

Carlin Bay Property Owners Association, Inc.
c/o Association Services, Inc.
1110 Park Place, Suite 101
Coeur d'Alene, Idaho 83814
admin@cbpoa.info

June 7, 2018

Dear Carlin Bay Property Owner,

We are pleased to announce that the 2018 Annual General Meeting (AGM) will be held on Saturday, July 7, 2018, starting promptly at 9:00 AM. Registration will open at 8:30 AM. The meeting will be held at N-Sid-Sen Camp & Retreat Center, 36395 S Highway 97, Harrison, Idaho 83833. There will be drinks and refreshments furnished by the camp. Lunch will also be served by the camp.

There are two (2) vacancies to be filled this year, each for a three year term. You will receive an election packet when you arrive at the AGM that will include information about the nominees and information about the election process. Ballots will be passed out to each member present as well as to proxy holders at the AGM in keeping with the CC&R's and Standing Rules.

There are several motions for your consideration this year. Some of those have been submitted by the Board of Directors while others have been submitted by individual members. Please read the comments and Board's recommendation for each motion. You may cast your vote in one of three ways:

1. complete the enclosed ballot and return your vote in the enclosed envelope to Association Services, Inc. These ballots (and proxies) must arrive in the ASI office no later than Wednesday, July 4, 2018. You may also fax or email your signed ballots or proxies directly to Association Services at 208-676-8603, or agm@cbpoa.info
2. bring your ballot with you and cast your vote at the meeting.
3. fill out and return the proxy form by the above-named deadline.

Ballots will be tallied by Association Services. Results will be mailed, emailed and/or posted on the Web site when available after AGM.

If you do not understand a motion please email the Board at agm@cbpoa.info. Please do NOT call ASI for motion information.

A proxy form is enclosed if you would like to have someone else vote for you or if you cannot attend the AGM but still wish to be represented at the meeting. A proxy is also good for any floor motions or nominations that may arise at the meeting. Please remember that your personal vote always takes precedence over your proxy, so you may still send in a vote on a given motion and also have a Proxy at the meeting for floor motions or nominations. You may also assign your Proxy to the Board and they will vote on your behalf.

Items enclosed with this AGM packet include:

1. This welcome letter
2. Proxy form w/instructions
3. Tentative agenda
4. The Board of Director's report and other leadership reports
5. Motions designated Exhibit A – K + Ballot for Exhibits A – K
6. Discussion items (Exhibits 1-3)
7. A self-addressed envelope for the return of proxies/motions/ballots

CBPOA Board of Directors:

Ben Crosby, President

Scott McCrea, Secretary

Richard Miller, Member at large

Tony Verdoia, Vice-President

Ernie Dorow, Treasurer

Please feel free to send us an email at agm@cbpoa.info with your questions or concerns. If you would like a return phone call, let us know your phone number and someone will call you. Thanks!

CARLIN BAY PROPERTY OWNERS ASSOCIATION
2018 ANNUAL GENERAL MEETING
July 7, 2018
9:00 AM
N-Sid-Sen Camp & Retreat Center

PROPOSED AGENDA

- 1 **Call to Order** Meeting is called to order with summary comments by President, Ben Crosby.
- 2 **Greetings** – N-Sid-Sen Camp & Retreat Center, Managing Director, Mark Boyd.
- 3 **Introductions** – Board members, Committee members, ASI representative(s), etc.
- 4 **Adopt Agenda & Standing Rules**
Proposed Agenda and Standing Rules will be handed out at the welcome desk upon sign-in
Membership will vote with red or green cards
- 5 **Annual Reports** – Annual Reports were mailed out prior to the AGM. There will be time for questions and answers regarding each report.
- 6 **Motion – Exhibit A**, Email communications to Association Members – Amanda Reinhardt
Motion – Exhibit B, Filling Committees for CBPOA – Amanda Reinhardt
Motion – Exhibit C, Amendment to C 30.00 Planned Community (Building Permits) – BOD
Motion – Exhibit D, Amendment to C 32.00 Fire Safety – BOD
Motion – Exhibit E, Amendment to C 82.00 Land Used- Primary Structures – Susie Banks
Motion – Exhibit F, Amendment to C 86.00 Land Use – Community Standards (Timber Resources) – BOD
Motion – Exhibit G, Proposal for the Removal of Trees – Cheryl Feely
Motion – Exhibit H, Amendment to C 86.00 Land Use – Community Standards (Timber Resources) – Susie Banks
Motion – Exhibit I, Require Membership Vote regarding Capital Expenditures – Kathryn Ryan
Motion – Exhibit J, South Edgewater Drive Proposal – BOD
Motion – Exhibit K, Road Maintenance Proposal – BOD
- 7 **Discussion on Exhibit 1**, Proposal for Breach of Bylaws – Cheryl Feely
Discussion on Exhibit 2, Growing Assets for Members – Janet Rife
Discussion on Exhibit 3, Water Plant Study – BOD
- 8 **Election of Officers**, see election packet (two Board positions up for election)
Nomination(s) from the floor.
Members present at the AGM vote by ballot.
- 9 **Motions from the floor** – (See the procedure described in the Standing Rules).
- 10 **Members' open forum**
- 11 **Adjournment**

We will break for lunch at 12:00 noon and resume the meeting after lunch as necessary.
All votes will be counted by ASI (see the procedure described in the Standing Rules).

Carlin Bay Property Owners Association

2018 Annual General Meeting

PROXY FORM

I/we, the undersigned, being the legal owner(s) of a lot or lots in Carlin Bay Property Owners Association and a member or members of Carlin Bay Property Owners Association, Inc., an Idaho non-profit corporation, do hereby constitute and appoint:

(please print)

Appointee may be the Board of Directors **OR** a person **who will be present** at the meeting. If there is no person indicated in the line above, the proxy will be exercised by the Board of Directors.

