

RECEIVED

SEP 12 2012

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

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IDWR / NORTH

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?
LIC 96-08907	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐
	Yes ☐		Yes ☐		Yes ☐

2. Previous Owner's Name: J. Hank Hester
Name of current water right holder/claimant
3. New Owner(s)/Claimant(s): Hester Road Water Association, Inc.
Name of each new owner as listed on the conveyance document
c/o Scott L. Poorman
New owner continued Name connector ☐ and ☐ or ☐ and/or
PO Box 2871
Mailing address
Hayden ID 83835
City State ZIP
208-772-6800 office@poormanlegal.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: May 22, 2012
6. 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.

7. Signature: [Signature] Registered Agent 5/23/2012
Signature of new owner/claimant Title, if applicable Date
- Signature: _____ Title, if applicable _____ Date _____
Signature of new owner/claimant Title, if applicable Date

For IDWR Office Use Only:

Received by [Signature] Date 9/12/12 Receipt No. 0029487 Receipt Amt. 25
Approved by _____ Processed by [Signature] Date 9-18-12

Quitclaim Deed (for water rights)

For good and valuable consideration received, J. HANK HESTER, does hereby grant, convey, assign, transfer and quitclaim unto HESTER ROAD WATER ASSOCIATION, INC., an Idaho corporation with a mailing address of PO Box 2871, Hayden, ID 83835, and to the Grantee's beneficiaries, successors and assigns, all right, title and interest in **State of Idaho Water Right License No. 96-08907** as related to certain real property located in the Southwest Quarter of Section 32, Township 53 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

Dated this 5th of September, 2012.

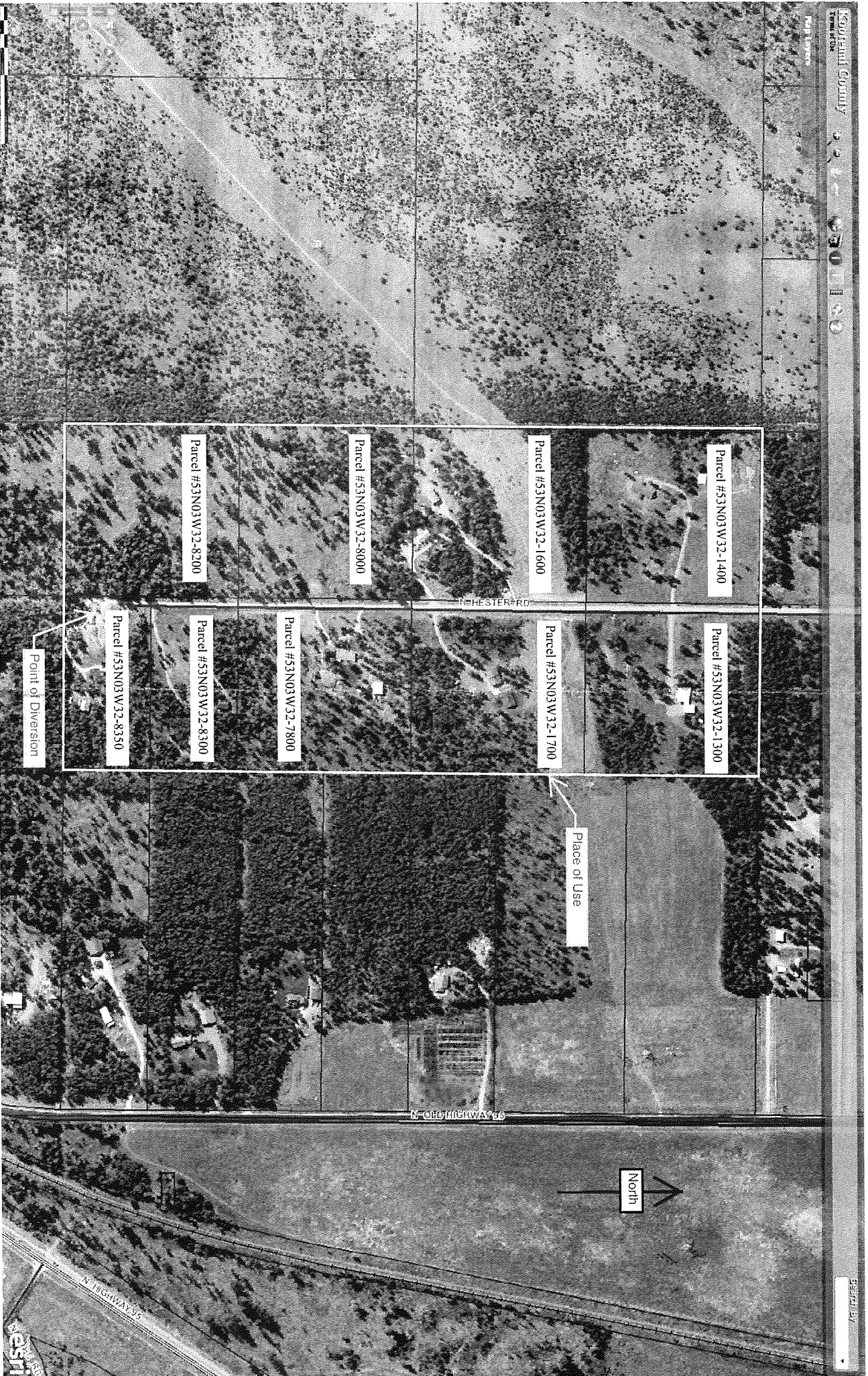
J Hank Hester POA Nathan Hester
J. Hank Hester,
by Nathan Hester, his attorney-in-fact

