Association.
- k. The power to insure and keep insured the Common Area of the Association and the improvements constructed thereon.
- l. The power to pay utility bills for utilities serving the Common Area of the Association.
- m. The power to pay all taxes and assessments on the Common Area of the Association.
- n. The power to appoint and dissolve committees as the Board of Directors may deem appropriate.
- o. The power to collect delinquent Assessments by suit or otherwise and to abate nuisances and to enjoin or seek damages from members for violation of the provisions of the 1971 Declaration, the 1973 CC&R's, the Articles of Incorporation, the By-Laws or the regulations adopted by the Board of Directors.
- p. The power to bring suit and to litigate on behalf of the Association and its Members, subject to the terms of the Declarations, the Articles of Incorporation, and the By-Laws.
- q. The power to enforce by any legal means the provisions of the Declarations, the Articles of Incorporation, the By-Laws and the regulations promulgated by the Board from time to time.
- r. The power to possess, employ and exercise all powers necessary to implement, enforce and carry into effect the powers above described.

The foregoing enumeration of powers shall not limit or restrict the exercise of other and further powers, which may now or hereafter be permitted by law.

4. FUNDS AND TITLES TO PROPERTIES. All funds and title to all properties acquired by the Association and the proceeds thereof shall be held for the benefit of the Members in accordance with the provisions of the Declarations, the Articles of Incorporation and the By-Laws. No part of the income, if any, of the Association shall be distributed to the Members, Directors or Officers of the Association.
5. REMOVAL/VACANCY. Any Director may be removed by a majority vote of the Board of Directors at a Director's meeting called for that particular purpose, whenever, in the judgment of a majority of the Board of Directors, the best interests of the Association would be served thereby. In the event of a vacancy occurring in the Board of Directors for any reason whatsoever, the remaining Directors shall elect a person to serve as interim Director for the unexpired portion of the term of the former Director. In the event that there are no remaining Members of the Board of Directors, the vacancies shall be filled by persons elected by the Members of the Association at a special meeting of the Members called for that purpose.
6. COMPENSATION. No compensation shall be paid to Directors for their services as Directors.
7. REGULAR MEETING. A regular meeting of the Board of Directors shall be held prior to the annual meeting of the Membership at a place and time to be agreed to by the majority of the Board of Directors. The Board of Directors may hold additional regular meetings. Notice thereof stating the purpose as well as the date, time and place shall be mailed, e-mailed, or texted at least ten (10) days before such meeting, to each Director at his or her address as listed in the Association records unless such notice is waived.
8. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by the President or a majority of the Board of Directors for any purpose and at any time or place. Notice thereof stating the purpose as well as the date, time and place shall be mailed, e-mailed, or texted at least ten (10) days before such meeting, to each Director at his or her address as listed in the Association records unless such notice is waived.

9. ACTION WITHOUT MEETING. As special circumstances arise, the Board of Directors may take action without a meeting if the action is taken by all members of the Board. The action must be evidenced by one (1) or more written consents describing the action taken, signed by each Director, and included in the minutes filed with the Association records reflecting the action taken. Action taken under this section is effective when the last Director signs the consent unless the consent specifies a different effective date. A consent signed under this section has the effect of a meeting vote and may be described as such in any document.
10. QUORUM AND VOTING. A majority of Directors shall constitute a quorum. A majority vote of the Directors shall decide any matter before the Board, unless a greater or lesser vote is specifically required in the Articles of Incorporation, these By-Laws, or the Declarations.
11. RULES OF ORDER. Roberts Rules of Order shall govern all business, including voting procedures, conducted at Directors meetings.

ARTICLE VIII

INDEMNIFICATION

Each member of the Board of Directors, Association Officer and committee member 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 in which such person 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 any type of insurance and except in such cases wherein such person is a judged guilty of willful misfeasance in the performance of his or her duties. In the event of a settlement, the indemnification shall apply only when the Board approves such settlement. The indemnification shall apply only when the Board also approved such settlement and reimbursement as being in the best interests of the Association.

