

RECEIVED

FEB 11 2019

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

IDWR/NORTHERN Notice of Change in Water Right Ownership

1. List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "Yes" in the "Split?" column.

Water Right/Claim No.	Split?	Water Right/Claim No.	Split?	Water Right/Claim No.	Split?
95-12252	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: HJ Family LLC
Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Hanson Family Partnership
New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or ☐ and/or

330 6th St SE Washington ID 20003
Mailing address City State ZIP

(202) 731-9274 vabtmc@aol.com
Telephone Email

4. If the water rights and/or adjudication claims were split, how did the division occur?
- ☐ The water rights or claims were divided as specifically identified in a deed, contract, or other conveyance document.
 - ☐ The water rights or claims were divided proportionately based on the portion of their place(s) of use acquired by the new owner.

5. Date you acquired the water rights and/or claims listed above: 1967 (Family purchased house)

6. If the water right described herein has been rented from the Water Supply Bank, rental proceeds will be disbursed in the following manner regardless of any arrangements between the buyer(s) and seller(s) to the contrary:

- Rental payments will go to the lessor(s) of record at the beginning of the rental season.
- If a change in ownership is processed by the Department during a rental season, rental payment will be made to the person or entity who is the lessor of record at the beginning of that rental season.
- New lessor(s) of record will receive payment after the following rental season.

7. This form must be signed and submitted with the following **REQUIRED** items:

- A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
- Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
- Filing fee (see instructions for further explanation):
 - \$25 per *undivided* water right.
 - \$100 per *split* water right.
 - No fee is required for pending adjudication claims.

8. Signature: Victoria Butte Manager Feb 7, 2019
Signature of new owner/claimant Title, if applicable Date

Signature: _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by NIA Date NIA Receipt No. NIA Receipt Amt. NIA
Approved by JK Processed by JK Date 3-6-2019

Lenon, Dawn

From: Victoria Butler <vabtmc@aol.com>
Sent: Wednesday, February 20, 2019 6:57 PM
To: Lenon, Dawn
Subject: Re: Change of Ownership for water right 95-12252

Dear Ms. Lenon,

Thank you for catching my mistake. Yes, HJ Family LLC should be the new owner and Hanson Family Partnership should be the previous owner.

I appreciate your help.

Let me know if there is anything else you need.

Yours,

Vicki

On Feb 20, 2019, at 3:05 PM, Lenon, Dawn <Dawn.Lenon@idwr.idaho.gov> wrote:

Dear Ms. Butler,

Thank you for the quick response to the Change of Ownership letter I mailed on January 31st. I have received the form you filled out and information you included, but it looks as though you have swapped the Previous Owner and Current Owner on the form. According to the history you included, it looks as though HJ Family LLC should be the New Owner/Claimant and the Hanson Family Partnership should be the Previous Owner.

I have attached a copy of the Change of Ownership form you filled out for you to review. If you agree that the New Owner should be HJ Family LLC and the Previous Owner should be Hanson Family Partnership, please let me know. I cannot process this Change of Ownership until I get confirmation from you.

Thank you!!!

Dawn Lenon
Technical Records Specialist I
Idaho Department of Water Resources
7600 N Mineral Drive, Suite 100
Coeur D Alene, ID 83815
(208) 762-2800

<95-12252.pdf>

Victoria Butler
HJ Family, LLC
c/o 330 6th Street SE
Washington, DC 20003

Department of Water Resources
7600 N. Mineral Drive
Suite 100
Coeur d'Alene, ID 83815-7763

February 7, 2019

Dear Ms. Lenon,

Thank you for your letter inquiring about the change of ownership of 500 Squirrel Road, Coeur d'Alene and water rights for 49N04W017850.

Here is the history of our family property:

This family has been in our family since 1967 when my mother purchased it. In 1991, my parents, Elizabeth J. and Fred Louis Hanson, created the Hanson Family Partnership and transferred shares in the lake property to their four children: Victoria Carney (me), Herbert Butler, Ann Scarborough, and Eric Hanson. (I have enclosed a copy of the original agreement). My mother gifted her shares over the next two decades to her children.

Herbert Butler died in 2010 and his children inherited his shares in the partnership.

My mother, Elizabeth Hanson, died in 2013. At that time, our father, Fred L. Hanson deeded his remaining share of the property to his three remaining children—Victoria Butler, Ann Scarborough, and Eric Hanson. Shortly thereafter, we bought out my late brother's children and created the HJ Family Partnership.

Please find the following documents:

- 1) Original Hanson Family Partnership
- 2) Quitclaim deed of my parents
- 3) Quit Claim Deed of my father in 1991
- 4) 2013 application for Employer ID pursuant to creation of HJ Family LLC
- 5) Operating Agreement of HJ Family LLC

Let me know if you need anything else.

Yours,

Victoria Butler

Partner, HJ Family LLC

Plot of
Granddams Lake
Kootenai County
Idaho

Drawn by William Lightley
County Surveyor



**PARTNERSHIP AGREEMENT
OF
HANSON FAMILY PARTNERSHIP**

THIS PARTNERSHIP AGREEMENT is made and entered into this 20th day of February, 1991, to be effective March 1, 1991, by and among ELIZABETH J. HANSON, FRED LOUIS HANSON, VICTORIA ANNE CARNEY, HERBERT JOHNSTON BUTLER, ANN ELIZABETH SCARBOROUGH, and ERIC ANDERSON HANSON ("Partners").

R E C I T A S:

The Partners are desirous of forming a general partnership for the purposes of holding and managing properties for investment purposes.

THEREFORE, the present parties agree as follows:

SECTION 1.

Formation, Name, Purpose, Location, and Term

1.1 Formation. The Partners hereby form a general partnership pursuant to the provisions of RCW 25.04. This Partnership Agreement shall be effective on March 1, 1991.

1.2 Name. The name of the Partnership, pursuant to which it shall conduct all business, shall be HANSON FAMILY PARTNERSHIP.

