

RECEIVED

NOV 15 2013

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

ASSIGNMENT OF PERMIT

To change the ownership of a permit

WATER RESOURCES
WESTERN REGION

I, Meridian Heights Water Sewer Association Inc., hereby assign to Meridian Heights Water : Sewer District
 of, P.O. Box 472 Meridian ID 83680
 Current owner(s) New owner(s)
 New owner's address including city, state and ZIP Phone

All my right, title, and interest in and to Permit No(s): 63-12157 ; 63-12251 to
 appropriate the public waters of the State of Idaho.

OR (for partial assignments)

The following described portion of my right, title, and interest in and to Permit Number(s):

, to appropriate the public waters of the State of Idaho.

Describe in detail the portion of the permit assigned, listing the number of acres in each 40 acre subdivision, point of
 diversion location, and amount of the water in cubic feet per second.

Does the new permit holder own the property at the:

Point of diversion? ☒ Yes ☒ No 63-12157
 Place of use? ☒ Yes ☒ No 63-12251

If no, describe the arrangement enabling the new owner to access the point of diversion and/or the place of use:

Perpetual EasementDated this 14 day of November, 2013.

[Signature] Clerk/Treasurer
 Permit holder Title (if applicable) [Signature] Chairman
 Permit holder Title (if applicable)

State of Idaho)
 County of Ada)ss

On this 14 day of November, 2013, personally appeared before me the signer(s) of the above
 instrument, who duly acknowledged to me that he/she/they executed the same.

SEAL
 DENEEN MAY
 NOTARY PUBLIC
 STATE OF IDAHO

[Signature]
 Notary Public
 My commission expires: 10-26-15

SUPPORT DATA

IN FILE # 63-12157



State of Idaho

DEPARTMENT OF WATER RESOURCES

Western Region, 2735 Airport Way • Boise, Idaho 83705-5082

Phone: (208) 334-2190 • Fax: (208) 334-2348 • Web Site: www.idwr.idaho.gov

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WATER RESOURCES
WESTERN REGION

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Director

November 7, 2013

MERIDIAN HEIGHTS WATER & SEWER DISTRICT
PO BOX 472
MERIDIAN ID 83680

Re: Ownership Change in Water Right No's: 63-07307, 63-11671

Dear Applicants:

The Department acknowledges the receipt of correspondence changing ownership of the above referenced water right(s) to you. The Department has modified its records to reflect the change in ownership and has enclosed a computer-generated report for your records.

However, Water Right No.'s 63-12157 and 63-12251 have not been modified. These water right numbers are associated with water permits and an Assignment of Permit will need to be submitted to the Department in order to change them. If you do not want to change these water rights at this time please contact the department and a refund of \$50.00 will be requested.

Updating the ownership record for a water right does not reconfirm the validity of the right. When processing an ownership change notice, the department does not review the history of water use to determine if the right has been forfeited through five years or more of non-use. To read more about water right forfeiture, including how to protect a water right from forfeiture, please see Sections 42-222 and 42-223, Idaho Code.

Please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address of the owner of a water right, to the Department. Notice of the change must be provided to the Department within 120 days of the change. Change reporting forms are available from any office of the Department, or at www.idwr.idaho.gov.

Thank you for your patience and cooperation. If you have any questions concerning the enclosed information, please feel free to contact this office at 208-334-2190.

Sincerely,

For

Rachel Sommer
Office Specialist II
Western Regional Office

Enclosures: Assignment of Permit

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NOV 15 2013

WATER RESOURCE
WESTERN REGION

96004015

PART OF ORIGINAL
TOO POOR TO COPY

1965001651

ADA CO. RECORDER

J. DAVID NAVARRO

GRANT OF PERPETUAL EASEMENT

BOOK 10

Stewart Morris

'96 JAN 16 PM 3 42 334

THIS GRANT OF PERPETUAL EASEMENT ("Easement") is made and entered into this 7th day of August, 1995, by and between DONALD LAMBERT and BONNIE LAMBERT, husband and wife ("Lambert"), and MERIDIAN HEIGHTS WATER & SEWER ASSOCIATION, INC., an Idaho nonprofit corporation ("Association") and provides as follows:

RECITALS:

A. Lambert is the owner of real property in Ada County, Idaho, particularly described as follows:

The SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 25, Township 3 North, Range 1 West, East of the Boise Meridian in Ada County, Idaho.

