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STATE OF IDAHO  
COUNTY OF KOOTENAI  
AT THE REQUEST OF Jane Bergquist  
2003 APR 23 P 2:02  
DANIEL J. ENGLISH  
DEPUTY 36.00  
FEES

REVISED  
BY-LAWS  
OF

**KIDD ISLAND BAY TAX NO. 12664 COOPERATIVE ASSOCIATION, INC.**

ARTICLE I.

NAME OF BUSINESS

The name of the cooperative shall be Kidd Island Bay Tax No. 12664 Cooperative Association, Inc., commonly known as Kidd Island Bay Homeowners Association.

ARTICLE II.

PLACE OF BUSINESS

The cooperative may have such other offices, either within or without the State of Idaho, as the cooperative may designate or as the business of the cooperative may require from time to time.

ARTICLE III.

MEMBERS

1. The cooperative shall have one class of members. To qualify for membership, persons shall be purchasers or owners of Lots 1 through 39, Kidd Island Bay Lots, and Lots 1 through 22, Kidd Island Bay First Addition.
2. Membership shall be identified with ownership of real property within these two subdivisions. The Board of Directors shall not have the power to deny membership to any person owning or purchasing property within the boundaries of these two subdivisions who pays all fees as required of all other members together with any capital assessments as may be fixed by the Board of Directors.
3. Either husband or wife shall be entitled to cast the membership vote for the particular property owned.
4. No expulsion of members or cancellation of voting rights shall be permitted except for non-payment of dues and assessments. Membership may in the discretion of the Board of Directors be reinstated upon payment of delinquent dues and assessments with any costs and interest incurred.

5. Any member may resign by filing a written resignation with the secretary, but such resignation shall not relieve the member so resigning of the obligation to pay any dues, assessments, or other charges theretofore accrued and unpaid. Upon such resignation, the resigning member shall be excluded from further participation in the cooperative.
6. Upon written request signed by a former member and filed with the secretary, the Board of Directors by the affirmative vote of two-thirds of the members of the Board may reinstate such former member to membership upon such terms as the Board of Directors may deem appropriate.
7. Membership in this cooperative may not be sold, assigned or transferred except if the member sells his property to another person. The membership may then be transferred to the new owner.
8. There shall be an initial membership rights fee of \$500 per lot plus any capital assessment as may be fixed in the future by the cooperative through its Board of Directors. There shall be no membership rights fee if the member joins the cooperative within a six-month period following the first organizational meeting held in 1989.

#### ARTICLE IV.

##### MEETING OF MEMBERS

1. An annual meeting of the members shall be held at Kidd Island Bay on the first Saturday in the month of August in each year, beginning with the year 1990, at a place and time designated by the directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members as soon thereafter as conveniently may be.

The first annual organization meeting shall be held on \_\_\_\_\_, 1989. A Board of Directors shall be elected at the first organization meeting. The term of office the Board of Directors shall expire at the next annual meeting.

2. Special meetings of the members may be called by the president, the Board of Directors, or not less than one-fifth of the members having voting rights.
3. The Board of Directors may designate any place, either within or without the State of Idaho, as the place of meeting for any annual meeting or any special meeting called by the Board of Directors; and if a majority of the members shall meet at any time and place, either within or without the State of Idaho, and

consent to the holding of a meeting, such meeting shall be valid without call or notice; and at such meeting any corporate action may be taken.

4. Written notice stating the place, day and hour of any meeting of members shall be delivered either personally or by mail to each member entitled to vote at such meeting, not less than thirty (30) days before the date of such meeting, by or at the direction of the president or the secretary or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his or her address as it appears on the records of the cooperative, with postage thereon prepaid.
5. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all of the members entitled to vote with respect to the subject matter thereof.
6. The members holding a majority of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting from time to time without further notice.
7. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his duly authorized attorney if fact.

## ARTICLE V.

### BOARD OF DIRECTORS

1. The affairs of the cooperative shall be managed by its Board of Directors. Directors or members of the cooperative need not be residents of Idaho but must be property owners within the cooperative.
2. The number of directors shall be at least five. Two of the directors shall own at least one lot of Lots 1 through 22, Kidd Island Bay First Addition. Three of the directors shall own at least one lot of Lots 1 through 39, Kidd Island Bay Lots.
3. Special meetings of the Board of Directors may be called by or at the request of the president or any two directors. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Idaho, as the place for holding any special meeting of the Board called by them.