1.3 Place of Business. The office of the Partnership shall be located at South 5118 Perry, Spokane, Washington 99223, or at such other place within or without the State of Washington, as may be determined by the Partners.

1.4 Term of the Partnership. The term of the Partnership shall end on December 31, 2029, unless sooner dissolved provided in Section 8.1.

1.5 Purpose. The purpose of the Partnership is to own, operate, and manage such investment assets as determined by the Partners.

SECTION 2.

Capital

2.1 Partners' Interest in Capital. The Partnership owns certain real estate located in Kootenai County, Idaho, which is specifically described on Exhibit "A 2.1". Each Partner's interest in capital as of March 1, 1991, is set forth below:

<u>Partner</u>	<u>Initial Capital Accounts</u>	<u>Percentage Interest in Capital</u>
Elizabeth J. Hanson		66-2/3%
Fred Louis Hanson		6-2/3%
Victoria Ann Carney		6-2/3%
Herbert Johnston Butler		6-2/3%
Ann Elizabeth Scarborough		6-2/3%
Eric Anderson Hanson		6-2/3%
TOTAL:		100%

All contributions to Partnership capital, distributions, and gifts of Partnership interests, shall be reflected on the Partnership Ledger attached hereto and incorporated herein as Exhibit "B 2.1".

1219953

QUITCLAIM DEED

For Value Received, ELIZABETH J. HANSON and FRED LOUIS HANSON,
husband and wife,

do hereby convey, release, remise and forever quit claim unto the HANSON FAMILY PARTNERSHIP, a Washington general partnership whose address is South 5118 Perry, Spokane, Washington 99223

the following described premises, to-wit:

A tract of land in Lot 6, Section 1, Township 49 North, Range 4 W.B.M., Kootenai County, Idaho, described as follows:

Beginning at the "supposed" Southwest Corner of said Lot 6, which is marked by an iron pipe (used in prior instruments affecting the record title of this property); thence

North 700 feet; thence

South 89° 38' East 750.8 feet; thence

South 40.56 feet; thence

South 77° 03' East 99.12 feet to an iron pipe which bears North 28° 58-1/2' West 35 feet more or less from the mean water line of Lake Coeur d'Alene; thence

South 28° 58-1/2' East 35 feet to the mean high water line of said Lake; thence

East along the mean high water line 50 feet to the true point of beginning; thence

North 30.6 feet to an iron pipe (as set by James O. Le Pard according to a survey made by him in December, 1964); thence

North 265.90 feet to the North Boundary line of a tract of land commonly known as Tax #1878, (described in Deed Book 191, pages 657 and 568, Kootenai County Court House, Coeur d'Alene, Idaho); thence

South 89° 38' East 435.48 along the North Boundary line of aforementioned Tax #1878 to the Northeast Corner of said Tax #1878; thence

South 0° 22' West to a point on the mean high water line of Lake Coeur d'Alene; thence

running Westerly along the mean high water line of said Lake to the true point of beginning.

The True Southwest Corner of said Lot 6 is South 48° 6' West 68.1 feet from the "supposed" Corner as above mentioned.

together with their appurtenances.

Dated: February 20, 1991

Elizabeth J. Hanson
ELIZABETH J. HANSON

Fred Louis Hanson
FRED LOUIS HANSON

STATE OF IDAHO, COUNTY OF Kootenai

On this 20th day of February, 1991,
before me, a notary public in and for said State, personally
appeared Elizabeth J. Hanson
and Fred Louis Hanson.

known to me to be the persons whose names
subscribed to the within instrument, and acknowledged to
me that they executed the same.

Notary Public
Spokane, Idaho

STATE OF IDAHO, COUNTY OF Kootenai

I hereby certify that this instrument was filed for record at
the request of *Lubina's Annia*

at 6 minutes past 1 o'clock P.M.,
this 20th day of JUN 3 1991
in my office, and duly recorded in Book
of Deeds at page of

TOM TAGGART

Ex-Officio Recorder

By *Lubina's Annia* Deputy,

Fees \$ 3.00
Mail to: *Lubina's Annia*
1600 WA Trust Financial Center
Spokane, WA 99204

INSTRUMENT NO.

ORIGINAL

CLIFFORD T. HAYES 2P 2439735000
KOOTENAI COUNTY RECORDER Page 1 of 2
DAS Date 12/12/2013 Time 12:01:25
REQ OF EVANS CRAVEN AND LACKIE
RECORDING FEE: \$13.00

2439735000 DD

QUIT CLAIM DEED

FOR VALUE RECEIVED Hanson Family Partnership, GRANTOR, whose address is South 5118 S. Perry Street, Spokane, Washington, does hereby convey, release, and forever quit claim unto HJ Family, LLC, GRANTEE, whose address is 330 6th Street, SE, Washington, D.C. 20003, all of GRANTOR'S right, title, and interest, in the following described premises, together with now owned or hereafter acquired title, to-wit:

A tract of land in Lot 6, Section 1, Township 49 North, Range 4 W.B.M., Kootenai County, Idaho, described as follows:

Beginning at the "supposed" Southwest Corner of said Lot 6, which is marked by an iron pipe (used in prior instruments affecting the record title of this property); thence

North 700 feet; thence

South 89° 38' East 750.8 feet; thence

South 40.56 feet; thence

South 77° 03' East 99.12 feet to an iron pipe which bears North 28° 58-1/2' West 35 feet more or less from the mean water line of Lake Coeur d'Alene; thence

South 28° 58-1/2' East 35 feet to the mean high water line of said Lake; thence

East along the mean high water line 50 feet to the true point of beginning; thence

North 30.6 feet to an iron pipe (as set by James O. Le Pard according to a survey made by him in December, 1964); thence

North 265.90 feet to the North Boundary line of a tract of land commonly known as Tax #1878 (described in Deed Book 191, pages 657 and 658, Kootenai County Court House, Coeur d'Alene, Idaho); thence