Agent for me/us, and in my/our name, place and stead, to vote as my/our proxy at the Annual General Meeting of the members to be held on July 7, 2018. Unless sooner revoked, this proxy provides full power to cast the vote(s) that my/our membership would entitle me/us to cast if I/we were personally present, and to further authorize said proxy designee to act for me/us and in my/our name and stead as fully as I/we could act if I/we were present, giving to my/our proxy full power of substitution and revocation. I understand this form must arrive at the Association Services, Inc. offices by Wednesday, July 4, 2018 in order to be valid.

IN WITNESS WHEREOF, I/we have executed this proxy on the _____ day of _____, 2018.

Member Name(s) – please print clearly

Member signature(s)

Note: Each owner is allowed one vote per each assessed property.

Place Label Here

You can mail (self-addressed envelope), email or fax your proxy/motion/ballot to:

CBPOA, C/O Association Services, Inc.
1110 Park Place, #101
Coeur d'Alene, ID 83814
Fax 208-676-8603
admin@cbpoa.info

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BALLOT

2018 Annual General Meeting July 7, 2018

Place Label Here

Please mark each vote with an “X” in the appropriate square. Leave both squares blank to abstain. If both squares are marked, no vote will be cast.

	In Favor	Opposed
Exhibit A – Amendment to B 39.00 Communications (Amanda Reinhardt)		
Exhibit B – Amendment to B 40.00 Committees (Amanda Reinhardt)		
Exhibit C – Amendment to C 30.00 Planned Community – Building Permits (BOD)		
Exhibit D – Amendment to C 32.00 Fire Safety - BOD		
Exhibit E – Amendment to C 82.00 Land Use – Primary Structures (Susie Banks)		
Exhibit F – Amendment to C 86.00 Land Use – Community Standards – Timber Resources (BOD)		
Exhibit G – Proposal for Removal of Trees C 86.00 (Cheryl Feely)		
Exhibit H – Timber Management Motion C 86.00 (Susie Banks)		
Exhibit I – Amendment to C 90.00 CBPOA Utilities/Common Areas – Restrictions – Capital Expenditures (Kate Ryan)		
Exhibit J – South Edgewater Drive Proposal (BOD)		
Exhibit K – Road Maintenance Proposal (BOD)		

Signed (must be signed to be counted) _____

Dated _____

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These leadership reports are offered to let the CBPOA membership know about various aspects of our community life. There will be an opportunity for questions and comments during the AGM.



BOARD OF DIRECTORS REPORT 2018 AGM

This past year has been full of many important issues for the Board of Directors and Carlin Bay Property Owners Association.

This summer/fall will see the completion of a four year project to upgrade our wastewater system. The final stage will be the draining, grading and lining of the old wastewater lagoon. Once that is complete, the Association will finalize our loan with IDEQ. Because we have been making payments since August of 2015, we have already made a good start toward paying it off.

Our ongoing relationship to The Lodge at Carlin Bay was finally clarified by our positive vote this past February to provide expanded waste water services for their proposed expansion. Their public hearing on their application for a Conditional Use Permit through Kootenai County is scheduled for early June. Provided they are successful, we are prepared take the next steps to solidify our relationship with them.

Our community has moved into an exceptionally active buying/selling/building phase. We have had 16 properties exchange hands since May of 2017 and currently have 6 properties in active construction. There are several additional properties in various stages of planning.

The development of a storage area for our community has not been without controversy and bumps in the road. The Board's "read" of discussions at both the 2015 and 2016 AGM's was that there was near unanimous consensus to move forward with the development of an area. Even as late as the spring of 2017, we were hearing encouragement to move forward. Our decision to get started when we did was intended to create a platform we could develop in whatever way the community might choose to go. Our intent was (and still is) to create a temporary committee to fully explore our options. Because we discovered seepage from the old lagoon, the work was stopped a year ago and will not proceed until the lagoon is lined later this year. Once we see a way forward, we will form a balanced committee to explore our options. We are currently working with Kootenai County around a complaint filed by one of our members regarding the project so the results of that will also determine the direction the project goes. We were disappointed that the complaint was filed without any discussion between the Board and the person involved.

A few months ago, the Board of Directors contracted for a preliminary study of our water plant/infrastructure. That study will be available for dissemination at the AGM and will provide important information for our planning for the future. Our current system has served us well but has many deficits we need to be addressing. This will not be an action item at this year's AGM but will probably call for some kind of action a year from now.

At the last AGM, there was a request that the Board review the policy regarding utility hookup & maintenance (C 50.00 Utilities – Installation and Maintenance [b]). After review, the Board has chosen to re-affirm the current policy that property owners are "responsible for the costs of installation, maintenance and repair of such utilities, whether located in designated easements or on private property". We would not advocate for a change in the policy though the membership has the right to propose a change if they desire to do so.

In the spirit of transparency, we need to disclose that a few months ago, Carlin Bay Property Owners Association was the victim of an incident of identity theft. Indications are that it was perpetrated from Africa. The situation was identified quickly and was turned over to both the FBI and our insurance carrier. We were fully covered by

insurance so there was no financial loss for the Association. And, steps are being explored to move to an encrypted email system for all financial approvals.

Your Board of Directors has been struggling with work load issues over the last few months. As an all volunteer board, we estimate that we collectively are spending 40+ hours/week on community business even with ASI handling a lot of our financial, accounting and insurance issues. We are acutely aware that in terms of community relations, a handful of our members demand a disproportionate amount of time/effort. We are actively exploring ways to address the situation, including expanding the services provided by ASI.

We have a wonderful community here in Carlin Bay. Over the years, many of us have developed a deep sense of community and caring. As is almost always the case, we are currently experiencing some growing pains but overall, things are going well. It has been a pleasure to serve!



Airstrip Committee Report 2018

The community is growing into its airstrip. A new hangar home is complete and occupied on the northeast end of the runway. In addition to being a beautiful home for someone with an affinity for airplanes, the development of that property has brought utilities to that area of the community. More hangar homes are anticipated to be constructed on that southeast side within the next two years.

The airstrip remains in good condition for the types of aircraft that currently use it. Safety enhancements have included the removal of trees that have grown and encroached the runway safety zones. These zones include the areas along both sides of the runway, on the approach and departure ends and along a 'go around' corridor to the east and south. Trees are selected for removal when they negatively impact sight lines that are critical for pilots operating their aircraft or due to their proximity to flight path safety zones needed for takeoff, landing and go arounds.