4. Notice of any special meeting of the Board of Directors shall be given at least five (5) days previously thereto by written notice to each director at his address as shown by the records of the cooperative. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. Any director may waive notice of such meeting. The attendance of a director at any meeting shall constitute a waiver or notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. The business to be transacted at the meeting need not be specified in the notice or waiver of notice of such meeting unless specifically required by statute.
5. A majority of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the board. Except for special meetings called by telephone notice utilizing the telephone conference call the whole or part as specified in Paragraph 7, quorum shall be determined from those physically present. Where a special meeting is held utilizing the telephone, the quorum shall be determined from those physically present and those audible by phone. Proxies cannot be used either to determine a quorum or to vote.
6. Special meeting may be called utilizing the telephone by telephone conference call. Directors need not be physically in the presence of each other. Any director who is capable of being heard and of hearing others may participate by phone and shall be able to vote and to be counted on all matters coming before the meeting. Notice of a special meeting utilizing the telephone call shall be given by telephone to the listed number of each director at least one day prior to the time fixed for the meeting and the conference call.
7. The act of a majority of the directors present or audible by telephone at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by statute or by the By-Laws.
8. Any vacancy occurring in the Board of Directors and any directorship to be filled by reason of an increase in the number of directors shall be filled by the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.
9. Any director may be removed for cause by a two-thirds vote of the members of the Board of Directors at any regular or special meeting whenever in the judgment of the Board of Directors the best interests of the cooperative would be served thereby. Notice of intent to vote upon the removal of a director shall be given prior to any meeting at which such action is proposed.
10. Directors as such shall not be entitled to remuneration as directors.

ARTICLE VI.

OFFICERS

1. The officers of the cooperative shall be president, vice-president, secretary and treasurer, and such other officers as may be elected in accordance with the provisions of this article. The Board of Directors may elect or appoint such other officers **as** it shall deem desirable.
2. The officers of the cooperative shall be elected annually by the Board of Directors at the regular annual meeting of the Board of Directors. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. New officers may be created and filled at any meeting of the Board of Directors. Each officer shall hold office until his successor shall have been duly elected and shall have qualified.
3. Any officer elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interested of the cooperative would be served thereby.
4. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.
5. The officers as such may be entitled to remuneration **as** officers as determined by the Board of Directors.

ARTICLE VII.

CONTRACTS, CHECKS, DEPOSITS AND FUNDS

1. The Board of Directors may authorize any officer or officers, agent or agents of the cooperative in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the cooperative and such authority may be general or confined to specific instances.
2. All checks, drafts, or orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the cooperative shall be signed by such officer or officers, agent or agents of the cooperative and in such manner as shall from time to time be determined by resolution of the Board of Directors.

3. All funds of the cooperative shall be deposited from time to time to the credit of the cooperative in such banks, trust companies, or other depositories as the Board of Directors may select.
4. The Board of Directors may accept on behalf of the cooperative any contribution, gift, bequest or devise for the general purposes or for any special purpose of the cooperative.
5. The Idaho District Court of Kootenai County in Case Number 57540 ruled that each property owner is entitled to at least one dock space each. Those owners currently owning a private dock or interest therein, shall continue their ownership unabridged and the cooperative has no jurisdiction over these docks.

To meet the requirements of the Court ruling, future docks for those owners not having dock space **must** be privately owned docks with four lots sharing each dock, or as directed by the Board of Directors. A master dock plan will be developed, submitted to the general membership for approval and then submitted to the State for approval (Attachment 1 Dock Policy). Therefore:

- A. The Board of Directors are to develop a long-range Master Plan for docks. This plan shall be submitted to the general membership by mail for approval. A majority of the votes received from the membership will constitute approval/disapproval of the Master Plan.
- B. The Board of Directors will submit the membership-approved Master Plan to the State for approval.
- C. Each member entitled to and requesting dock space shall bear the full cost of said dock space.
- D. All members requesting dock space must submit the request in writing to the Board of Directors for approval. The Board must determine that:
  1. The member is entitled to said space and a member in good standing with the cooperative.
  2. The dock **space/slip** is constructed in conformity with the State-approved Master Plan.
  3. The member has prepaid or otherwise made the necessary financial arrangements to pay for said dock space.