ARTICLE IX

LIMITATION OF LIABILITY OF DIRECTORS AND OFFICERS

Directors and Officers shall not be liable for any failure of any utility or other service paid for by Association or for any damages to persons or property caused by natural elements or any damage to buildings from pipes, drains, conduits, appliances or equipment or loss by damages or theft of any property. No diminution or abatement of expenses - assessments shall be claimed or allowed for inconveniences or discomfort arising from repairs or improvements to Common Area.

ARTICLE X

OFFICERS

1. **OFFICERS.** The officers shall consist of a President, Vice-President, and Secretary-Treasurer. The officers shall also hold the position of Director and shall be elected to the office of President, Vice-President and Secretary-Treasurer by a majority of the Directors at a meeting called for that purpose after the election of Directors at the annual Member meeting. Officers must be Members of the Association and only Members who are current in all assessments, dues, fees and charges and have been in good standing for a period of one year or longer, shall be qualified to run for and be elected to office.
2. **PRESIDENT.** The President shall be the principal executive officer of the Association and shall supervise all Association affairs. The President shall preside at all Member and Board of Directors meetings and sign all documents and instruments on behalf of the Association.
3. **VICE-PRESIDENT.** In the President's absence, the Vice-President shall perform the President's duties and, in such capacity, shall have all the powers and responsibilities of the President.
4. **SECRETARY-TREASURER.** The Secretary-Treasurer shall (a) countersign all documents and instruments on behalf of the Association; (b) record the minutes of meetings of Members and Directors; (c) give notices required by these By-Laws; and (d) have custody of, maintain and authenticate the records of the Association. The Secretary-Treasurer shall

(a) have custody of all funds of the Association; (b) deposit such funds in such depositories as may be selected as hereinafter provided; (c) disburse funds; and (d) maintain financial records of the Association, which shall be available for inspection by any Member during business hours on any week day. The Secretary-Treasurer shall maintain separate bank accounts for the collection of 1) annual and special assessments, and 2) assessments related to boat slip use rights. An outgoing Secretary-Treasurer shall transfer all financial and other Association records to the incoming Secretary-Treasurer.

5. REMOVAL/VACANCY. Any officer may be removed by a majority vote of the Board of Directors at a Director's meeting called for that particular purpose, whenever in the judgment of a majority of the Board of Directors the best interests of the Association would be served thereby. In the event of a vacancy occurring in an office for any reason whatsoever, the remaining Directors shall elect a person to serve as interim officer for the unexpired portion of the term of the former officer.
6. COMPENSATION. No compensation shall be paid to Officers for their services as Officers.

ARTICLE XI

ASSESSMENTS AND COLLECTION

1. ASSESSMENTS. Every person or entity who becomes a recorded owner of any lot or property which is subject to either of the Declarations of Beauty Bay Estates First Addition, Kootenai County, Idaho, automatically becomes a Member of the Association subject to the rights, privileges and obligations set forth in the applicable Declaration, the Articles of Incorporation of the Beauty Bay Homeowner's Association, Inc., the By-Laws of the Association, and any rules and regulations established pursuant thereto.
2. ANNUAL ASSESSMENTS. The Members of the Association shall determine the annual assessments due for each lot for the following calendar year at the regular annual meeting. The procedure for setting the assessments shall be by the casting of votes by Members in good standing either in person or by proxy executed in writing and either filed with the Secretary-Treasurer of the Association or given to a Member in good standing in accordance with Article II, section 2 of these By-Laws and by a plurality of

the votes cast. The annual assessments shall be used for maintenance of the Common Area, roads leading into Beauty Bay Estates First Addition, taxes, insurance, and other business expenses incurred by the Association. Assessments are due and payable regardless of whether Common Area or roads are used by any Member during the year. The Secretary-Treasurer shall send a Notice of Assessment containing the amount of such annual assessments along with the Minutes of the Annual Meeting at which the assessments were set to each Member by regular U.S. Mail, postage prepaid by no later than ninety (90) days after the annual meeting. Payment of the annual assessments shall be made to the Secretary-Treasurer of the Association and shall be due and payable within forty-five (45) days from the date of mailing the Notice of Assessment.