Interest in our community by pilots, who are not currently property owners, continues. The number of calls asking for information about the community's airstrip is at a pace slightly higher than a year ago and average about 8 to 10 per year. Potential property owners who are pilots ask about:

- the availability of hangars
- the cost of building a hangar
- are there utilities supporting the hangar area
- what property is available adjacent to the runway
- if homes along the north side of Ridgeview Drive could have taxiway access to the runway
- the availability of the runway for use throughout the year
- the type of runway surface

As of June 2018, there are 6 aircraft that are kept on our airstrip. One aircraft is under construction. There are at least 8 active pilots in the community. There are others who have an interest in becoming an active and/or licensed pilot. There are at least two pilots who are property owners who fly into Carlin Bay on a regular basis. There are three hangars on leased community property and there are 5 hangar spots that could be leased for aircraft storage.

Aircraft operations on our airstrip increase in the dryer months of the year. Aircraft operations typically begin in late March or early April and continue into December. Peak aircraft operations occur in May through September. The number of takeoffs or landings each month during these peak months likely average about 80 per month (when counting each takeoff or landing separately).

Aircraft not domiciled at our airstrip or flown by pilots who are not property owners visit occasionally. They are welcome but should be using the airstrip only when they have been invited by a property owner. Should a property owner invite a guest to fly in, please encourage the guest to review the airstrip section on the community's website http://cbpoa.info/?page_id=22 for information relative to the safe operation of aircraft here or to contact a member of the airstrip committee. There is also a community requirement that aircraft visiting our airstrip list CBPOA as an additional insured on their insurance prior to their arrival. The airstrip's identifying number is ID43.

Have fun flying!
John Thiele, for the Airstrip Committee



Status of the CBPOA Marina
2018

Hello Association Members

First and foremost, I must introduce your CBPOA dedicated committee members. They are Kevin Cozad, Mitch Robinson, Cathy Sebby, Tony Delbert, Paul Finney, Dana Drake, and Dan Rife. They have worked hard to keep your marina experience enjoyable while holding down operation and maintenance expenses. During this past winter, once again, our marina had to endure Mother Nature's wind and wave action especially numerous west facing storms. As far as we can tell, there were no problems detected during our spring inspection.

Canopies – The installation of canopies has been completed for 2018. The new fabric that was installed last year is in great shape for this season.

Marina Structure - There are a few areas where side bumpers and piling tops have become loose or missing. Your marina committee will be working to keep up with these areas of concern.

Jet Ski Docks – There was an effort to have several jet ski docks incorporated onto the marina this past year, however the Idaho Department of Lands indicated our marina would be over the allowed square footage and it would be denied.

Annual Marina Cleanup – At the time of the writing of this Marina status, the Annual Marina Cleanup and Picnic is scheduled for Saturday June 9th. If you participated, thank you for your help and we hope you enjoyed the picnic lunch.

Mark your calendars – The annual Appetizerfest will be held on Sunday, September 2nd. This is a great get together and is held on the Marina for everyone. Get your best appetizers ready and come with an empty stomach.

As in the past, the new gate code for the Marina will be announced at the AGM and that code will be in place until the next AGM in 2019.

Dan Rife



Eastlake Water Services
16720 S. Carlin Bay Rd
Harrison, ID 83833

Carlin Bay Property Owners
Water Report for AGM 2018

Summary of Operations

Plant operations have been within DEQ specifications for the months of October 2017 – April 2018. There were no violations.

Due to the rain, snow melt, and water runoff in the lake, on January 12th filters 2 & 4 started to experience higher than normal turbidity readings which resulted in an automatic plant shut down. We were unable to make water for two days and the raw turbidity readings were well over 4.0. The plant will shut down if the finished water turbidity reaches .25. We increased the alum flow which is standard to lower the turbidity levels. Increasing the alum did not resolve the high turbidity levels on day one. The following day the alum pump was increased to 80 ml/min. We reduced times between backwashes for filters, in other words, we are backwashing more often. We were then able to make water. On 27 January, we shut filters 2 & 4 down and reduced Lake Pump flow to 50 gallons per minute. This is due to the continued high turbidity levels in the lake and not being able to make water. The plant will operate on filters 1 & 3 only until raw water turbidity levels decrease.

Turbidity Meters are calibrated every quarter. Chlorine Pump was rebuilt

Cross Connection

A cross connection survey letter will be sent out to our water customers. Please fill this form out and return.

It is that time of year again for those who have either a reduced pressure valve or a double check valve to have them inspected and tested by a certified inspector. Jeff Wickam has said that he is willing to test backflow devices again this year for \$25/device. If you want Jeff to test your device, email me and I will send the list of names to Jeff. This is a yearly requirement by the State of Idaho. If you are not sure if you have to have your backflow devices tested contact Dave Banks at (208) 689-9376.

The Consumer Confidence Report will be available by this coming AGM meeting in July. It will be on the Association Web site.

It is proving more difficult each year to make water with the turbidity levels in the lake. It is imperative that we continue to move forward on a new water plant.

Dave Banks – Water Manager
EastLake Water Services
davejbanks@gmail.com

EXHIBIT A

2/3 positive vote required to pass (Bylaw change)

Title Email Communications to Association Members

Submitted by Amanda Reinhardt

Purpose To ensure that all members are receiving important information regarding the Association. Our community is comprised largely of absent or seasonal property owners. Adjusting the communication methods to changing times will help to create an informed and engaged community. This will create a small amount of work and cost compared to the benefits realized for the community. This addresses materials and information that has already been compiled and documented. This will be one small step added of sending an email to a distribution list for Association Members.

Background This was requested at the 2017 AGM and as a request from the membership was not executed by the Board. This is a common practice in organizations and businesses today and it makes sense for our Association to adopt as well. The current management company, ASI, is able to send the email for all members with an email address on file once the Board provides it with little work.