B. The foregoing described property is hereinafter described as the "Property".

C. Lambert is successor in interest in the Property to Steven M. Hansen and Sandra A. Hansen, husband and wife ("Hansen").

D. On or about the 8th day of April, 1976 Hansen and Southwest Development Company, Inc., a dissolved Idaho corporation ("Southwest") entered into that certain "Permanent Easement and Loan Agreement" recorded with the office of the Ada County Recorder as Instrument No. 7613072 on or about the 8th day of April, 1976, a copy of which is attached hereto as EXHIBIT A.

E. The Association operates water and sewer systems serving Meridian Heights Subdivisions Nos. 1, 2 and 3, according to the official plats thereof filed in the office of the recorder for Ada County, State of Idaho.

F. The Association has, at all times relevant and pertinent hereto, has utilized the Property as a land application site for sewage effluent pursuant to all requisite government permits required for the discharge and disposal of waste water and sewage effluent upon the Property by irrigation and pursuant to Exhibit A hereto.

G. The Association desires to obtain the easement from Lambert.

H. Lambert desires to grant the Easement to the Association for the use of the property as described above.

GRANT OF PERPETUAL EASEMENT - 1

*Grants easement
to Association*

I. The Developers of Meridian Heights Subdivisions Nos. 1, 2 and 3 have constructed and/or installed all infra-structure, pipes, pumps, and other equipment necessary for the application of the waste water and sewage effluent upon the Property.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein and other good and valuable consideration, the parties agree as follows:

1. Lambert hereby conveys a Perpetual Easement to the Association on, over and upon property owned by Lambert more particularly described as:

The SW $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Section 25, Township 3 North, Range 1 West, East of the Boise Meridian, Ada County, Idaho.

2. The Easement granted by Lambert to the Association herein shall be perpetual except as set forth in Exhibit A hereto.

3. The Association hereby accepts the grant of the perpetual Easement from Lambert on the terms and conditions set forth herein and in Exhibit A.

4. Pursuant to the Easement the Association shall be and is entitled to use the Property as a land application site for waste water and sewage effluent from the water and sewer systems operated by the Association serving Meridian Heights Subdivisions Nos. 1, 2 and 3 according to the official plats thereof, recorded with the office of the Ada County Recorder to the same extent as was Southwest under the terms of Exhibit A hereto.

5. The Easement granted herein by Lambert to the Association shall be on the same terms and conditions as set forth in Exhibit A hereto and the \$1,000.00 per year indexed payment payable to Lambert by the Association shall be the same annual payment referenced in Exhibit A hereto and shall not be in addition thereto.

6. Further, Lambert and the Association agree that those provisions of Exhibit A hereto related to a loan or loans made by Southwest to Hansen shall be of no force or effect as between Lambert and the Association.

7. It is agreed that Lambert and their successors in ownership of the Property shall be obligated to continue to take said waste water and sewage effluent and dispose of the same on the property until such time as an area-wide central sewage system is available which is willing, able and capable of serving Meridian Heights Subdivisions Nos. 1, 2 and 3, together with any other subdivision in which the lot owners become members of the Association. In such event, either party hereto may terminate this Easement and the payments to Lambert hereunder shall cease. *

8. Lambert shall pay all costs for electricity consumed in the operation of the pump which pumps the waste water and sewage effluent onto the property. Lambert shall be responsible for operation and maintenance of the discharge pump and distribution facilities. The Association shall, at its cost, maintain such facilities to the inlet of the pump.

9. In the event Lambert fails to operate and maintain pumping and distribution facilities and particularly in the event Lambert fails or refuses to accept and dispose of said waste water and sewage effluent from the Association as herein provided, in such a manner as required by the Idaho Department of Health and Welfare, then, and in such event, Lambert shall be in default of the terms of this Grant of Perpetual Easement and the Association shall have the right at any and all times to enter upon the Property and perform all processes necessary and consistent with the purpose and intent of this Grant of Perpetual Easement and to operate and maintain said facilities including the operation, alteration, repair or reconstruction of the irrigation disposal system located upon the Property and to perform the duties of Lambert and to recover any and all costs and damages including, but not limited to the annual payments to Lambert, annual performance and in the event of any such default in the operation and maintenance of such facility by Lambert, the entire annual compensation to which Lambert would otherwise be entitled hereunder, shall be forfeited as payment or as part payment to the Association for such operation and maintenance in addition to any further award for damages as a court of proper jurisdiction may determine.