3. DELINQUENT ASSESSMENTS. The failure to pay any assessments duly levied by the Board of Directors shall result in the automatic imposition of the following penalties:
 - a. Non-payment of assessments for forty-five (45) days after written Notice of Assessment has been mailed to Member may result in a Notice of Delinquency being sent to such Member by regular U.S. Mail.
 - b. Non-payment of assessment forty-five (45) days after written Notice of Delinquency has been mailed to Member shall result in loss of privileges of use of Association Common Area. Non-payment of assessments forty-five (45) after written Notice of Delinquency has been mailed to Member shall also subject said Member's property, without further notice, to a Claim of Lien by the Association to collect delinquent accounts.
 - c. Notice of Claim of Lien shall be recorded as provided by law and shall be sent by certified mail, return receipt requested, to the last known mailing address of such delinquent Member. If said delinquent Member fails to pay the amount set forth in the Notice of Lien within sixty (60) days after mailing the Notice of Claim of Lien, the Association may bring legal action to foreclose upon the lien. In the event of such legal action, the Association shall have the right to recover reasonable attorney's fees as fixed by the Court and as otherwise allowed by law.
4. BOAT SLIP ASSESSMENTS. Members having boat slip use rights shall be automatically levied a separate boat slip assessment to pay for any and all expenses

associated with the maintenance of the boat slips, to include without limitation, any costs or expenses required for maintaining the Encroachment Permits with the Idaho Department of Lands, the cost of any liability and casualty insurance on the boat slips, the cost of any necessary boat slip maintenance expenses, and any reasonable expenses directly associated with the boat slips. The Secretary-Treasurer shall send a Notice of Boat Slip Assessment containing the amount of such assessment to each Member that has boat slip use rights by regular U.S. Mail, or electronically, no later than ninety (90) days after the annual meeting. Payment of the Boat Slip Assessment shall be made to the Secretary-Treasurer of the Association and shall be due and payable within forty-five (45) days from the date of mailing the Boat Slip Assessment.

5. DELINQUENT BOAT SLIP ASSESSMENTS. The failure to pay any boat slip assessments duly levied by the Board of Directors shall result in the automatic imposition of the following penalties:
 - a. Non-payment of boat slip assessments for forty-five (45) days after written Notice of Boat Slip Assessment has been mailed to Member may result in a Notice of Delinquency of Boat Slip Assessment being sent to such Member by regular U.S. Mail.
 - b. Non-payment of boat slip assessments for forty-five (45) days after written Notice of Delinquency of Boat Slip Assessment has been mailed to Member shall result in loss of privileges of use of the boat slip, and shall also subject said Member's boat slip use rights to termination and reassignment.
 - c. Notice of Termination of Boat Slip Use Rights shall be sent by certified mail, return receipt requested, to the last known mailing address of such delinquent Member. If said delinquent Member fails to pay the amount set forth in the Notice of Termination of Boat Slip Use Rights within forty-five (45) days after mailing the Notice of Termination of Boat Slip Use Rights, the Members boat slip use rights will be terminated and the boat slip use rights will be assigned by the Board of Directors to the first Member on the official waiting list.
6. SPECIAL ASSESSMENTS. As special circumstances arise, the Board of Directors may levy additional special assessments to cover extraordinary expenses of the Association.

Members will be notified of such special assessments at the next annual Members meeting.

7. Beauty Bay Homeowners Association does not operate nor have any ownership interest or liability in any water system located within Beauty Bay Estates First Addition.

ARTICLE XII

SANCTIONS

The Board of Directors of the Association may impose sanctions for the failure of a Member or Members guests or his or her tenants to comply with any provisions of the Declarations, Articles of Incorporation, these By-Laws or Rule & Regulations which may be adopted by the Association.