Proposal Create a new Bylaw outlining Association Communications to ensure anytime the Board is communication new or important information an electronic message is sent as well as the other method(s) used by the Board. This would encompass messages on monthly statements, Board posts to the mailbox/common area and any announcements for the Association website.

Proposed Bylaw

B 39.00 Board Communications

The Board shall send an email to all Members with an email address on file when the following occurs: messages or information are included in the monthly invoice as an invoice messages or inserts to all Members, mailings other than the monthly invoice are sent to the Association, physical posts to common Association areas by the Board, or announcements by the Board or a Committee to the Association website.

Board of Directors Recommendation

The Board had considerable conversation about this request after the 2017 Annual General Meeting and chose not to implement it for several reasons:

1. This Association has a practice of being transparent in the posting of minutes, agendas and other documents.
2. General member feedback in the past has been that members did not desire large numbers of email messages sent out. Our estimate is that if this policy is implemented, it would result in between 4 and 12 messages per month.
3. We had a concern that if this policy were implemented, some folks would remove their email addresses from ASI's records which would actually hurt our ability to communicate with the membership.

Our interpretation is that this bylaw as written actually calls for the Association to send out "unsolicited email" (SPAM). If there are a significant number of members interested in receiving this type of communication, we would advocate for the establishment of a legal, double opt-in email communication system (like Constant Contact, cost TBD) to allow for the proper (legal) maintenance of such a list.

Our recommendation is to vote "no".

EXHIBIT B

2/3 positive vote required to pass (Bylaw change)

Title Filling Committees for Carlin Bay Property Owners Association

Submitted By Amanda Reinhardt

Proposal Adopt the modified Bylaws shown below to solidify committee formation.

Purpose This change will allow additional participation from Association Members on Committees where there is interest. It does not prevent existing Members from continuing to serve where no additional interest exists. Having a community where all Members are allowed to participate will increase the pride, understanding, and positive growth in the community. This revision of the Bylaws sets forth a standard to provide the Members a clear expectation on how Committees are filled and when a member can hear back regarding their interest in participating. The Board has not prioritized Committee formation nor communication and the committees are key component within the Association. This is a change needed to ensure understanding, fair representation, and transparency. The role on a Board or Committee can be thankless and there is a lot of time committed to these voluntary positions. We don't want to overlook that – thank you to everyone who has served and is willing to serve in these roles!

Background Board and Association Members have noted for several years the need for improvements to the organization of Standing Committees including in the documentation supplied for the 2017 AGM. Here is one example to help and provide recent background.

There was discussion at the 2016 AGM regarding a possible storage facility and additional discussion and concern voiced at 2017 AGM. Work had begun without a membership vote and with no committee in place. A storage facility committee was solicited at the 2017 AGM. There were several Association members that expressed interest. To date, as of the time this ballot is being submitted, no Committee has been formed. The following are the records from Board Meeting Minutes over the past year where the committees were mentioned and no action taken by the Board.

June 30, 2017: "The committee job descriptions were reviewed. The Board decided to present a total of nine (9) descriptions and to solicit possible names to serve on each committee. It was agreed that the Board would make committee appointments after the AGM."

July 1, 2017: "The Board reviewed the Committee sign up sheets from the AGM Meeting and noticed some members had signed up for multiple Committees. No action was taken."

August 29, 2017: "Committees will be filled at the next meeting."

October 30, 2017: "Board members will be on one or more Committees as a liaison but will not vote on the committee. Committee List with members: " (there were no names listed in the minutes)

Revised By Laws of the Corporation:

B 40.00 Committee Appointments

On an annual basis, the Board **will** appoint members of the Association, either Board members or general members, to serve as active volunteers on Standing Committees or Advisory Committees. Only members in in good standing may be so appointed. ~~and such volunteer service is at the will of the Board and without term restrictions.~~

40. a. Filling Committees

At any point a member of the Association may express interest to serve as a volunteer on a Standing or Advisory Committee. In the Annual General Membership packet and at the Annual General Membership meeting the Board will allow members to sign up and offer to volunteer on any of the Standing or Advisory Committees.

The Board will review such interest and within sixty (60) days of interest respond to each interested Association member. The Board will appoint up to five (5) Association members per committee for all Standing Committee and Advisory Committees. Any Board members participating on a Committee will be participating without voting rights for such Committee unless needed for split decision or if the Board members is the only Committee member. Only if there are less than five interested Association members, then a Committee will consist of fewer than five (5) members.

40. b. Committee Term Limits

The established term limits for a Committee member is three (3) consecutive years. Within sixty days of the Annual General Membership meeting if any Non-Committee members have expressed interest in joining the Committee at the Annual Meeting or in the past twelve months, those members will be appointed prior to any existing terms being extended. This term may be extended if there are no other interested Association members for said Committee. The established vacancy rotation, meaning that approximately one-third of the Committee members reaches the specified term limits in any given calendar year, will continue as a practice and as a policy calculated to prevent the replacement of the entire Committee at any one time.

Related Bylaws

B 16.00 Principal Duties

f] The Board of Directors may create Standing Committees on a permanent basis and Advisory Committees on a temporary basis and thereafter delegate duties to such committees.

B 18.00 Organization and Structure

The Association shall remain a non-profit service organization dedicated to the mutual interests of the affected property owners. The Association shall be organized and structured into the following four (4) functional elements:

- Property Owners [general membership]
- Board of Directors [elected by the general membership]
- Committees - Standing [appointed by the Board of Directors]
- Committees - Advisory [appointed by the Board of Directors]

Board of Directors Recommendation

The current Bylaws have served our Association well for many years. While we definitely believe that in many cases a robust committee structure is a good thing for this Association, we do not believe that we would be well served by mandated committee sizes, committee member terms and rotations, term limits, etc.

The Board makes note of the sentiment that some members would like to see a more active committee structure on the Association but recommends a “no” vote on this particular proposal. We believe there are better, more healthy ways to encourage participation.