10. This Grant of Perpetual Easement shall be recorded in the office of the Ada County Recorder and the obligation to take and dispose of the waste water and sewage effluent as herein provided shall be appurtenant to and constitute a covenant that runs with the Property. Lambert hereby gives, grants, sells and conveys unto the Association an affirmative, perpetual easement and right-of-way, except as herein otherwise provided, as may be necessary to carry out the intent and purposes as set forth herein to dispose of such waste water and sewage effluent in the manner herein provided.

11. This Grant of Perpetual Easement incorporates by reference the terms, conditions and provisions of Exhibit A hereto, except those provisions dealing with the loan or loans made by Southwest to Hansen. In the event any of the terms, conditions or provisions of Exhibit A are in conflict with or different than the terms, conditions or provisions hereof, the terms, conditions and provisions hereof shall control.

*this
easement
controls*

12. Except to the extent described in Section 11, above, this instrument constitutes and contains the entire agreement of the parties and supersedes and merges all other prior understandings and/or agreements between the parties, if any, whether verbal or written.

13. This agreement shall inure to and be binding upon the parties hereto and their heirs, personal representatives, successors and assigns.

14. The failure of a party hereto to insist upon strict performance or observance of this agreement shall not be a waiver of any breach of any terms or conditions of this agreement by any other party.

15. In the event any provision or section of this agreement conflicts with applicable law, or is otherwise held to be unenforceable, the remaining provisions shall nevertheless be enforceable and carried into effect.

16. The parties hereto agree to execute any other documents reasonably required to fully effectuate the intentions of this agreement.

17. In the event of any litigation arising under, or as a result of, this agreement or arising from any of the acts to be performed hereunder or the alleged breach of this agreement, the prevailing party shall recover its costs and reasonable attorneys fees.

18. This agreement shall be governed and interpreted by the laws of the State of Idaho.

19. No amendment, alteration or modification of this agreement shall be effective unless made in writing and duly executed by the parties hereto.

1965001655

IN WITNESS WHEREOF, the parties have hereunto executed this agreement and made it effective as hereinabove provided.

Donald Lambert
Donald Lambert

Bonnie N. Lambert
Bonnie Lambert

MERIDIAN HEIGHTS WATER & SEWER
ASSOCIATION, INC.

By: [Signature]
President

ATTEST:

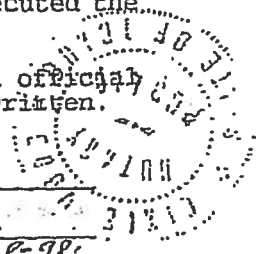
[Signature]
Secretary

STATE OF IDAHO)
) ss.
County of Ada)

On this 9th day of August, 1995, before me, a Notary Public, personally appeared DONALD LAMBERT and BONNIE LAMBERT known to me or identified to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, the day and year in this certificate first above written.

[Signature]
Notary Public for Idaho
Residing at: Meridian, Id.
My Commission Expires: 7-8-98



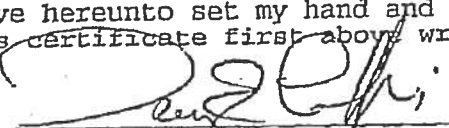
GRANT OF PERPETUAL EASEMENT - 5

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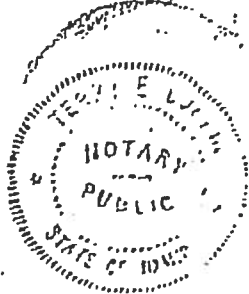
STATE OF IDAHO)
) ss.
County of Ada)

On this 4th day of August, 1995, before me, a Notary Public, personally appeared David D. Page and Ellen J. Blake known to me or identified to me to be the President and Secretary, respectively, of MERIDIAN HEIGHTS WATER AND SEWER ASSOCIATION, INC. and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal, the day and year in this certificate first above written.



Notary Public for Idaho
Residing at: Boise, Idaho
My Commission Expires: 9/11/2000



GRANT OF PERPETUAL EASEMENT - 6

NOV 15 2013

205



ARTICLES OF DISSOLUTION (Non-profit)

FILED EFFECTIVE

WESTERN REGION

To the Secretary of State of Idaho
Pursuant to Title 30, Chapter 3, Idaho Code, the undersigned
non-profit corporation has elected to dissolve.