South 89° 38' East 435.48 feet along the North Boundary line of aforementioned Tax #1878 to the Northeast Corner of said Tax #1878; thence

South 0° 22' West to a point on the mean high water line of Lake Coeur d'Alene; thence

Form SS-4 (Rev. January 2010) Department of the Treasury Internal Revenue Service		Application for Employer Identification Number (For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, Indian tribal entities, certain individuals, and others.) ▶ See separate instructions for each line. ▶ Keep a copy for your records.		OMB No. 1545-0003 EIN 61-1724850	
1 Legal name of entity (or individual) for whom the EIN is being requested HJ Family, LLC					
2 Trade name of business (if different from name on line 1)			3 Executor, administrator, trustee, "care of" name Victoria A. Butler		
4a Mailing address (room, apt., suite no. and street, or P.O. box) 330 6th Street, SE			5a Street address (if different) (Do not enter a P.O. box.)		
4b City, state, and ZIP code (if foreign, see instructions) Washington, DC 20003			5b City, state, and ZIP code (if foreign, see instructions)		
6 County and state where principal business is located Kootenai County, Idaho					
7a Name of responsible party Victoria A. Butler			7b SSN, TIN, or EIN		
8a Is this application for a limited liability company (LLC) (or a foreign equivalent)? ☒ Yes ☐ No			8b If 8a is "Yes," enter the number of LLC members 3		
8c If 8a is "Yes," was the LLC organized in the United States? ☒ Yes ☐ No					
9a Type of entity (check only one box). Caution: If 8a is "Yes," see the instructions for the correct box to check.					
☐ Sole proprietor (SSN) ☐ Estate (SSN of decedent) ☒ Partnership ☐ Plan administrator (TIN) ☐ Corporation (enter form number to be filed) ▶ ☐ Trust (TIN of grantor) ☐ Personal service corporation ☐ National Guard ☐ State/local government ☐ Church or church-controlled organization ☐ Farmers' cooperative ☐ Federal government/military ☐ Other nonprofit organization (specify) ▶ ☐ REMIC ☐ Indian tribal governments/enterprises ☐ Other (specify) ▶ ☐ Group Exemption Number (GEN) if any ▶					
9b If a corporation, name the state or foreign country (if applicable) where incorporated			State Idaho		Foreign country n/a
10 Reason for applying (check only one box)					
☒ Started new business (specify type) ▶ Formation of a Limited Liability Company ☐ Hired employees (Check the box and see line 13.) ☐ Banking purpose (specify purpose) ▶ ☐ Compliance with IRS withholding regulations ☐ Changed type of organization (specify new type) ▶ ☐ Other (specify) ▶ ☐ Purchased going business ☐ Created a trust (specify type) ▶ ☐ Created a pension plan (specify type) ▶					
11 Date business started or acquired (month, day, year). See instructions. July 1, 2013					
12 Closing month of accounting year December					
13 Highest number of employees expected in the next 12 months (enter -0- if none). If no employees expected, skip line 14.					
Agricultural 0		Household 0		Other 0	
14 If you expect your employment tax liability to be \$1,000 or less in a full calendar year and want to file Form 944 annually instead of Forms 941 quarterly, check here. (Your employment tax liability generally will be \$1,000 or less if you expect to pay \$4,000 or less in total wages.) If you do not check this box, you must file Form 941 for every quarter. ☒					
15 First date wages or annuities were paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien (month, day, year) N/A					
16 Check one box that best describes the principal activity of your business.					
☐ Construction ☐ Rental & leasing ☐ Transportation & warehousing ☐ Health care & social assistance ☐ Wholesale-agent/broker ☒ Real estate ☐ Manufacturing ☐ Finance & insurance ☐ Accommodation & food service ☐ Wholesale-other ☐ Retail ☐ Other (specify)					
17 Indicate principal line of merchandise sold, specific construction work done, products produced, or services provided. Real Estate Investment					
18 Has the applicant entity shown on line 1 ever applied for and received an EIN? ☐ Yes ☒ No If "Yes," write previous EIN here ▶					
Complete this section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the completion of this form.					
Third Party Designee		Designee's name Everett B. Coulter, Jr.		Designee's telephone number (include area code) (509) 455-5200	
		Address and ZIP code 818 W. Riverside Ave., #250, Spokane, WA 99201		Designee's fax number (include area code) (509) 455-3632	
		Under penalty of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.		Applicant's telephone number (include area code) (703) 598-1188	
		Name and title (type or print clearly) ▶ Victoria A. Butler, Managing Member		Applicant's fax number (include area code) (202) 543-9506	
		Signature ▶ <i>Victoria A. Butler</i>		Date ▶ 11/13/13	
For Privacy Act and Paperwork Reduction Act Notice, see separate instructions.					

EIN NOV 19 2013

NOV 20 2013

0243670441

**OPERATING AGREEMENT
OF
HJ FAMILY, LLC**

THIS OPERATING AGREEMENT is made and entered into effective August 1, 2013, and it is among VICTORIA A. BUTLER, a married woman as her sole and separate property; ANN E. SCARBOROUGH, a married woman as her sole and separate property; and ERIC A. HANSON, a married man as his sole and separate property.

RECITALS

The parties have caused the HJ Family, LLC, to be formed as a limited liability company under the laws of the State of Idaho, effective as of July 1, 2013, and they wish to enter into this Operating Agreement to set forth the terms and conditions on which the management, business and financial affairs of the limited liability company shall be conducted.

The parties have contributed to the limited liability company a parcel of real property and an improvement thereon in Kootenai County, Idaho, and personal property, including boats.

AGREEMENT

In consideration of the mutual promises and performances exchanges, the parties agree as follows:

**ARTICLE I
DEFINITIONS**

1.01 The following terms used in this Operating Agreement shall have the following meanings (unless otherwise expressly provided herein):

(a) "Act" shall mean the Idaho Limited Liability Company Act, §53-601, *et seq.* of the Idaho Code, as amended and in force from time to time.