EXHIBIT C

Title Amendment to C 30.00 Planned Community (Building Permits)

Proposed by the Board of Directors

Required vote 2/3 positive vote required to pass (CC&R change)

Second Amendment – dated June 2004
C 30.00 Planned Community

The common and private properties identified herein are part of a planned lakeside residential community supported by common services, facilities and management. No parcel may be used or occupied for any purposes other than those consistent with such a lakeside residential community. Buildings and structures are restricted to SINGLE FAMILY DWELLINGS consistent with such a lakeside residential community. Construction or modification to any common areas or facilities must comport with the lakeside residential decorum and comply with all zoning and building laws applicable thereto. If the Kootenai County Building Department establishes any program that allows property owners to “opt out” of the Building Permit/Inspection process, CBPOA property owners are prohibited from “opting out”. No parcel may be used or occupied for commercial, industrial, business or training purposes; including nurseries, day care centers, medical arts, health care providers, or other activities which are inconsistent with the lakeside residential decorum. No parcel or family dwelling may be rented on a short-term basis. Only minimum rentals of no less than three months duration are allowed. All renters shall be required to sign a contract stating that they will abide by the CC&R’s. It shall be the property owner’s responsibility to submit this signed contract to the CBPOA Board of Directors prior to the date of rental.

Pros: The Kootenai County Board of Commissioners has recently established a program that will allow property owners in the unorganized areas of the county to “opt-out” of a long time program requiring building permits/inspections. This new program may well be over-turned in the next Kootenai County election cycle. However, the CBPOA Board of Directors feels this is an important enough issue that our CC&R’s should require our property owners to participate in any available program of building permits/inspections. We feel that such a program has the greatest chance of helping all of us to maintain quality in our homes and, therefore, the highest possible home values. Any practice that would call into question the quality of our own homes or the homes of our neighbors, would only serve to call both quality and value into question.

Cons: None.

Board of Directors Recommendation

The Board believes that the building permit process is an integral part of maintaining property values, the insurability of our properties and the general quality of our community. Even if we maintain the quality of our own structures, if our neighbors fail to do so, it hurts all of us.

The Board of Directors recommends a “yes” vote.

EXHIBIT D

Title Amendment to C32.00 Fire Safety

Proposed by the Board of Directors

Required vote 2/3 positive vote required to pass (CC&R change)

Fifth Amendment – dated June 2008

C 32.00 Fire Safety

Property owners are responsible for adhering to all local fire codes in addition to fire prevention and fire safety on private properties and common areas. Use of fire resistant building materials and roofing and the maintenance of adequate greenbelts or clear areas around residences and structures is critical. Subscription to the EASTSIDE FIRE PROTECTION DISTRICT is ~~also critical~~ required.

Smart management of our timber resources should include constant attention to fire safety:

1. Ground cover may be trimmed as long as such trimming does not promote soil erosion.
2. Trees should be limbed 6' or more above the ground.
3. Dead trees should be removed promptly so as not to pose a fire risk.
4. Firewood should be stored in a safe manner so as not to provide a fuel source for wild fire.
5. Members whose properties adjoin Association common areas are encouraged to approach the Board with proposals to help the Association manage such areas with forest management and fire safety in mind. Such proposals will be considered on their own merits and with the understanding that the property owner will provide whatever labor might be necessary to carry them out.

Board of Directors Recommendation

The Board has dealt with several infractions to the CC&R's regarding trees. These have primarily involved folks relatively new to our community. Our observation would be that as a community we have affirmed a relatively high regard for our forested setting and have had nearly unanimous consensus about that. The Board has a clear desire to reinforce these values.

The Board also recognizes the importance of taking steps to mitigate against wildfire and is, therefore, proposing changes to both this CC&R and C 86.00 Land Use – Community Standards (Timber Resources) in that spirit.

The Board urges your “yes” vote on this proposal because we believe it strikes a healthy balance for our community.

EXHIBIT E

2/3 positive vote required to pass (CC&R change)

Motion – proposed by Susie Banks

Primary Structures

Current

C 82.00 Land Use - Primary Structures

Construction and land use of the identified private properties is restricted to SINGLE FAMILY DWELLINGS and certain approved appurtenant structures, to wit:

a] The Association recognizes that some members purchased or otherwise acquired building sites prior to the revision of the original CC&R's, as established by LANDS WEST and the Carlin Bay Services Corporation (circa 1981 to 1995). Such property owners are entitled to rely on the "minimum square footage" building standards articulated in the previous CC&R's for purposes of new construction or for disaster related re-construction or repairs. This exception is granted only to the recorded property owner as of the date of this DECLARATION and is specifically withdrawn if the UNDEVELOPED building site is sold or the ownership is otherwise transferred. Subsequent to such a sale or change of ownership, the revised and adopted "minimum square footage" building standards set forth in this sub-section shall then apply.

b] No more than one Single Family residence; one detached garage building and or one other approved appurtenant building may be constructed on any lot or parcel, thus constituting a maximum of three (3) structures permitted. A free-standing barn or workshop constitutes one of the described appurtenant buildings and limits any additional construction. Local "set-back" regulations may further restrict such structures. The residence (regardless of lot size) shall contain a minimum of twelve hundred (1200) square feet of habitable living space exclusive of second floors, lofts, garages, porches, patios, basements, "walk-outs", RV-Boat storage areas, utility rooms, car ports, etc.

c] On lots or parcels exceeding 5 acres in size, the construction of additional buildings (more than three (3) depends upon their proposed location and must be approved by the Board of Directors.

d] No "pre-constructed," "factory-built," "modular building," "mobile home," "trailer" or any temporary structure is permitted. However, during a period of actual construction, and not to exceed eighteen (18) months, a temporary building may be permitted at construction sites.

Proposed Change

C 82.00 Land Use - Primary Structures

a] No change

b] No change

c] On lots or parcels exceeding 1 acre in size, the construction of additional buildings (more than three (3) depends upon their proposed location and must be approved by the Board of Directors.

d] No change

Pros: We live in a rural area, our homes are not UNIFORM as some developments. Property Owners should have the freedom to utilize their property for their needs and requirements without strict subjective rules. Building

permit regulations have relaxed in Rural areas for Kootenai County. Let's not restrict our property utilization. The original intent of this requirement was for half acre properties on Sunset Shores Circle.