4. The member signs an agreement stating that failure to pay membership fees/assessments will cause forfeiture of any ownership rights to the dock space.
- E. Any member who purchases dock space on the private dock/docks, and who fails to pay the normal annual membership fees shall forfeit ownership to the dock space and said ownership shall revert to the cooperative, which is then free to resell that space to another eligible member. Members deficient in payment of their membership fees shall receive a 30 day warning notice and membership is considered void on the 91<sup>st</sup> day following the due date as shown on the statement unless satisfactory payment arrangements are made with the Board of Directors.

#### ARTICLE VIII.

##### BOOKS AND RECORDS

The cooperative shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, Board of Directors, and committees having any of the authority of the Board of Directors, and shall keep at the principal office a record giving the names and addresses of the members entitled to vote. All books and records of the cooperative may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

#### ARTICLE IX.

##### FISCAL YEAR

The fiscal year of the cooperative shall begin on the first day of January and end on the last day of December in each year, unless and until the Board of Directors determines that some other 12 month period should be fixed.

#### ARTICLE X.

##### DUES

The Board of Directors may determine from time to time the amount of annual dues payable to the cooperative by the members.

## ARTICLE XI.

## AMENDMENTS TO BY-LAWS

These By-Laws may be altered, amended or repealed and new By-Laws may be adopted by a majority of the directors present at any regular meeting or any special meeting if at least thirty (30) days written notice is given of intention to alter, amend or repeal or to adopt new By-Laws at such meeting.

In Witness Whereof, we have hereunto set our hands and seals this

21 day of April, 2003.

June Bergquist  
President

Attested

Fred M. Miller  
Secretary

State of Idaho, county of Kootenai,

On this 21<sup>st</sup> day of April, in the year of 2003, before me

Roxanne M. Kusler

(name and quality of notarizing officer)

personally appeared June Bergquist, known or identified to me (or proved to me on the oath of \_\_\_\_\_), to be the person whose name is subscribed to the within instrument as President of the Kidd Island Bay Homeowners Association and acknowledged to me that she executed the same as such President of the Kidd Island Bay Homeowners Association.

Roxanne M. Kusler  
(NOTARY'S SIGNATURE AND SEAL)  
My commission expires on 12-20-03.

State of Idaho, county of Kootenai,

On this 21<sup>st</sup> day of April, in the year of 2003, before me

Roxanne M. Kusler

(name and quality of notarizing officer)

personally appeared Fred Miller, known or identified to me (or proved to me on the oath of \_\_\_\_\_), to be the person whose name is subscribed to the within instrument as Secretary of the Kidd Island Bay Homeowners Association and acknowledged to me that he executed the same as such Secretary of the Kidd Island Bay Homeowners Association.

Roxanne M. Kusler  
(NOTARY'S SIGNATURE AND SEAL)  
My commission expires on 12-20-03.

*Attachment I to By-Laws***Kidd Island Bay Homeowner Association  
Dock Policy**

Kidd Island Bay Homeowners Association (KIBHA), formerly known as Kidd Island Bay Tax Number 12664 Cooperative Association, Inc., a nonprofit cooperative association, created to manage recreational land owned by lot owners of Kidd Island Bay and Kidd Island Bay First Addition. This dock policy accompanied by the Master Dock Plan map supercedes all previous KIBHA dock policies. From time to time this Dock Policy may be revised by the Association.

**A. Permit Application Process for New Docks.**

1. The Idaho Department of Lands (IDL) shall not process a permit application within the Kidd Island Bay Homeowner's Association (KIBHA) lots unless it has been approved by the Association, as verified by a minimum of three Board member signatures. IDL shall refer all KIBHA dock applicants and those referencing County Assessor's Tax No. 12664 to the KIBHA. IDL shall send the dock permit to KIBHA for verification of accuracy and KIBHA will distribute copies of the permit to the dock owners.
2. The Board shall insure that all dock permit applications contain the lot numbers, names, addresses and signatures of all prospective dock owners agreeing to the dock partnership, and a copy of the contractor's bid for construction of the proposed dock.
3. Prior to Board approval of a new dock, the Board will solicit input from lots affected by placement of the new dock in front of and beside their lots.