09 OCT 22 AM 8:46

SECRETARY OF STATE
STATE OF IDAHO

1. The name of the corporation is:
Meridian Heights Water & Sewer Association, Inc.
2. The date the dissolution was authorized is: August 19, 2009
3. The dissolution was approved by a sufficient vote of the board.
4. Approval of members (☐ was ☒ was not) required, as described in the articles of incorporation.
(check one)
5. If approval of members was required supply the following information:
 - a) The number of members entitled to vote: _____
 - b) The number of members voting for dissolution is: _____
 - c) The number of members voting against dissolution is: _____
6. (optional) The dissolution shall be effective on _____.
(The articles will be effective on the date filed with the Secretary of State, unless a future date is specified.)

Dated: 10-20-09
Signature: *Val R. Hill*
Typed Name: Val R. Hill
Capacity: Chairman of the Board

Customer Acct #:

(if using pre-paid account)

Secretary of State use only

g:\corpforms\corpforms\articles of
dissolution_nonprofit.pmf
Revised 07/2002

Web Form

IDAHO SECRETARY OF STATE
10/22/2009 05:00
CK: 5444 CT: 241609 BH: 1192206
1 @ 30.00 = 30.00 NON PR DIS # 2

C46139

INSTRUCTIONS

Optional: If the document is incorrect where can you be reached for corrections? 208-887-1052

Note: Complete and submit the application in duplicate. Use of this form is optional. You may either use this form OR draft your own articles of dissolution.

1. Line 1 - Enter the name of the corporation exactly as it appears in the records of the Office of the Secretary of State.
2. Line 2 - Enter the date of the meeting in which the dissolution was approved.
3. Line 3 is a statement which is required by Idaho Code stating that the dissolution was approved by a sufficient vote (2/3) of the board of directors.
4. Line 4 - Mark the appropriate box as to whether the dissolution required the vote of the members. ****Note:** if your articles of incorporation designate the corporation to have members, the articles of dissolution must be approved by the members.
5. Line 5 - If approval of the members was required you must indicate the number of members entitled to vote and the number of members which voted for and against the dissolution.
6. Line 6 - Optional: you may specify a delayed effective date for the articles of dissolution. If no date is entered the effective date will be the date the articles were filed with the secretary of state's office. Note: This date must be a future date. You may not specify a past effective date.
7. The articles of dissolution must be signed by the presiding officer of the board of directors or by an officer of the corporation. Please indicate the name of the signer by typing his/her name below the signature and indicate in what capacity he/she signs. (For example: President, Secretary, etc.)
8. Enclose the appropriate fee:
 - a. If the application is typed, the fee is \$30.00.
 - b. If expedited service is requested, add \$20.00 to the filing fee.
 - c. If the fees are to be paid from the filing party's pre-paid customer account, conspicuously indicate the customer account number in the cover letter or transmittal document.

Pursuant to Idaho Code § 67-910(6), the Secretary of State's Office may delete a business entity filing from our database if payment for the filing is not completed.

9. Mail or deliver to:

Idaho Secretary of State
450 N 4th Street
PO Box 83720
Boise ID 83720-0080

10. If you have questions or need help, call the Secretary of State's office at (208) 334-2301.

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WATER RESOURCES
WESTERN REGION

NO. _____
A.M. _____ FILED P.M. _____

JUN 17 2009

IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT OF THE
STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA

By J. WEATHERBY, Clerk
DEPUTY

IN THE MATTER OF THE ORGANIZATION

OF

MERIDIAN HEIGHTS WATER AND SEWER
DISTRICT, ADA COUNTY, IDAHO

) Case No. CV OT 0904494
)
) ORDER DECLARING THE
) CREATION OF MERIDIAN
) HEIGHTS WATER AND SEWER
) DISTRICT
)

The Certificate of Judges of Election, which election was held on the 26th day of May, 2009, upon the question of the creation of the Meridian Heights Water and Sewer District, Ada County, Idaho, and for election of directors for said district, held pursuant to and in accordance with the order of this Court made and entered on the 9th day of April, 2009, and the affidavit of the publisher of the Idaho Statesman, being a newspaper of general circulation within the said district and Ada County, Idaho, and the affidavit of Stephanie J. Bonney, having been filed with the Court, and the Court having examined said documents, makes the following findings:

1. That an election upon the question of creating the Meridian Heights Water and Sewer District, Ada County, Idaho, was held on May 26, 2009 at the polling place within said district as prescribed by order of this Court; that the polls at said election opened at 8:00 o'clock a.m. and closed at 8:00 o'clock p.m. of said day; that three qualified judges were sworn to their duties according to law and conducted said election; that only qualified voters voted at said election and that at the close of the polls the judges canvassed the vote in their respective polling places and executed the said canvass and return under oath. That said election was conducted, in every respect, in accordance with the order of this Court providing for said election and in accordance with the provisions of the statements of the State of Idaho relating to such election.