Board of Directors Recommendation

The original intent of this CC&R was clearly stated to allow no more than three (3) structures on parcels under 5 acres in size with a further provision that additional structures could be approved at the Board's discretion on parcels 5 acres and larger. That policy has served our Association well over the years. This proposal would shift that threshold downward to 1 acre.

While Kootenai county has relaxed building permit regulations in rural areas for Kootenai County, the Board has gone on record opposing such relaxation (see our proposed Exhibit C). Furthermore, given the results of the 2018 Primary Election, such relaxation seems unlikely to prevail.

We see no reason to make this proposed change.

Our recommendation is to vote "no".

EXHIBIT F

Title Amendment to C86.00 Land Use – Community Standards (Timber Resources)

Proposed by the Board of Directors

Required vote 2/3 positive vote required to pass (CC&R change)

Third Amendment – dated June 2005

C 86.00 Land Use – Community Standards

- a) Approved Buildings: (no change)
- b) Appearance – General: (no change)
- c) Appearance – Special: (no change)
- d) Common Roads: (no change)
- e) Equestrian Animals: (no change)
- f) Permitted Animals: (no change)
- g) Prohibited Animals: (no change)
- h) Prohibited Activity: (no change)
- i) Timber Resources: Timber resources are some of the greatest assets this Association and its members possess. As such, those resources should be cherished and preserved whenever possible. The wise and prudent management of our timber should be a high priority for all members. Any significant alteration to the timber resources of the Carlin Bay environment, including construction projects, land modifications, tree-shaping or timber removal, must comply with local and Federal regulations, and only when approved before hand in writing by the Board. Removal of diseased or potentially dangerous timber may be permitted or initiated by the Board as a matter of good forestry conservation practices. Property owners or their agents are permitted to process and harvest dead fall as firewood, fencing or for personal use. Property owners are responsible for safe storage of firewood, construction materials and other such supplies. These items should be out of general view when possible and neatly stacked so as to prevent annoyance or nuisance. Safety and fire prevention are significant criteria.

Timber Management (also see C.32.00 Fire Safety)

1. Any significant alteration to the timber resources of the Carlin Bay environment, including construction projects, land modifications, tree re-shaping or timber removal, must comply with local and Federal regulations, and only when approved before hand in writing by the Board.
 2. Up to 5” diameter (approximately 16” in circumference) trees may be cut without explicit Board permission as long as they are within 6’ of one another. Remember that every 5” diameter tree cut today means one less mature tree a generation from now.
 3. Removal of diseased or potentially dangerous timber will normally be permitted and such request may be initiated by either the property owner or the Board as a matter of good forestry conservation practices. This action requires Board approval.
 4. Unhealthy trees and trees that pose a safety hazard to buildings should be identified to the Board so they can be appropriately processed. This action requires Board approval.
 5. Property owners or their agents are permitted to process and harvest dead trees as firewood or for other personal use.
 6. Property owners are responsible for the safe storage of firewood, construction materials and other such supplies. These items should be out of general view when possible and neatly stacked so as to prevent annoyance or nuisance.
- j) Work Projects: (no change)

Board of Directors Recommendation

The Board has dealt with several infractions to the CC&R's regarding trees. These have primarily involved folks relatively new to our community. Our observation would be that as a community we have affirmed a relatively high regard for our forested setting and have had nearly unanimous consensus about that. The Board has a clear desire to reinforce these values.

The Board also recognizes the importance of taking steps to mitigate against wildfire and is, therefore, proposing changes to both C 32.00 Fire Safety and this CC&R in that spirit. There are two additional proposals regarding trees. One is almost identical to a proposal that was soundly defeated at the 2017 AGM (18 in favor, 51 against). The other is a proposal that, in our judgment, fails to honor the values associated with choosing to live in the great north woods of northern Idaho.

The Board urges your "yes" vote on this proposal because they believe it strikes a healthy balance for our community.

EXHIBIT G

2/3 positive vote required to pass (CC&R change)

Proposal for Removal of Trees – proposed by Cheryl Feely

We need as a community to have clear guidelines for all members, so all can work toward harmony of personal property rights and also keeping with the goals of the community.

Propose guidelines:

Dangerous trees that may be removed

1. Tree crown has dead wood/brown leaves
2. V-shaped/multiple trunks
3. Tree leaning more than 15 degrees toward any structure
4. Dead, dying and diseased trees

Maintenance of trees that may be removed

1. Tree that is 20 feet or less from building
2. Tree that is 8 feet or less from driveway
3. Trees may be thinned to six feet apart
4. Trees that are 10” diameter or less may be removed
5. One view tree per year may be removed. We live in a lake community, and view is part of the value of our lives and our homes.

Trees that do not fall into these guidelines must be approved by board.

Board of Directors Recommendation

The Board has dealt with several infractions to the CC&R’s regarding trees. These have primarily involved folks relatively new to our community. Our observation would be that as a community we have affirmed a relatively high regard for our forested setting and have had nearly unanimous consensus about that. The Board has a clear desire to reinforce these values.

The Board did a brief analysis of the implications of this proposal to the property owned by the Board President. That property has approximately 110 trees on 0.88 acres. The guidelines contained in this proposal would allow for the immediate removal of approximately 80 of those trees. The Board believes that would be totally unacceptable.

The Board disagrees with the notion of allowing the removal of one “view tree” per year. Over a period of years, such a policy could result in the destruction of much of our forest resources.

The Board urges your “no” vote on this proposal .

EXHIBIT H

2/3 positive vote required to pass (CC&R change)

Motion – proposed by Susie Banks Land Use – Community Standards

Current

C 86.00 Land Use - Community Standards

i] Timber Resources:

Any significant alteration to the timber resources of the Carlin Bay environment, including construction projects, land modifications, tree re-shaping or timber removal, must comply with local and Federal regulations, and only when approved before hand in writing by the Board. Removal of diseased or potentially dangerous timber may be permitted or initiated by the Board as a matter of good forestry conservation practices. Property owners or their agents are permitted to process and harvest dead fall as firewood, fencing or for personal use. Property owners are responsible for safe storage of firewood, construction materials and other such supplies. These items should be out of general view when possible and neatly stacked so as to prevent annoyance or nuisance. Safety and fire prevention are significant criteria.