ARTICLE XIII

BOOKS AND RECORDS

1. **RECORDS TO BE MAINTAINED.** The Association shall keep records of the minutes of all meetings of the Board of Directors and Members, a record of all actions taken by the Board of Directors and Members with or without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Association. A vote or abstention from voting on each matter voted upon by each Director present at a Board of Directors meeting must be recorded in the Board minutes. The Association shall also keep a copy of the following records: (a) its Articles of Incorporation and all amendments thereto including those currently in effect; (b) its By-Laws and all amendments thereto including those currently in effect; (c) a list of the names and street addresses of its current Directors, Officers and committee members; (d) its most recent annual report delivered to the Idaho Secretary of State; (e) a copy of the Declarations and all amendments thereto; (f) a copy of the current regulations of the Association (if any); (g) a current roster of all Members and their mailing addresses and parcel identifications; (h) a copy of all of the Association's insurance policies (which

policies must be retained for at least seven (7) years); (j) copies of any plans, specifications, permits and warranties related to any improvements constructed on the Common Area or other property that the Association is obligated to maintain, repair or replace; (k) a current copy of all contracts to which the Association is a party, or any other contract under which the Association has any obligation or responsibility; (l) copies of all bids received for work to be performed for the Association within the last five (5) years; and (m) the financial and accounting records described in Article XIV, Section 6 of these By-Laws.

2. INSPECTION AND COPYING OF RECORDS. Any books, records and minutes may be in written form or in any other form capable of being converted into written form within a reasonable time. The official records shall be open for inspection and available for photocopying by Members or their authorized agents at reasonable times and places within five (5) business days after receipt of a written request for access. The Association may adopt reasonable written rules governing the frequency, time, location, notice and manner of inspections and may impose fees to cover the costs of providing copies of the official records, including, without limitation, the costs of copying.

ARTICLE XIV

CONTRACTS AND FINANCES

1. CONTRACTS. The Board of Directors may authorize any Director, Officer, or agent to enter into a contract or execute and deliver any instrument in the name of or on behalf of the Association.
2. LOANS. No loans shall be contracted on behalf of the Association.
3. CHECKS. All checks, drafts or other orders for payment of money shall be signed by such Directors, Officers or agents of the Association and in the manner as shall from time to time be determined by a resolution of the Board of Directors.
4. DEPOSITS. All funds of the Association not otherwise employed shall be deposited from time to time in banks or other depositories as the Board of Directors may select.
5. FISCAL YEAR. The initial fiscal year of the Association shall begin on the day the Articles of Incorporation of the Association were filed with the Idaho Secretary of State

(March 2, 1981) and shall end on December 31 of the same year. Thereafter, a fiscal year shall be the consecutive twelve calendar-month period ending on July 31st, unless the Board of Directors determines by Resolution that some other twelve (12) month period would be more appropriate.

6. FINANCIAL RECORDS. The Association shall maintain financial and accounting records according to good practice which shall be open to inspection and copying by Members at reasonable times in accordance with these By-Laws. Such records shall include (a) a record of receipt and expenditures and accounts for each Member, which accounts shall designate the name and address of the Member, the due dates and amount of each Assessment, the amounts paid upon the account, and the balance due; (b) financial reports of the Association, showing the actual receipts and expenditures of the Association; (c) all tax returns, other financial reports and financial statements of the Association; and (d) any other records that identify, measure, record or communicate financial information. All financial and accounting records shall be maintained for a period of at least seven (7) years.
7. FINANCIAL REPORTING. Based on the financial records in Section 6 above, the Association shall prepare an annual financial statement, i.e. Treasurers Report, on the financial activity of the Association for the preceding year. The annual financial statement shall include a balance sheet as of the end of the fiscal year and statement of operations for that year. The financial statement is to be prepared on the basis of generally accepted accounting principles.
8. EXPENDITURE OF FUNDS. The Secretary-Treasurer shall have the authority to pay the Department of Lands, property tax, insurance, and utilities bills when such bills are presented. All other expenditures require the approval of the Board of Directors prior to payment.