ORDER DECLARING THE CREATION OF MERIDIAN HEIGHTS WATER AND SEWER
DISTRICT - Page 1

2. That due and lawful notice of said election was given by publication of notice of election as prescribed by Section 42-3207, Idaho Code, in the Idaho Statesman, being a legal newspaper printed and published in Ada County, Idaho.

3. That the judges of election have in the certificate filed herein as aforesaid, certified the results of said election; that the ballots on the question of the creation of the Meridian Heights Water and Sewer District, Ada County, Idaho, were cast as follows:

FOR THE ORGANIZATION OF SAID DISTRICT 52

AGAINST THE ORGANIZATION OF SAID DISTRICT 2

That ballots were cast for election of directors as follows:

Val R. Hill 53

ONE OF THE ABOVE TO ACT UNTIL THE FIRST BIENNIAL ELECTION

Scott Wilmonen 53

Leslie Fortez 50

TWO OF THE ABOVE TO ACT UNTIL THE SECOND BIENNIAL ELECTION

Gordon M. Hamilton 52

V. Shawn Powell 51

TWO OF THE ABOVE TO ACT UNTIL THE THIRD BIENNIAL ELECTION

4. That a majority of said votes were cast in favor of organization of the proposed district.

5. That Val R. Hill received the highest number and a majority of the votes cast for director to serve until the first biennial election.

That Scott Wilmonen and Leslie Fortez were the two that received the highest number and a majority of the votes cast for directors to serve until the second biennial election.

That Gordon M. Hamilton and V. Shawn Powell were the two that received the highest number and a majority of the votes cast for directors to serve until the third biennial election.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That the said Meridian Heights Water and Sewer District, Ada County, Idaho, be and the same hereby is ordered and declared duly organized under the laws of the State of Idaho.

2. That the corporate name of said district is and it shall hereafter be known as the MERIDIAN HEIGHTS WATER AND SEWER DISTRICT, ADA COUNTY, IDAHO.

3. That said Meridian Heights Water and Sewer District, Ada County, Idaho, shall have and exercise, through its proper officers, all of the powers and authority conferred upon water and sewer districts under and by virtue of Chapter 32, Title 42, Idaho Code as Amended, and all laws thereunto enabling, and all such power and authority as may hereafter be conferred by law.

4. That the following are pursuant to vote at said election and by order of this Court duly designated as the first Board of Directors of the Meridian Heights Water and Sewer District, Ada County, Idaho:

Val R. Hill - To act until the First Biennial Election.

Scott Wilmonen and Leslie Fortez - Each to act until the Second Biennial Election.

Gordon M. Hamilton and V. Shawn Powell - Each to act until the Third Biennial Election.

5. That said district be, and the same hereby is declared and created and established as a governmental subdivision of the State of Idaho and as a body corporate with all powers of a public or quasi-municipal corporation; that said Board of Directors herein named shall have and

they are hereby vested with all the powers, duties and obligations of directors of said Meridian Heights Water and Sewer District, Ada County, Idaho, as conferred and provided by Chapter 32, Title 42, Idaho Code and all amendatory laws thereof and supplemental thereto, and as made by law hereafter be provided.

6. That the boundaries of said Meridian Heights Water and Sewer District, Ada County, Idaho, and the territory to be included therein is depicted on the attached map.

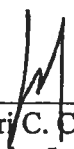
7. That the certificate of said judges and election heretofore filed herein and the same hereby is in all respects approved and confirmed.

8. That corporate surety bonds shall be filed by each director with the Clerk of the Court in an amount not to exceed \$1,000 each conditioned for the faithful performance of their duties as directors.

9. That the members of the Board of Directors of said district as hereinabove specified shall qualify for office as provided in Section 42-3208, Idaho Code.