Proposed

C 86.00 Land Use - Community Standards

i] Timber Resources:

More than 10% alteration to the timber resources of a Carlin Bay property, including construction projects, land modifications, tree re-shaping or timber removal, must comply with local and Federal regulations, and only when approved before hand in writing by the Board. Removal of diseased or potentially dangerous timber may be permitted or initiated by the Board as a matter of good forestry conservation practices. Property owners or their agents are permitted to process and harvest dead fall as firewood, fencing or for personal use. Property owners are responsible for safe storage of firewood, construction materials and other such supplies. These items should be out of general view when possible and neatly stacked so as to prevent annoyance or nuisance. Safety and fire prevention are significant criteria.

Pro: The word significant is subjective. Thinning of trees is considered good Forestry. Property owners should have the freedom to manage their property and thin trees without permission from the board. Some property owners are being penalized for removing 5 trees when they have 1000 trees on their property. The original land use rule was meant for CLEAR CUTTING which is not good Forestry. Let's not be so restrictive.

Board of Directors Recommendation

The Board has dealt with several infractions to the CC&R's regarding trees. These have primarily involved folks relatively new to our community. Our observation would be that as a community we have affirmed a relatively high regard for our forested setting and have had nearly unanimous consensus about that. The Board has a clear desire to reinforce these values.

This motion is almost identical to a proposal that was soundly defeated at the 2017 AGM (18 in favor, 51 against). We were opposed to it then. We are opposed to it now.

The Board urges your "no" vote on this proposal.

EXHIBIT I

2/3 positive vote required to pass (CC&R change)

Title: Require Membership Vote regarding Capital Expenditures

Submitted By: Kathryn Ryan MAY 04 2018

Purpose

The purpose of this motion is to ensure there is community knowledge and support for significant capital expenditures. The community assets and common areas are valuable assets to each Member and their use should not be determined and funds should not be allocated without full community support. We understand the Board needs the ability to spend without a Membership Vote on regular maintenance and operation expenditures. For new projects, optional expenses, and capital improvements, we believe the Members should have the ability to provide input and vote before such projects or expenses are undertaken. This would not prevent the Board from allocating funds for emergency situations related to maintaining Association assets. We would also like to see the Board make a practice of seeking input from the membership as a whole prior to votes, but that is hope and not something we believe should be regulated through the Association Rules.

The existing guidelines require a vote before assets are sold, encumbered, etc. Technically, we aren't sure if the land work that has been completed for the storage site "encumbers" the property but it certainly changed the property and the Board allocated \$40,000 to the project prior to any membership input or vote.

Proposal

C 90.00 CBPOA Utilities/Common Areas - Restrictions

In addition to the "common areas", which are owned by CBPOA, it also owns and operates the water and sewer systems that serve the development.

- a) As it concerns "common area", the Board of Directors may not lease, sell, deed, transfer, convey, or encumber the same, or enter into any contract for like purpose, without there first be a proper and lawful VOTE in favor of the action by at least two-thirds (2/3) of the General Members who are present in person or by proxy at any membership meeting.
 1. Capital expenditures, such as new projects, optional expenses, capital improvements, exceeding five thousand dollars will be brought to a vote prior to funds or assets being spent or encumbered. The vote will be a proper and lawful VOTE in favor of the action by at least two-thirds (2/3) of the General Members who are present in person or by proxy at any membership meeting. This does not include required maintenance or repair expenses for Association assets.

Background

There was extensive discussion at the 2016 AGM about the need for a dedicated storage area, and also that it shouldn't be at the risk of taking away from the current asset and opportunity for growth of the airstrip. Prior to the 2017 AGM the Board then moved forward with a capital project adjacent to the airstrip without a membership vote. This project has already been funded for up to \$40,000. It was initiated before the membership was provided any information on design, location, and property use plan. We find this unacceptable due to the current CC&Rs and include this motion to clarify further what projects authorized by the BODs require Membership notification and 2/3 approval of the General Members.

April 7, 2017 BOD meeting Tony Verdoia "brought a report about the developing plans for an Association storage facility. The Board agreed that a reasonable next step would be to survey the membership to determine interest in such a facility,"

May 17, 2017 BOD meeting "After considerable discussion, Dick made a motion and Candace seconded a motion to authorize the expenditure of up to \$40,000 to develop up to a 1.25 acre storage site immediately

behind the airport hangers. The work is to entail the necessary grading and fill including a membrane underlayment and compacted rock surface. The motion passed unanimously. Tony agreed to follow up.” July 1, 2017 Annual General Meeting during the Open Forum, ”There was discussion about the development of the storage pad. Several ideas were expressed. There was some sentiment expressed that the Board of Directors should have sought approval before beginning work on the project.”

Contrary to the Boards own statements in the minutes dated April 7, 2017, the storage facility was started and funded prior to asking for ANY input from the General membership.

Board of Directors Recommendation

The Board recommends that you read our comments about the storage pad contained in our Board Report. While we take exception to the negative tone of this proposal, we affirm folks right to disagree with us. What we have experienced is that while there was no formal vote, there was overwhelming support over many years for the project.

There are several things that concern us about this proposal:

- We find the expression of what constitutes a “capital expense” to be imprecise at best.
- We think a \$5,000 limit is unrealistic. Depending on the interpretation of “capital expense”, there are several projects (like replacing mailboxes, capital repairs to the new lagoon, marina, roads, etc.) that would have required the time and expense of calling special meetings.
- If adopted, this change in the CC&R’s would mark a significant and, we believe, detrimental shift in not allowing for mail-in ballots from absentee property owners and thus disenfranchise the same. While this could perhaps be addressed by all absentee owners assigning their votes to proxies, that seems like a cumbersome way to do business.

The Board would not be adverse to guidelines related to large expenditures but we definitely do not believe this proposal is the answer. Perhaps some constructive conversation regarding this issue might bring us to some realistic and creative solution.