ARTICLE XV

GENERAL BUILDING AND USE RESTRICTIONS

1. No lot shall be used except for residential purposes. Provided, however, Lot 1 of Block 6 may be used for commercial purposes pursuant to the 1971 Declaration, subject to the covenants, conditions and restrictions contained therein and the approval of the Architectural Committee as set forth in these Bylaws. Commercial patrons of Lot 1 Block 6 shall not be permitted to access or utilize the Common Area. No building shall be permitted on any lot other than one single family dwelling, together with its service buildings such as a garage, boat house or structure.
2. Each lot owner shall install a culvert to his property if entrance connects to the main road and if necessary, to prevent erosion.
3. No lots may be used as campgrounds or campsites and no lots may be sold for that purpose.
4. No mobile homes shall be allowed to be parked or stored within Beauty Bay Estates First Addition. Vehicles designed for recreation, camping, travel or seasonal use may be stored on the owner's property but may not be used by the owner as a residence for any period of time. Guests are permitted to stay in RV's with members permission on members property for a period of 2 weeks or less.

ARTICLE XVI

COMMITTEES

1. The Board of Directors, by resolution adopted by a majority of the Directors in office, may designate one or more committees comprised from among its Members in good standing which, to the extent provided in such resolution, shall have and exercise the authority of the Board of Directors in the management of the Association; provided, however, that no such committee shall have the authority to (a) approve or recommend to Members actions or proposals required to be approved by the Members, (b) fill vacancies in the Board of Directors or any committee, or (c) adopt, amend or repeal By-Laws. The designation of such committees and the delegation of authority thereto shall not operate to relieve the Board of Directors, any individual Director or Officer of any responsibility imposed by law.
2. The Board of Directors, by a majority vote of the Directors, may dissolve any committee created by said Board.

3. Vacancies in the Membership of any committee may be filled by appointments made in the same manner as provided for original appointments.
4. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the entire committee shall constitute a quorum, and the act of a majority of the Members present at a meeting at which a quorum is present shall be the act of the committee.

ARTICLE XVII

ARCHITECTURAL COMMITTEE

1. COMMITTEE. The Association may establish an Architectural Committee for the purpose of establishing and maintaining architectural control and consistency of construction within the boundaries of Beauty Bay Estates First Addition. The Architectural Committee shall consist of no less than three (3) Members who are current in all assessments and who are in good standing with the Association. The Architectural Committee members shall be appointed by a majority of the Board of Directors and shall be governed and directed by the Board of Directors. The Architectural Committee members may be added to, removed, or replaced by a majority vote of the Board of Directors.
2. GUIDELINES. The Architectural Committee shall establish and maintain written guidelines regarding architectural control and consistency over any construction within Beauty Bay Estates First Addition and which shall be used to review and approve plans for construction by Members of the Association. The established guidelines shall be approved by the Board of Directors and shall be maintained in the official records of the Association and shall be available to every Member of the Association upon request.
3. NEW CONSTRUCTION. Prior to the construction of any new home, the addition to any existing home, or the exterior alteration of any existing home, the plans and specifications of such construction must be provided to the Architectural Committee for review and approval. Approval or rejection of any such plans and specifications shall be made in accordance with the written guidelines approved by the Board of Directors. Upon rejection a right of appeal can be made to the Board of Directors.