(b) "Articles" shall mean the articles of organization of the Company, as amended and in force from time to time.

(c) "Capital Account" shall mean as of any given date the amount calculated and maintained by the Company for each Member as provided in Section 6.04 hereof.

(d) "Capital Contribution" shall mean any contribution to the capital of the Company by a Member in cash, property or services, or a binding obligation to contribute cash, property or services, whenever made.

(e) "Code" shall mean the Internal Revenue Code of 1986 or corresponding provisions of subsequent superseding federal revenue laws.

(f) "Company" shall refer to HJ Family, LLC.

ARTICLE III
NAMES AND ADDRESSES OF INITIAL MEMBERS; PRINCIPAL OFFICE

3.01 Names and Addresses of Initial Members. The names and addresses of the initial members are as follows:

Victoria A. Butler
330 6th Street, SE
Washington, DC 20003

Ann E. Scarborough
945 Via Rosita
Santa Barbara, CA 93110

Eric A. Hanson
1044 W. Kidd Island Road
Coeur d'Alene, ID 83814

3.02 Principal Office. The principal office of the Company shall initially be at 330 6th Street, SE, Washington, DC 20003. The principal office may be changed from time to time by the Managers.

ARTICLE IV
VOTING POWERS, MEETINGS, ETC. OF MEMBERS

4.01 In General. The Members shall not be entitled to participate in the day-to-day affairs and management of the Company, but instead, the Members' right to vote or otherwise participate with respect to matters relating to the Company shall be limited to those matters as to which the express terms of the Act, the Articles or this Operating Agreement vest in the Members the right to vote or otherwise participate.

4.02 Actions Requiring Approval of Members.

(a) Notwithstanding any other provision of this Operating Agreement, the approval of the Members shall be required in order for any of the following actions to be taken on behalf of the Company:

(i) Amending the Articles in any manner that materially alters the references, privileges or relative rights of the Members.

(ii) Electing the Managers as provided in Article V hereof.

(iii) Taking any action that would make it impossible to carry on the ordinary business of the Company.

(iv) Filing or consenting to filing a petition for or against the Company under any federal or state bankruptcy, insolvency or reorganization act.

(g) "Entity" shall mean any general partnership, limited partnership, limited liability company, corporation, joint venture, trust, business trust, cooperative or other association.

(h) "Initial Capital Contribution" shall mean the initial contribution to the capital of the Company by a Member, as determined pursuant to Section 6.01 hereof.

(i) "Manager" shall mean a manager of the Company, whose rights, powers and duties are specified in Article V hereof.

(j) "Member" shall mean each Person that is identified as an initial Member in Article II hereof or is admitted as a Member (either as a transferee of a Membership Interest or as an additional Member) as provided in Article VIII hereof. A Person shall cease to be a Member at such time as he no longer owns any Membership Interest.

(k) "Membership Interest" shall mean the ownership interest of a Member in the Company, which may be expressed as a percentage equal to such Member's Capital Account divided by the aggregate Capital Accounts of all Members, as set forth on attached Exhibit A, as may be amended from time to time.

(l) "Operating Agreement" shall mean this Operating Agreement, as originally executed and as amended from time to time.

(m) "Person" shall mean any natural person or Entity, and the heirs, executors, administrators, legal representatives, successors, and assigns of such Person where the context so admits.

(n) "Family Line" means a lineal descendant of the initial member, namely: Victoria A. Butler, Ann E. Scarborough, or Eric A. Hanson.

ARTICLE II PURPOSES AND POWERS OF COMPANY

2.01 Purposes. The purposes of the Company shall be to:

(a) Manage and maintain the property initially transferred to the Company and to provide a means to maintain such property in the Family Lines of the initial Members;

(b) Engage in such other activities as are related or incidental to the foregoing purposes;

(c) Provide a means to finance maintenance and improvements to the Company real property.

2.02 Powers. The Company shall have all powers and rights of a limited liability company organized under the Act.

(v) Acquiring or disposing of real property.

(vi) Borrowing money or granting a security interest in any Company property.

(b) Unless the express terms of this Operating Agreement specifically provide otherwise, the affirmative vote of the Members holding a majority of the Membership Interests shall be necessary and sufficient in order to approve or consent to any of the matters set forth in Section 4.02(a) above or any other matters that require the approval or consent of the Members.

(c) Notwithstanding anything else to the contrary, the affirmative vote of the Members holding not less than 2/3 of the Membership Interests shall be necessary in order to approve or consent to any of the matters set forth in Section 4.02(a)(v) and (vi) above.

4.03 Action by Members. In exercising their rights as provided above, the Members shall act collectively through meetings and/or written consents as provided in this Article.

4.04 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Managers, and shall be called by the Managers at the request of any Member.

4.05 Place of Meeting. The place of any meeting of the Members shall be the lake property at Twin Beaches unless another place, either within or outside the State of Idaho, is designated by the Managers.

4.06 Notice of Meetings. Written notice stating the place, day and hour of any meeting of the Members and the purpose or purposes for which the meeting is called shall be delivered not less than 3 nor more than 10 days before the date of the meeting, either personally or by mail, by or at the direction of the Managers, to each Member, unless the Act or the Articles require different notice.

4.07 Conduct of Meetings. All meetings of the Members shall be presided over by a chairperson of the meeting, who shall be a Manager, or a Member designated by the Managers. The chairperson of any meeting of the Members shall determine the order of business and the procedure at the meeting, including regulation of the manner of voting and the conduct of discussion, and shall appoint a secretary of such meeting to take minutes thereof.

4.08 Participation by Telephone or Similar Communications. Members may participate and hold a meeting by means of conference telephone or similar communications equipment by means of which all Members participating can hear and be heard, and such participation shall constitute attendance and presence in person at such meeting.

4.09 Waiver of Notice. When any notice of a meeting of the Members is required to be given, a waiver thereof in writing signed by a Member entitled to such notice, whether given before, at, or after the time of the meeting as stated in such notice, shall be equivalent to the proper giving of such notice.