10. That after taking the oath and filing the bonds as by the statute provided, the Board shall meet and choose one of its members as chairman of the Board and president of the district, and shall elect a secretary and treasurer of the Board and of the District who may or may not be members of the Board. The secretary and the treasurer may be one person. Such Board shall adopt a seal and the secretary shall keep a record of all its proceedings, minutes of all meetings, certificates, contracts, bonds given by employees, and all corporate acts, which shall be open to inspection of all owners of real property in the district, as well as to all other interested parties. The officers of the district shall perform the duties and receive compensation therefor as may be specified by Chapter 32, Title 42, Idaho Code, and all acts amendatory thereof or supplemental thereto or which may hereafter be enacted.

DATED this 16 day of June, 2009

 **CHERI C. COPSEY**

Cheri C. Copsey
District Judge

**AGREEMENT FOR THE TRANSFER OF ASSETS AND LIABILITIES FROM
MERIDIAN HEIGHTS WATER & SEWER ASSOCIATION TO
MERIDIAN HEIGHTS WATER & SEWER DISTRICT**

Parties to Agreement:

Meridian Heights Water & Sewer Association
Meridian Heights Water & Sewer District

Date of Agreement:

18th day of August, 2009

Effective Date of Agreement:

1st day of September, 2009

This Agreement made and entered into this 18th day of August, 2009, by and between the Meridian Heights Water & Sewer Association, an Idaho non-profit corporation ("Association"), and the Meridian Heights Water & Sewer District, an Idaho political subdivision organized and existing under and by virtue of the laws of the State of Idaho ("District").

Now, therefore, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the Parties agree as follows.

1. RECITALS

- 1.1** Association was formed and now exists as an Idaho non-profit Corporation for the purpose of providing domestic water and sewer service for its members.
- 1.2** Association has caused to be constructed and installed various wells, water lines, storage facilities, sewer lines, drainfields and associated water and sewer system components that serve all of its members, in the furtherance of its purposes; and
- 1.3** In order to continue to provide service to all residences within the Association area, significant capital improvements will have to be made which are beyond the financial capacity of the Association; and
- 1.4** The Association intends to protect its members by transferring its water system and its sewer system to the District and that in effect, the Association will be absorbed by the District and will cease to exist after

the closing of this agreement and the required steps have been taken to dissolve the Association; and

- 1.5** The Meridian Heights Water and Sewer District has the legal authority to own, operate and maintain a water system and a sewer system by virtue of Idaho Code §42-3212; and
- 1.6** The District has the authority to acquire, dispose of and encumber real property, including water and sewage systems and plants, and to construct, reconstruct, improve, or extend any water and/or sewer system, and acquire by gift or purchase lands or rights in lands or water rights in connection therewith, including easements, rights-of-way, contract rights, and leases I.C. § 42-3212; and
- 1.7** The Association intends that its assets transferred to the District will be kept by the District for water and sewer system purposes and uses; and
- 1.8** The District has diligently investigated the possibility of taking over operation and maintenance of the water system and sewer system; and, the Association has diligently investigated foreseeable and necessary improvements to its existing facilities and available options for implementing, operating and maintaining possible growth and upgrades.
- 1.9** The Association as a non-profit corporation is largely operated by unpaid volunteers and the Association has determined it is not in a position to raise the necessary funds to plan and construct all of the necessary upgrades to its Water System and Sewer System, and it is therefore recognized by both parties that the District is better situated to plan and construct the recommended upgrades and to own, operate and maintain the Water and Sewer Systems in the future.
- 1.10** It is the intention of the parties that this agreement shall provide for the process, mechanism and conditions under which the Water System and Sewer System and assets and liabilities of the Association are transferred to the District.
- 1.11** It is the intent of the Association that this agreement shall be incorporated within a plan of dissolution for the Association due to the fact that once the Water System and the Sewer System are transferred to the District along with the other assets of the Association it will have no further purpose to exist.
- 1.12** It is agreed by the parties that it is in the best interest of the health and

welfare of the members of the Association that the Association transfer its Water System and Sewer System and assets and liabilities, subject to the terms of this Agreement, to the District.