The Board urges your “no” vote on this particular proposal.

EXHIBIT J

2018 South Edgewater Drive proposal – proposed by the Board of Directors

The CBPOA Board of Directors proposes the following resolution.

Requires a majority vote to pass.

The CBPOA Board of Directors proposes that the portion of South Edgewater Drive between South Hanson Drive and South Ridgeview Drive be closed from November 1 or the first significant snow fall of the season, whichever is later, and the lifting of East Side Highway Department weight restrictions on Carlin Bay Road.

If passed, signage will be placed at both ends of South Edgewater Drive advising drivers of the closure and appropriate barrier(s) will be placed to stop traffic.

In addition, the CBPOA Board of Directors is encouraged to develop a strategy to eliminate unnecessary commercial traffic, including UPS and Fedex traffic year-round on South Edgewater Drive. (This would not limit deliveries to our homes . . . just traffic that uses South Edgewater Drive as a shortcut.)

Pros: This action is proposed to maximize driver safety, protect the Association from undue liability and for the protection of the road.

Cons: This action creates some measure of inconvenience for all CBPOA members seasonally.

Board of Directors Recommendation

The Board urges your “yes” vote on this proposal.

EXHIBIT K

2/3 positive vote required to pass (financial expenditure)

Road maintenance proposal – proposed by the Board of Directors

Background

It has been many years since CBPOA has done extensive work on our road system. We maintain approximately 3.81 miles of private roads. In 2015, we did considerable drainage grading and chip-sealing work on South Edgewater Drive. Over the past few years we have also done considerable patching to try to stay ahead of the potholes.

A few months ago, we invited three companies to evaluate our situation and solicited their advice as to how to best address our roads. One of those companies acknowledged that our needs were beyond their capabilities. The other two were pretty consistent in their recommendations. Both recommended that our roads should be chip sealed every 3 – 5 years and recommended paving South Edgewater Drive

Proposal

After reviewing bids from POE Asphalt Paving, Inc. and Road Products, Inc., our recommendation is to accept the bid from POE Asphalt Paving, Inc. for \$164,000 (including a 10% contingency). This bid will chip seal approximately one-half of South Hanson Road, South Ridgeview Drive, Ridgeview Loop, one-half of Runway Lane (the other half will be privately paved), Sunset Shores and Timber Lane. It will also pave South Edgewater Drive and repair the construction damage on Ridgeview Drive (the latter, hopefully, to be rolled into the final phase of our waste water project).

This work would require the Association to authorize the Board to borrow \$164,000 to cover the cost of the work and would call for each property owner to make 36 monthly payments of up to \$32/month. Our plan is to treat both the loan amount and the monthly payments as “not to exceed” figures.

We would further propose that the Board develop a long-term plan for the maintenance of our roads to be presented to the membership before the end of the three years.

The Motion

The Board of Directors moves that Carlin Bay Property Owners Association authorize the Board of Directors to enter into a contract with POE Asphalt Paving, Inc. for up to \$164,000 and further authorizes the Board of Directors to borrow up to that amount to complete the work. It further approves an assessment not to exceed \$32/month for 36 months to be assessed for each property owner to repay the loan.

Recommendation of the Board of Directors

The Board recommends a “yes” vote on this motion.

EXHIBIT 1

This proposal calls for no specific action.

2018 Proposal for Breach of Bylaws – submitted by Cheryl Feely

We must as property owners of an Association, protect ourselves from fines being inacted on any of our members. It is a slippery slope that leads to expense of legal confrontation, liens on property both land and homes, lower property values.

I propose that we instead clarify our CCRs. Many are extremely vague and left up to personal judgment, which in turn leads to disagreements.

Recommendation of the Board of Directors

The Board fails to understand the intent of this statement because, for the most part, the Bylaws of Carlin Bay Property Owners Association deal only with organizational matters.

The Board does not feel that the CC&R's are "extremely vague and left up to personal judgment". For the most part, our experience is that the majority of our members are committed to living in covenant with their neighbors and willingly follow the CC&R's.

The Board has struggled with questions about the fair administration of the CC&R's for those occasions when a member commits an infraction. The Bylaws allow for the suspension of membership rights under certain conditions but offer no other guidance. Our legal counsel has advised us that unless the CC&R's specify consequences for various infractions, we have very little enforcement power.

We would welcome a conversation about how the membership would like to handle such situations.

EXHIBIT 2

Calls for no specific action.

Growing CBPOA Assets for the Members – submitted by Janet Rife

With a vision of continued improvement of our association, an initial consensus of members is needed to determine the possible future of building a CBPOA Clubhouse.

The first step required is to organize a committee to research such items as the building costs, placement of clubhouse on community land, structure type and size, maintenance, utility and insurance costs, etc . The committee would then report back to the membership all findings on the proposed project.

The clubhouse asset will be another positive draw for new community members such as the marina, airport, water, wastewater and CBPOA infrastructure assets. The current vision is one of a gathering area of up to groups of 100, kitchen facilities, and restrooms.

Positives - This clubhouse will be used for CBPOA social events, CBPOA member and board meetings, and storage of CBPOA property. The facility will also be fee and income structured for social events, private parties, and public venues to help offset costs of operations.

Negatives - Cost to be borne by CBPOA members.

Please note that this is not a vote to proceed forward with a project, but one for gathering information, defining the degree of interest by the association, building a committee to brain storm ideas for this vision, then to put those ideas before the membership for a vote on a concept.

Recommendation of the Board of Directors

The Board would be glad to appoint a committee to explore this concept.

EXHIBIT 3

Calls for no specific action.

Water System Evaluation – presented by the Board of Directors

A few months ago, the Board of Directors contracted with Welch Comer to do a comprehensive Water System evaluation for the Association. This study was prompted by a general acknowledgement that our current water system is showing clear signs of aging and will probably need to be replaced in the next few years.

The report is commended to the membership in the hope it will stimulate vigorous conversation and will lead to a timely strategy to upgrade our current infrastructure well before it fails.

If the report becomes available before the AGM, we will post it on the Web site. In any case, it will be available at the meeting.