4.10 Action by Written Consent. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if one or more written consents to such action are signed by the Members who are entitled to vote on the matter set forth in the consents and who constitute the requisite number or percentage of such Members necessary for adoption or approval of such matter on behalf of the Company. By way of example and not limitation, the Members holding a majority of the Membership Interests may take action as to any matter specified in Section 4.02 hereof by signing one or more written consents approving such action, without obtaining signed written consents from any other Members. Such consent or consents shall be filed with the minutes of the meetings of the Members. Action taken under this Section shall be effective when the requisite Members have signed the consent or consents, unless the consent or consents specify a different effective date.

ARTICLE V MANAGERS

5.01 Powers of Managers. Except as expressly provided otherwise in the Act, the Articles or this Operating Agreement, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed by, one or more Managers. The powers so exercised shall include but not be limited to the following:

(a) Entering into, making and performing contracts, agreements and other undertakings binding the Company that may be necessary, appropriate or advisable in furtherance of the purposes of the Company.

(b) Opening and maintaining bank accounts, investment accounts and other arrangements, drawing checks and other orders for the payment of money, and designating individuals with authority to sign or give instructions with respect to those accounts and arrangements. Company funds shall not be commingled with funds from other sources and shall be used solely for the business of the Company.

(c) Collecting funds due to the Company.

(d) Acquiring, utilizing for the Company's purposes, maintaining and disposing of any assets of the Company.

(e) To the extent that funds of the Company are available therefor, paying debts and obligations of the Company.

(f) Borrowing money or otherwise committing the credit of the Company for Company activities, and voluntarily prepaying or extending any such borrowings.

(g) Employing from time to time persons, firms or corporations for the operation and management of various aspects of the Company's business, including, without limitation, managing agents, contractors, subcontractors, architects, engineers, laborers, suppliers, accountants and attorneys on such terms and for such compensation as the Managers shall determine, notwithstanding the fact that the Managers or any Member may have a financial interest in such firms or corporations.

- (h) Making elections available to the Company under the Code.
- (i) Obtaining general liability, property and other insurance for the Company, as the Managers deem proper.
- (j) Taking such actions as may be directed by the Members in furtherance of their approval of any matter set forth in Section 4.02 hereof.
- (k) Assessing the Members to pay expenses relating to maintaining, improving and paying real property taxes upon the Company's real property.
- (l) Assigning times of use of the Company real property among Members and the Family Line of deceased members and guests of family members and the Family Line of deceased members. This provision is subject to the specific provisions of Section 10.13, which is controlling.
- (m) Doing and performing all such things and executing, acknowledging and delivering any and all such instruments as may be in furtherance of the Company's purposes and necessary and appropriate to the conduct of its business.

5.02 Election, Etc. of Managers. The Members unanimously elect Victoria A. Butler as the initial Manager of the Company, to serve until her successors shall be duly elected. The Members retain the right to elect one or more Persons as Managers of the Company to serve until their respective successors are duly elected and qualified. In addition, if any Person resigns or otherwise vacates the office of Manager, the Members shall elect a replacement Manager to serve the remaining term of such office, unless one or more other Persons then serve as Managers and the Members determine not to fill such vacancy. A Person may be removed as a Manager by the Members with or without cause at any time. A Manager may, but shall not be required to, be elected from among the Members. A Manager may be a natural person or an Entity.

5.03 Action by Two or More Managers. Unless otherwise expressly provided by the Act, the Articles, or the terms of this Operating Agreement, the vote, approval or consent of a majority of the Managers, determined on a per capita basis, shall be necessary and sufficient for the Managers to take any action on behalf of the Company that the Managers are authorized to take pursuant to the Act, the Articles or this Operating Agreement.

5.04 Execution of Documents and Other Actions. The Managers may delegate to one or more of their number the authority to execute any documents or take any other actions deemed necessary or desirable in furtherance of any action that they have authorized on behalf of the Company as provided in Section 5.03 hereof.

5.05 Single Manager. If at any time there is only one Person serving as a Manager, such Manager shall be entitled to exercise all powers of the Managers set forth in this Section, and all references in this Section and otherwise in this Operating Agreement to "Managers" shall be deemed to refer to such single Manager.

5.06 Reliance by Other Persons. Any Person dealing with the Company, other than a Member, may rely on the authority of a particular Manager or Managers in taking any action in the name of the Company, if such Manager or Managers provide to such Person a copy of the applicable provision of this Operating Agreement and/or the resolution or written consent of the Managers or Members granting such authority, certified in writing by such Manager or Managers to be genuine and correct and not to have been revoked, superseded or otherwise amended.

5.07 Manager's Expenses. The Company shall reimburse the Managers for reasonable out-of-pocket expenses that were or are incurred by the Managers on behalf of the Company with respect to the start-up or operation of the Company, the ongoing conduct of the Company's business or the dissolution and winding up of the Company and its business.

5.08 Competition. None of the Managers shall be required to devote full time to the business of the Company and may engage in other business ventures, including the acquisition of real estate or the development, operation, management or syndication of real estate or real estate interests.

5.09 Indemnification. The Company shall indemnify each Manager, whether serving the Company or, at its request, any other Entity, to the full extent permitted by the Act. The foregoing rights of indemnification shall not be exclusive of any other rights to which the Managers may be entitled. The Managers may, upon the approval of the Members, take such action as is necessary to carry out these indemnification provisions and may adopt, approve and amend from time to time such resolutions or contracts implementing such provisions or such further indemnification arrangements as may be permitted by law.

5.10 Liability of Managers. So long as the Managers act in good faith with respect to the conduct of the business and affairs of the Company, no Manager shall be liable or accountable to the Company or to any of the Members, in damages or otherwise, for any error of judgment, for any mistake of fact or of law, or for any other act or thing that he or she may do or refrain from doing in connection with the business and affairs of the Company, except for willful misconduct or gross negligence or breach of fiduciary duty, and further except for breaches of contractual obligations or agreements between the Managers and the Company.