**B. Dock Ownership Rules\***

1. Dock applicants must accept residents within the Association who do not have dock space. A minimum of four lots shall be accommodated by each fifty foot (50') dock.
2. Cost of the dock between lot owners must be evenly shared so as to prevent any lot owner from profiting by selling dock space. This holds true for the re-sale of dock space which can only be to other lots within the Association. The Board of Directors must be notified in a timely fashion of a dock space re-sale. Re-sale price of dock space shall be calculated by using the Replacement Cost New Method and follow the procedure as described in Attachment 1 "Dock Valuation Policy" of this Dock Policy.
3. The Association will provide to a prospective dock applicant with a list of lots and their current owners who do not have dock space. For a nominal processing fee, the Association will contact these lots owners to determine their interest in dock space.

4. Each dock shall have a sign placed on both ends, readable by boating traffic and Association beach users which contains the following information:

<b>Private Dock</b>	
Dock #	_____
Serves Kidd Island Bay lots:	
Lot	_____ First Addition
Lot	_____
Lot	_____ First Addition
Lot	_____

It is the responsibility of the dock owners to correctly sign the dock. The Association will provide and maintain a master dock location map, develop a numbering system for each dock, and notify the dock owners of their number: This number will appear both on the map and dock sign. Maps with the numbering system and associated lots will be provided to interested membership.

\*Docks existing at the time of the August 28, 1987 court ruling are exempt from the above dock policies except for the signing requirement.

## Attachment 1

## DOCK VALUATION POLICY

This valuation policy apply to docks located on Kidd Island Bay Homeowner Association property, tax identification number 12664. The purpose of this Policy is to fairly value an existing dock so that new dock partners are not unfairly charged for dock space, and so that the original dock partners are justly compensated for their investment. For this to occur, the current value of the dock must be established.

A hypothetical situation where these guidelines must be implemented is as follows:

Two or more lot owners construct a dock and share equally in its original cost. One or more lot owner(s) with rights to the dock in question desire to share the dock at some point after its construction.

The current value of the dock shall be established based on the Replacement Cost New Method (RCN). This valuation method is applied by establishing the replacement or reproduction cost of an improvement and then deducting for appropriate loss in value due to depreciation (i.e., physical deterioration).

To be properly applied the RCN shall be established by an impartial party with knowledge of dock building. There are several dock builders in northern Idaho with the necessary expertise. This service would likely involve a fee.

The responsibility for this fee shall be determined as follows:

The new dock partner(s) shall be responsible for the entire fee if they were given the opportunity at the time of the original construction to share the dock and declined; or if the new dock partner decides not to participate in the dock after the estimate is established. The cost shall be shared between all partners if the new dock partner(s) were not afforded this opportunity to share the dock originally. In this case, the new partner shall pay the entire fee out of pocket, then deduct that amount from the reimbursement to the original dock partners.

In addition to providing an estimated RCN, the dock builder shall be asked to estimate the remaining useful life of the dock with a normal maintenance schedule. After the estimated remaining life is established, depreciation can be estimated.

*Example:*

Actual Age of Dock	5 years
Remaining Useful Life	<u>10 years</u>
Total Useful Life	15 years

In this case the dock has depreciated 33% (5 years/15 years). This depreciation figure shall be applied to the RCN estimate.

**Example:**

Replacement Cost New	\$15,000	Replacemnt Cost New	\$15,000
Estimated Depreciation	<u>33%</u>	Accrued Depreciation	<u>5,000</u>
Accrued Depreciation	\$ 5,000	Est. Value of Dock	\$10,000

The estimated value of the dock shall then be equally divided by the total number of partners.

**Examples:**

Estimated Dock Value	\$10,000
3 Partners	<u>÷ 3</u>
Partner Obligation	\$ 3,333 rounded
- - -	
Estimate Dock Value	\$10,000
4 Partners	<u>÷ 4</u>
Partner Obligation	\$ 2,500

After the partner obligation is determined the new dock partner shall compensate the original dock partners equally for the dock.

**Example:**

The established partner obligation is \$3,333 each. The one new dock partner would then reimburse the two original dock partners \$1,667 each. If it is determined that all of the partners are responsible for the RCN and Remaining Useful Life estimate fee, their portion of the fee shall be deducted from each reimbursement. The fee for the estimate shall be paid prior to deducting it from the reimbursement.