STATE OF IDAHO)
) ss.
County of Kootenai)

On this 5th day of September 2012, before me, the undersigned, a Notary in and for the State of Idaho, personally appeared Nathan Hester, known or identified to me to be the person whose name is subscribed to the within instrument as the **attorney in fact of J. Hank Hester**, and acknowledged to me that he subscribed the name of J. Hank Hester thereto as principal, and his own name as attorney in fact. WITNESS my signature and official seal.



Rebecca L. Kirkpatrick
Notary for the State of Idaho
Commission Expires: 3 · 20 · 18



Parcel #53N03W32-1400

Parcel #53N03W32-1300

Parcel #53N03W32-1600

Parcel #53N03W32-1700

Parcel #53N03W32-8000

Parcel #53N03W32-7800

Parcel #53N03W32-8200

Parcel #53N03W32-8300

Parcel #53N03W32-8350

Point of Diversion

Place of Use

North

N. HWY 46

N. HWY 46

State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 96-08907

Priority: November 24, 1995

Maximum Diversion Rate: 0.07 CFS
Maximum Diversion Volume: 18.9 AF

It is hereby certified that J HANK HESTER
1826 VAY RD
PRIEST RIVER ID 83856 has complied with the terms and
conditions of the permit, issued pursuant to Application for Permit dated November 24, 1995; and has
submitted Proof of Beneficial Use on January 27, 1999. An examination indicates that the works have a
diversion capacity of 0.07 cfs of water from:

SOURCE

GROUND WATER

and a water right has been established as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>DIVERSION RATE</u>	<u>ANNUAL DIVERSION VOLUME</u>
IRRIGATION	04/01 to 10/31	0.07 CFS	13.5 AF
DOMESTIC	01/01 to 12/31	0.07 CFS	5.4 AF

LOCATION OF POINT(S) OF DIVERSION:

GROUND WATER NW1/4SE1/4 Sec. 32, Twp 53N, Rge 03W, B M

KOOTENAI County

PLACE OF USE: IRRIGATION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
53N 03W 32			2.0												2.5		4.5