4. **TREE REMOVAL.** Reasonable tree removal for the purpose of constructing a new home, the addition to any existing home, or enhancing a view corridor shall be permitted. In addition, necessary building permits, septic permits, or permits for planned utilities are required before any tree removal will be permitted.
5. **CLEAR CUTTING PROHIBITED.** Clear cutting or logging of any kind is prohibited.
6. **DISEASED OR DEAD TREE REMOVAL.** Standing dead or diseased trees or windfall from storms may be removed, and is encouraged, for the purpose of fire prevention and fuel wood gathering. Each Member is responsible for his own property, but permission is required from the Board of Directors to remove any trees from the Common Area or easements along the roadsides.
7. **FIRE SAFETY.** Members must maintain their property in accordance with the Kootenai County fire regulations. No residential burning or burn barrels are allowed on the property unless a burn permit has been obtained from the Idaho Department of Lands. It is the permit holder's responsibility to ensure they are burning safely and within all regulations set by Kootenai County Fire & Rescue, the Idaho Department of Lands, and the Idaho Department of Environmental Quality.
8. **BOND.** Prior to the granting of approval by the Architectural Committee for the construction of a new home, the addition to any existing home, or the exterior alteration of any existing home. After the Architectural committee reviews plans or changed to be made, they will determine if a bond is required. If the Architectural Committee requires a bond proof of the purchase of a bond by the owner or their contractor in the amount of twenty-five thousand dollars (\$25,000) must be provided to the Committee. This construction bond shall be used as the enforcement tool to guard against any physical damages that might occur to neighboring or community properties and/or any roads in Beauty Bay Estates First Addition during or as a result of the construction project. This bond will be lifted at the time the construction is completed and it is demonstrated that no damages have occurred. All vehicles must comply with road limits posted at the beginning of Beauty Bay Driveway.

ARTICLE XVIII
REGULATIONS

The Board of Directors may adopt uniform regulations for the benefit of the Members as may be deemed necessary and appropriate to assure the enjoyment and safety of all Members and to prevent unreasonable interference with the use of the Common Area. Such regulations shall be consistent with applicable law, the Declarations, the Articles of Incorporation, and these By-Laws. A copy of the regulations, as well as any updates and/or changes, shall be maintained in the official records of the Association and shall be furnished to each Member.

ARTICLE XIX
AMENDMENTS

These By-Laws may be amended or repealed by new By-Laws upon a vote by Members in good standing of two-thirds (2/3) of the lots in the subdivision known as Beauty Bay Estates First Addition, at a regular annual meeting of the Association provided that written notice is given of the intention to amend or repeal or to adopt new By-Laws at such meeting. At no time shall the By-Laws conflict with the terms of the Declarations or the Articles of Incorporation.

The foregoing were adopted as the **PROPOSED** Second Amended and Restated By-Laws of Beauty Bay Homeowners Association, Inc., a corporation not for profit under the laws of the State of Idaho, at the meeting of the Board of Directors held on the 11th day of November, 2020.

SIGNED:

Director – Dan Sturgis

Idaho Notary Acknowledgment:

State of Idaho County of _____

On this ____ day of _____, in the year 20 ____, before me, _____
(Notary's name) a notary public, personally appeared _____ (individual's name),
personally known to me to be the person(s) whose name(s) is (are) subscribed to the within
instrument, and acknowledged to me that he (she) (they) executed the same.

Seal

Notary Public

My Commission expires on: _____

SIGNED:

Director – Joe Rush

Idaho Notary Acknowledgment:

State of Idaho County of _____

On this ____ day of _____, in the year 20 ____, before me, _____
(Notary's name) a notary public, personally appeared _____ (individual's name),
personally known to me to be the person(s) whose name(s) is (are) subscribed to the within
instrument, and acknowledged to me that he (she) (they) executed the same.

Seal

Notary Public

My Commission expires on: _____

SIGNED:

Director – Renee Bordelon

Idaho Notary Acknowledgment:

State of Idaho County of _____

On this ____ day of _____, in the year 20 __, before me, _____
(Notary's name) a notary public, personally appeared _____ (individual's name),
personally known to me to be the person(s) whose name(s) is (are) subscribed to the within
instrument, and acknowledged to me that he (she) (they) executed the same.

Seal

Notary Public

My Commission expires on: _____

SIGNED:

Director – Tim Ochoa

Idaho Notary Acknowledgment:

State of Idaho County of _____

On this ____ day of _____, in the year 20 __, before me, _____
(Notary's name) a notary public, personally appeared _____ (individual's name),
personally known to me to be the person(s) whose name(s) is (are) subscribed to the within
instrument, and acknowledged to me that he (she) (they) executed the same.

Seal

Notary Public

My Commission expires on: _____