

Introduction to the Cave Bay Home Owners Governing Documents

Our Home Owners Association (HOA) is Cave Bay Community Services, Inc (CBCSI). As originally formulated, and currently operating, CBCSI's primary role is the ownership, operation and maintenance of our shared infrastructure (water, sewer, roads, common areas, and docks).

The Board of Directors, with the assistance from a voluntary committee and the guidance of an HOA attorney, has recently concluded a thorough review of all current & historic documents relative to the governance of our community. This Introduction has been created as a quick guide summary to those governing documents. It is important to note that all CCRs, as originally intended, are very limited in nature and that no CCR provides for Board authorization to issue fines as an enforcement option in the administration of our Operating Rules.

CC&Rs

The first set of documents is the **CC&Rs** (Covenants, Conditions, and Restrictions). These describe the requirements and limitations of what you can do with your property. You should become very familiar with those that affect your specific property.

The goal of the CC&Rs is to protect, preserve, and enhance the property values of the community. These are legally binding documents recorded and filed with the state. In our community we have the original Cave Bay Home sites along the lake and seven different Additions that were developed. Each has its own set of covenants (*except the 6th addition has none*). In general, there is a lot of overlap in CC&Rs between the various additions, but there are important differences too. You may also find that some restrictions you may think are CC&Rs, are actually not. It's certainly to your benefit to clearly understand what CC&Rs affect your property.

Amendments, additions or deletions to CC&Rs require a vote of all owners within that addition, with a 100% approval required to pass.

(Map of Additions)

(AMENDMENTS TO CAVE BAY COMMUNITY HOMESITES Covenants 1967)

(FIRST ADDITION COVENANTS 460453 B45 1ST ADD 513412 B51 P64)

(SECOND COVENANTS 2ND ADD 513414 B 51 P66)

(THIRD AND FOURTH COVENANTS 3RD & 4TH ADD 572861 B63 P471)

(FIFTH ADDITION COVENANTS 5TH ADD 801704 B99 P580)

(SEVENTH COVENANTS 7TH ADD 1055466 B150 P509)

ARTICLES OF INCORPORATION

Articles of Incorporation are a set of formal documents filed with the Idaho Secretary of State to legally create a corporation, in our case Cave Bay Community Systems, Inc. Articles of Incorporation usually contain pertinent information, such as the firm's name, street address, agent for service of process, and the amount and type of stock to be issued, if any. This document was filed by the community March 1, 1979, and amended September 1983. A report is required to be made each year to the Secretary of State listing the current agent and board members to ensure that we remain in good standing.

Note, while the Article of Incorporation declare CBCS has the power to enforce covenants, it is only as an

owner of interest in the community. CBCS is not assigned separate authority to enforce covenants. Article of Incorporation can be amended by a 2/3 majority of members. Membership is designated by shares with one voting share per lot for stockholders. If you are uncertain whether you are a stockholder, check with a board member to find out if you are. Commonly you pay for your share as a stockholder at closing. The 1979 Articles were amended during 1983.

(Articles of Incorporation 3_1_1979)

(Articles of Incorporation 9_29_1983)

BY-LAWS (CBCSI By-laws 1996)

This is the document that details how our association governs itself. It covers such things as Board structure, officers and duties, nominations, elections, frequency of meetings, membership voting and owners fees. By-laws are difficult to change and require a vote by the membership. The membership vote must be at a regular or "special" meeting with appropriate advance notice. At least 20% of members (see above discussion of membership) must be present at the meeting and two-thirds of this quorum must vote to approve for the amendment to take effect. The current version is from 1996.

OPERATING RULES

The HOA has discretion to adopt rules and regulations to help govern the community provided they are in compliance with Idaho Code 55-115, they do not violate any state or federal law and they do not conflict with the terms of the CC&Rs. These are known as **Operating Rules** for the community and they generally apply to the management and operation of the community property and deal somewhat more specifically with how we live together, act, and interact. Rules and regulations may need revision or clarification over time due to changes in the community

The current version of our Operating Rules was passed in 2016. Rules are for everyone, including all owners, renters, and guests and all need to be made aware of them. Operating rules may only be amended by a majority vote of the community membership (one vote per share).

Also, if you are building, please note that there are important County regulations governing building placement and construction and it is highly recommended that you become familiar with these as well.

(CBCS OPERATING RULES Final 061816)

(Sticker Pass and Towing Policy)

(BoatDockPolicy2007)

(ID Statute 55 Ch. 1)

Cave Bay is a great community and together we will assure our little community continues to be a safe, inviting and hospitable place to live and enjoy for all!