2. DEFINITIONS

For purposes of this Agreement:

2.1 Certain Definitions. The following terms shall have the following meanings and, unless the context otherwise requires, words in the singular shall include the plural, and words in the plural shall include the singular:

- a. **Acquired Assets:** means and refers to all right, title and interest of the Association in and to the Water System, Sewer System, Cash Assets, and Other Real and Personal Property and all other assets of the Association of every kind and description, tangible or intangible, pertaining to, used in or necessary for the operation of the Water System and the Sewer System, collectively referred to as Acquired Assets.
- b. **Cash Assets:** means and refers to all funds in bank checking and/or savings accounts including any other cash assets of the Association subject to changes in those cash assets up to the date of closing of this agreement due to reasonable operation and maintenance cost of the Association from the continued operation of the Water System and Sewer System and any receipts of the Association for membership assessments and from operational expenses, costs and attorney fees incurred by the Association.
- c. **District:** means and refers to the Meridian Heights Water and Sewer District, a political subdivision organized and existing under and by virtue of the laws of the State of Idaho and party to this agreement.
- d. **Closing:** means and refers to the closing of the transactions contemplated by this Agreement which (the "Closing") shall take place at on or about the 1st day of September, 2009 or such other time and date as the Parties may mutually determine (the "Closing Date").
- e. **Lien:** means any mortgage, pledge, lien, security interest, charge, claim, equitable interest, encumbrance, restriction on transfer, conditional sale or other title retention device or arrangement (including, without limitation, a capital lease), transfer for the

purpose of subjection arrangement (including, without limitation, a capital lease), transfer for the purpose of subjection to the payment of any Indebtedness, or restriction on the creation of any of the foregoing, whether relating to any property or right or the income or profits therefrom; provided, however, that the term "Lien" shall not include (i) statutory liens for Taxes to the extent that the payment thereof is not in arrears or otherwise due, (ii) encumbrances in the nature of zoning restrictions, easements, rights or restrictions of record on the uses of real property if the same do not materially detract from the value of the property encumbered thereby or impair the use of such property, (iii) statutory or common law liens to secure landlords, lessors or renters under leases or rental agreements confined to the premises rented to the extent that no payment or performance under any such lease or rental agreement is in arrears or is otherwise due, (iv) deposits or pledges made in connection with, or to secure payment of, worker s compensation, unemployment insurance, old age pension programs mandated under applicable laws or other social security regulations and (v) statutory or common law liens in favor of carriers, warehousemen, mechanics and materialmen, statutory or common law liens to secure claims for labor, materials or supplies which secure obligations to the extent that payment thereof is not in arrears or otherwise due.

- f. **Other Real or Personal Property:** means and refers to all real or personal property including accounts receivable from members for Water and or Sewer Services of the Association.
- g. **Person** means and refers to an individual, a partnership, a corporation, a limited liability company, a limited liability partnership, an association, a joint stock company, a trust, a joint venture, non-profit association, an unincorporated organization, or a governmental entity (or any department, agency, or political subdivision thereof).
- h. **Related Agreements** means any agreement by and between the Association or its member/s and any third person as a subcontractor or independent contractor to perform services for and/or in pursuit of the purposes of the Association.
- i. **Sewer System:** means and refers to all sewer collection pipelines, drainfields, easements, septic systems, and any other associated system components, together with all rights of way easements and

real property owned by the Association.

- j. **Association:** means and refers to the Meridian Heights Water & Sewer Association, a non-profit corporation organized and existing by virtue of the laws of the State of Idaho, party to this agreement.
- k. **Water System:** means and refers to all water rights, water storage reservoir(s), groundwater wells with pumping facilities, the distribution system Water System appurtenances such as water service lines, fire hydrants, valves, and water meters, and any other system components, together with all rights of way easements and real property owned by the Association.

3. ACQUISITION OF ASSETS BY WATER DISTRICT.

3.1 Transfer of Assets. Effective upon the Closing Date, the Association hereby gives, transfers and assigns to the District, and the District agrees to accept the same, all subject to and upon the terms and conditions contained herein, free and clear of any Lien, all right, title and interest of the Association in and to the Water System, Sewer System, Cash Assets, and Other Personal Property and all other assets of the Association of every kind and description, tangible or intangible, pertaining to, used in or necessary for the operation of the Water System and the Sewer System [Acquired Assets].

3.2 Assumption of Liabilities. On the terms and subject to the conditions set forth herein the District will assume and satisfy or perform all Liabilities and obligations of the Association (the "Assumed Liabilities").

3.3 The Closing. The closing of the transactions contemplated by this Agreement (the "Closing") shall take place as herein defined.

3.4 Deliveries at the Closing. At the Closing or as soon as possible thereafter, the Association will deliver to the District, a Quit Claim Deed to real property and easement rights to the Water System and Sewer System. At the Closing, the District will receive, properly executed and acknowledged, if appropriate, a Quit Claim Deed to real property and easement rights to the Water System and Sewer System.