ARTICLE VI CONTRIBUTIONS TO THE COMPANY AND DISTRIBUTIONS

6.01 Initial Capital Contributions. Each Member has made an initial Capital Contribution in the amount shown on **Exhibit A**, which is attached hereto. The Initial Capital Contribution to be made by any Person who hereafter is admitted as a Member and acquires his Membership Interest from the Company shall be determined by the Members.

6.02 Additional Capital Contributions. No Member shall be required to make any Capital Contribution in addition to his Initial Capital Contribution. The Members may make additional Capital Contributions to the Company if such additional Capital Contributions are made pro rata by all the Members, or if the Members consent to any non-pro rata contribution. The fair market value of any property other than cash or widely traded securities to be

contributed as an additional Capital Contribution shall be (a) agreed upon by the contributing Member and a majority in interest of the Members before the contribution, or (b) determined by a disinterested appraiser selected by the Managers.

6.03 Interest and Return of Capital Contribution. No Member shall receive any interest on his Capital Contribution. Except as otherwise specifically provided for herein, the Members shall not be allowed to withdraw or have refunded any Capital Contribution.

6.04 Capital Accounts. Separate Capital Accounts shall be maintained for each Member in accordance with the following provisions:

(a) To each Member's Capital Account there shall be credited the fair market value of such Member's Initial Capital Contribution and any additional Capital Contributions, such Member's distributive share of profits, and the amount of any Company liabilities that are assumed by such Member.

(b) To each Member's Capital Account there shall be debited the amount of cash and the fair market value of any Property distributed to such Member pursuant to any provision of this Operating Agreement, such Member's distributive share of losses, and the amount of any liabilities of such Member that are assumed by the Company or that are secured by any property contributed by such Member to the Company.

(c) The Capital Account shall also include a pro rata share of the fair market value of any property contributed by a person who is not a Member, such value to be the same value reported for federal gift tax purposes if a gift tax return is filed, and if not, the value in the case of real property shall be determined by an independent appraiser actively engaged in appraisal work in the area where such property is located and selected by the Managers, and otherwise by the certified public accountant or accountants then serving the Company.

(d) If any Member makes a non-pro rata Capital Contribution to the Company or the Company makes a non-pro rata distribution to any Member, the Capital Account of each Member shall be adjusted to reflect the then fair market value of the assets held by the Company immediately before the Capital Contribution or distribution.

6.05 Loans to the Company. If the Company has insufficient funds to meet its obligations as they come due and to carry out its routine, day-to-day affairs, then, in lieu of obtaining required funds from third parties or selling its assets to provide required funds, the Company may, but shall not be required to, borrow necessary funds from one or more of the Members as designated by the Managers; provided that the terms of such borrowing shall be commercially reasonable and the Company shall not pledge its assets to secure such borrowing.

6.06 Effect of Sale or Exchange. In the event of a permitted sale or other transfer of a Membership Interest in the Company, the Capital Account of the transferor shall become the Capital Account of the transferee in proportion to the percentage of the transferor's interest transferred.

6.07 Distributions. All distributions of cash or other property (except upon the Company's dissolution, which shall be governed by the applicable provisions of the Act and Article IX hereof) shall be made to the Members in proportion to their respective Membership Interests. All distributions of cash or property shall be made at such time and in such amounts as determined by the Managers. All amounts withheld pursuant to the Code or any provisions of state or local tax law with respect to any payment or distribution to the Members from the Company shall be treated as amounts distributed to the relevant Member or Members pursuant to this Section.

6.08 Allocations. All items of income, gain, loss, deduction and credit, whether resulting from the Company's operations or in connection with its dissolution, shall be allocated to the Members for federal, state and local income tax purposes in proportion to their respective Membership Interests.

ARTICLE VII RECORDS, REPORTS, ETC.

7.01 Records. The Company shall maintain and make available to the Members its records to the extent provided in the Act.

7.02 Financial and Operating Statements and Tax Returns. Within seventy-five (75) days from the close of each fiscal year of the Company, the Managers shall cause to be delivered to each Member a statement setting forth such Member's allocable share of all tax items of the Company for such year, and all such other information as may be required to enable each Member to prepare his federal, state and local income tax returns in accordance with all then applicable laws, rules and regulations. The Managers also shall cause to be prepared and filed all federal, state and local income tax returns required of the Company for each fiscal year.

7.03 Banking. The funds of the Company shall be kept in one or more separate bank accounts in the name of the Company in such banks or other federally insured depositories as may be designated by the Managers, or shall otherwise be invested in the name of the Company in such manner and upon such terms and conditions as may be designated by the Managers. All withdrawals from any such bank accounts or investments established by the Managers hereunder shall be made on such signature or signatures as may be authorized from time to time by the Managers. Any account opened by the Managers for the Company shall not be commingled with other funds of the Managers or interested persons.

ARTICLE VIII ASSIGNMENTS

8.01 Assignment Generally. Except as otherwise provided in this Article VIII of the Operating Agreement, each Member agrees that he or she will not sell, assign, transfer, mortgage, pledge, encumber or otherwise dispose of all or any part of his or her interest in the Company to any person, firm, corporation, trust or other entity. Any sale, gift or assignment in violation of this Article VIII will not be recognized by the Company.

8.02 Transfers to Family Member. No Member other than Victoria A. Butler shall make an inter vivos or testamentary gift of any of the Company units to anyone other than a lineal descendant of such Member. Victoria Butler-Carney is given the option to assign her interest pursuant to this paragraph to Ann H.D. Carney. A Member may make an inter vivos or testamentary gift of the Company units to a trust which provides benefits from the trust to the surviving spouse during the surviving spouse's lifetime, but such a trust must provide that the Company units, upon the surviving spouse's death, vest or are distributed in trust or directly to such deceased Member's lineal descendants.