Simultaneously with such deliveries, the Association shall put the District in possession and operating control of the Acquired Assets, free and clear of all Liens.

4. **COVENANTS.** The Parties agree as follows:

- 4.1 **General.** Each of the Parties will use all reasonable efforts to take all actions and to do all things necessary, proper or advisable in order to consummate and make effective the transactions contemplated by this Agreement (including the satisfaction, but not waiver, of the closing conditions set forth in Section 7 below).

5. **CONDITIONS TO OBLIGATIONS TO CLOSE.**

5. **All Necessary Actions.** All actions to be taken by the Association in connection with the consummation of the transactions contemplated hereby and all certificates, instruments and other documents required to effect the transactions contemplated hereby shall be reasonably satisfactory in form and substance to the District.
- 5.2. **All Necessary Actions.** All actions to be taken by the District in connection with the consummation of the transactions contemplated hereby and all certificates, instruments and other documents required to effect the transactions contemplated hereby will be satisfactory in form and substance to the Association.

6 **MISCELLANEOUS.**

- 6.1 **Entire Agreement.** This Agreement and the documents referred to herein constitute the entire agreement between the Parties and supersedes any prior understandings, agreements, or representations by or between the Parties, written or oral, to the extent they related in any way to the subject matter hereof.
- 6.2 **Counterparts.** This Agreement may be executed in two counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.
- 6.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Idaho.
- 6.4 **Amendments and Waivers.** No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by the Water District and the Association. No waiver by any Party of any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights

arising by virtue of any prior or subsequent such occurrence.

6.5 Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

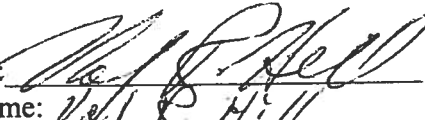
6.6 Jurisdiction: Service of Process. In the event of any controversy arising out of the interpretation, construction, performance or breach of this Agreement, the parties hereby agree and consent to the exclusive jurisdiction and venue of the courts of the District Court of Ada County, State of Idaho (and of the appropriate appellate courts) and each of the parties waives any objection to venue therein. Process in any action or proceeding referred to in the preceding sentence may be served on any party anywhere in the world.

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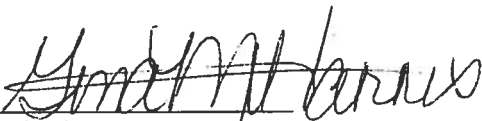
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the date first above written.

THE DISTRICT:

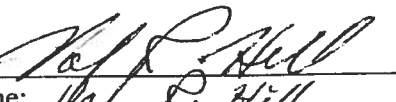
**MERIDIAN HEIGHTS WATER &
SEWER DISTRICT**

By: 
Name: Val R. Hill
Title: Chairman

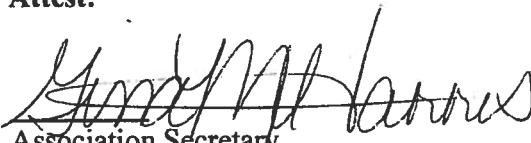
Attest:


District Secretary

ASSOCIATION: MERIDIAN HEIGHTS WATER & SEWER ASSOCIATION

By: 
Name: Val R. Hill
Title: President

Attest:


Association Secretary

**MERIDIAN HEIGHTS WATER SEWER DISTRICT
BOARD MEMBER LIST**

NAME	POSITION	TERM LENGTH	TERM ENDS
GORDON HAMILTON	CHAIRMAN	6 YEARS	2015
SHAWN POWELL	VICE-CHAIRMAN	6 YEARS	2015
SCOTT WILMONEN	DIRECTOR	6 YEARS	2019
MIKE BURGESS	DIRECTOR	6 YEARS	2019
RICK FISCH	DIRECTOR	6 YEARS	2017

WATER RESOURCES WESTERN REGION

**KENTUCKY RIDGE
SUBDIVISION**

WELL NO. 37

W VICTORY RD

SEWER MAIN EASEMENT

WELL NO. 27

WMTP

WATER DISTRICT BOUNDARY

EXISTING WATER MAIN IN SUBDIVISIONS

LEGEND

MERIDIAN HEIGHTS

SUBDIVISION

WELL NO. 4

3. Meridian Rd

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