8.03 Members Who Have No Lineal Descendants. If any Member of the Company dies and is not survived by lineal descendants, except subject to Section 8.02 provisions regarding Ann H.D. Carney, the Company and the remaining Members must purchase such deceased Member's units upon the following formula:

The base price shall be the assessed Kootenai County, Idaho value for all real property of the Company on December 31, preceding the death of the Member less a discount of 30% times the Member's percentage interest in the Company, payable with 20% paid upon closing, and the balance of the purchase price to be deferred over a period of ten years at an interest rate equal to the long-term applicable federal rate at the time of closing. Such closing shall occur at the offices of the Company or such other place as the surviving members shall agree within 90 days following the death of the lineal descendant who is not survived by lineal descendants.

8.04 Option to Purchase. A Member may sell his or her units equally to other Members or the Family Line of a deceased Member. The purchase price for such sale shall be the formula set forth in Paragraph 8.03 of this Article. In the event that any Member or the Members of the Family Line of a deceased Member decline to purchase the membership units of the selling Member pro rata, the portion that is declined by any Member or Family Line of a deceased Member may purchase a non pro rata share of a selling Member or the Family Line of a deceased Member's units. "Pro rata purchase" means an equal share of the surviving Members or Family Line of a Deceased Member.

ARTICLE IX DISSOLUTION AND TERMINATION

9.01 Events of Dissolution. The Company shall be dissolved upon the first to occur of the following:

(a) Any event that under the Act or the Articles requires dissolution of the Company, provided that the death, resignation, retirement, expulsion, bankruptcy, or dissolution of a Member or occurrence of any other event that terminates the continued membership of a Member in the Company shall not cause the dissolution of the Company;

(b) The unanimous written consent of the Members to the dissolution of the Company; and

(c) The entry of a decree of judicial dissolution of the Company as provided in the Act.

9.02 Liquidation. Upon the dissolution of the Company, it shall wind up its affairs and distribute its assets in accordance with the Act by either or a combination of both of the following methods as the Members shall determine:

(a) Selling the Company's assets and, after the payment of Company liabilities, distributing the net proceeds therefrom to the Members in proportion to their Membership Interests and in satisfaction thereof; and/or

(b) Distributing the Company's assets to the Members in kind with each Member accepting an undivided interest in the Company's assets, subject to its liabilities, in satisfaction of his Membership Interest. The interest conveyed to each Member in such assets shall constitute a percentage of the entire interests in such assets equal to such Member's Membership Interest.

9.03 Orderly Liquidation. A reasonable time as determined by the Managers not to exceed eighteen (18) months shall be allowed for the orderly liquidation of the assets of the Company and the discharge of liabilities to the creditors so as to minimize any losses attendant upon dissolution.

9.04 Distributions. Upon liquidation, the Company assets (including any cash on hand) shall be distributed in the following order and in accordance with the following priorities:

(a) First, to the payment of the debts and liabilities of the Company and the expenses of liquidation, including a sales commission to the selling agent, if any; then

(b) Second, to the setting up of any reserves that the Managers (or the person or persons carrying out the liquidation) deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Company. At the expiration of such period as the Managers (or the person or persons carrying out the liquidation) shall deem advisable, but in no event to exceed 18 months, the Company shall distribute the balance thereof in the manner provided in the following subsection; then

(c) Third, to the Members in proportion to their respective Membership Interests.

(d) In the event of a distribution in liquidation of the Company's property in kind, the fair market value of such property shall be determined by a qualified and disinterested appraiser, selected by the Managers (or the person or persons carrying out the liquidation), and each Member shall receive an undivided interest in such property equal to the portion of the proceeds to which he would be entitled under the immediately preceding subsection if such property were sold at such fair market value.

9.05 Taxable Gain or Loss. Taxable income, gain and loss from the sale or distribution of Company property incurred upon or during liquidation and termination of the Company shall be allocated to the Members as provided in Section 6.08 above.

9.06 No Recourse Against Members. Except as provided by law, upon dissolution, each Member shall look solely to the assets of the Company for the return of his Capital Contribution. If the Company property remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contribution of each Member, such Member shall have no recourse against any other Member.

ARTICLE X MISCELLANEOUS PROVISIONS

10.01 Attorneys' Fees. If any party brings any action to enforce any provisions of this Agreement, whether at law, in equity or otherwise, the party who substantially prevails in such action shall be entitled, in addition to any other rights or remedies available to him or it, to collect from the other party or parties the reasonable costs and expenses incurred in the investigation preceding such action and the prosecution of such action, including but not limited to reasonable attorneys' fees.

10.02 Notices. Whenever, under the provisions of the Act or other law, the Articles or this Operating Agreement, notice is required to be given to any Person, it shall not be construed to mean exclusively personal notice unless otherwise specifically provided, but such notice may be given in writing, by mail, addressed to the Company at its principal office from time to time and to any other Person at his address as it appears on the records of the Company from time to time, with postage thereon prepaid. Any such notice shall be deemed to have been given at the time it is deposited in the United States mail, postage prepaid. Notice to a Person may also be given personally or by telegram or telecopy sent to his address as it appears on the records of the Company. The addresses of the initial Members as shown on the records of the Company shall originally be those set forth in Article III hereof. Any Person may change his address as shown on the records of the Company by delivering written notice to the Company in accordance with this Section.

10.03 Application of Idaho Law. This Operating Agreement, and the interpretation hereof, shall be governed exclusively by its terms and by the laws of the State of Washington, without reference to its choice of law provisions, and specifically the Act.

10.04 Amendments. No amendment or modification of this Operating Agreement shall be effective except upon the unanimous written consent of the Members.

10.05 Construction. Whenever the singular number is used in this Operating Agreement and when required by the context, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa.

10.06 Headings. The headings in this Operating Agreement are inserted for convenience only and are in no way intended to describe, interpret, define, or limit the scope, extent or intent of this Operating Agreement or any provision hereof.

10.07 Waivers. The failure of any party to seek redress for violation of or to insist upon the strict performance of any covenant or condition of this Operating Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having the effect of an original violation.

10.08 Rights and Remedies Cumulative. The rights and remedies provided by this Operating Agreement are cumulative and the use of any one right or remedy by any party shall not preclude or waive the right to use any or all other remedies. Such rights and remedies are given in addition to any other rights the parties may have by law, statute, ordinance or otherwise.

10.09 Severability. If any provision of this Operating Agreement or the application thereof to any Person or circumstance shall be invalid, illegal or unenforceable to any extent, the remainder of this Operating Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

10.10 Heirs, Successors and Assigns. Each and all of the covenants, terms, provisions and agreements herein contained shall be binding upon and inure to the benefit of the parties hereto and, to the extent permitted by this Operating Agreement, their respective heirs, legal representatives, successors and assigns.

10.11 Creditors. None of the provisions of this Operating Agreement shall be for the benefit of or enforceable by any creditor of the Company.

10.12 Counterparts. This Operating Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

10.13 Usage. The Members agree that they shall be able to use the property on a monthly rotating schedule such that the month of June, July, and August shall be designated to Members initially as agreed by the Members and then the month's shall rotate in the subsequent calendar year. The Member who has the month of June is responsible for opening the property, and the Member that has the month of August shall be responsible for closing the property. The rotating schedule is subject to revision by agreement of the Members.

The property shall not be used by non-Members without the Member(s) being present.

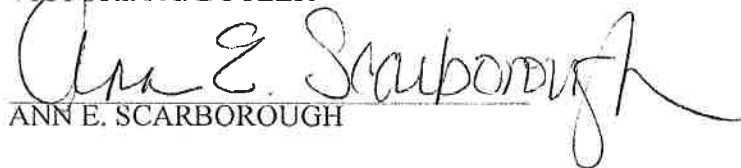
10.14 Entire Agreement. This Operating Agreement sets forth all of the promises, agreements, conditions and understandings between the parties respecting the subject matter hereof and supersedes all prior negotiations, conversations, discussions, correspondence, memoranda and agreements between the parties concerning such subject matter.

The undersigned, being all the Members of the Company, agree, acknowledge and certify that the foregoing Operating Agreement and Exhibit A constitute the sole and entire Operating Agreement of the Company, which was unanimously adopted by the Members of the Company as of August 1, 2013. The Members additionally agree that this signature page may be executed

in counterparts and the original of each counterpart original signature page attached to the Operating Agreement.

MEMBERS:


VICTORIA A. BUTLER


ANNE E. SCARBOROUGH

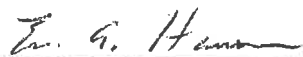

ERIC A. HANSON

EXHIBIT A

<u>MEMBER</u>	<u>PROPERTY</u>	<u>FAIR MARKET VALUE AT DATE OF CONTRIBUTION TO THE COMPANY</u>	<u>MEMBERSHIP UNITS</u>
Victoria A. Butler	Real and personal property in Kootenai County	[REDACTED]	1,000
Ann E. Scarborough	Real and personal property in Kootenai County	[REDACTED]	1,000
Eric A. Hanson	Real and personal property in Kootenai County	[REDACTED]	1,000

LEGAL DESCRIPTION OF REAL PROPERTY

A tract of land in Lot 6, Section 1, Township 49 North, Range 4 W.B.M., Kootenai County, Idaho, described as follows:

Beginning at the "supposed" Southwest Corner of said Lot 6, which is marked by an iron pipe (used in prior instruments affecting the record title of this property); thence

North 700 feet; thence

South 89° 38' East 750.8 feet; thence

South 40.56 feet; thence

South 77° 03' East 99.12 feet to an iron pipe which bears North 28° 58-1/2' West 35 feet more or less from the mean water line of Lake Coeur d'Alene; thence

South 28° 58-1/2' East 35 feet to the mean high water line of said Lake; thence

East along the mean high water line 50 feet to the true point of beginning; thence

North 30.6 feet to an iron pipe (as set by James O. Le Pard according to a survey made by him in December, 1964); thence

North 265.90 feet to the North Boundary line of a tract of land commonly known as Tax #1878 (described in Deed Book 191, pages 657 and 658, Kootenai County Court House, Coeur d'Alene, Idaho); thence

South 89° 38' East 435.48 feet along the North Boundary line of aforementioned Tax #1878 to the Northeast Corner of said Tax #1878; thence

South 0° 22' West to a point on the mean high water line of Lake Coeur d'Alene; thence

running Westerly along the mean high water line of said Lake to the true point of beginning.

The True Southwest Corner of said Lot 6 is South 48° 6' West 68.1 feet from the "supposed" Corner as above mentioned.

Kootenai County Parcel Number 49N04W017850

Parcel Address: 500 W. Squirrel Trail, Coeur d'Alene, Idaho



State of Idaho

DEPARTMENT OF WATER RESOURCES

Northern Region • 7600 N Mineral Drive, Suite 100 • Coeur D'Alene ID 83815-7763

Phone: (208) 762-2800 • Fax: (208) 762-2819

Website: idwr.idaho.gov • Email: northerninfo@idwr.idaho.gov

BRAD LITTLE
Governor

GARY SPACKMAN
Director

March 6, 2019

HJ FAMILY LLC
330 6TH ST SE
WASHINGTON DC 20003-2733

Re: Water Right No. 95-12252

Dear Claimant:

Enclosed is a copy of the Notice of Completed Administrative Procedure and associated water right(s) that has been sent to the Coeur d'Alene-Spokane River Basin Adjudication Court, reflecting the ownership change for your water right(s). These documents are now required to be filed by the Department in order to notify the Court of any changes to your water right(s).

This notification to the Court does not affect the previous approval of this water right(s). You will be notified of any future action on your water right(s) by the CSRBA Court or Water Resources.

Please contact this office if you have any questions concerning this notification.

Sincerely,

A handwritten signature in blue ink that reads "Dawn R. Lenon". The signature is written in a cursive, flowing style.

Dawn R. Lenon
Technical Records Specialist 1