Total Acres: 4.5

PLACE OF USE: DOMESTIC

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
53N 03W 32			X											X			

CONDITIONS OF APPROVAL

- 1 After specific notification by the department, the right holder shall install a suitable measuring device or shall enter into an agreement with the department to determine the amount of water diverted from power records and shall annually report the information to the department

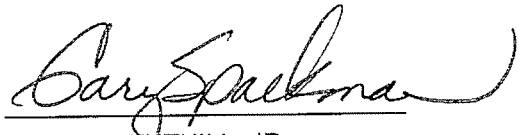
State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 96-08907

- 2 The issuance of this right does not grant any right-of-way or easement across the land of another.
- 3 Domestic use is for 9 homes Irrigation of lawn, garden and landscaping associated with the homes is authorized under the irrigation component of this right.
- 4 This right when combined with all other rights shall provide no more than 0.03 cfs per acre nor more than 3.0 afa per acre at the field headgate for irrigation of the lands above

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 6th day of March, 2008.



for DAVID R. TUTHILL, JR.
Director

GENERAL POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS: That JEFFREY HANK HESTER
residing at 1826 VAY RD City of PRIEST RIVER
County of BONNER, State of IDAHO have made,
constituted and appointed, and by these presents do make constitute and
appoint NATHAN DARYLL HESTER
of the City of COA, County of KOOTENAI
State of IDAHO, my/our true and lawful attorney in fact for me/us
and in my/our name, place and stead, and for my/our use and benefit to ask,
demand, sue for, recover, collect and receive all such sums of money, debts, dues,
accounts, legacies, bequests, interests, dividends, annuities and demands whatso-
ever, as now or shall hereafter become due, owing, payable or belonging to me/us
and have, use and take all lawful ways and means in my/our name or otherwise
for the recovery thereof, by attachments, arrests, distress or otherwise, and to
compromise and agree for the same, and acquittances or other sufficient discharge
for the same for me/us and in my/our name, to make, seal and deliver, to bar-
gain, contract, agree for, purchase, receive and take lands, tenements, heredita-
ments, and to accept the seizing and possession of all lands, and all deeds and
other assurances in the law therefor, and to lease, let, demise, bargain, sell re-
mise, release, convey, mortgage and hypothecate lands, tenements and heredita-
ments, upon such terms and conditions, and under such covenants as he/she/they
shall think fit. Also to bargain and agree for, buy, sell, mortgage, hypothecate,
and in any and every way and manner deal in and with goods, wares and merchan-
dise, choses in action, and other property in possession or in action, and to make,
do and transact all and every kind of business, of what nature and kind soever,
and also for me/us and in my/our name, and as my/our act and deed, to sign,
seal, execute, deliver and acknowledge such deeds, leases and assignment of
leases, covenants, indenture, agreements, mortgages, hypothecations, bottomries,
charter parties, bills of lading, bills, bonds, notes, receipts, evidences of debt,
releases and satisfaction of mortgage, judgments and other debts, and such other
instruments in writing of whatever kind or nature, as may be necessary or proper
in the premises.

GIVING AND GRANTING unto my/our said attorney in fact full power and
authority to do and perform all and every act and thing whatsoever requisite and
necessary to the execution of the powers herein granted, as fully to all intents and
purposes as I/we might and could do if personally present. I/we hereby ratifying
and confirming all that my/our said attorney in fact shall lawfully do or cause to
be done by virtue of these presents.

THIS INSTRUMENT may not be changed orally.

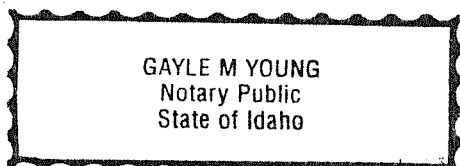
TO INDUCE ANY THIRD PARTY TO ACT HEREUNDER, I/we hereby agree that
any third party receiving a duly executed copy or facsimile of this instrument may
act hereunder, and that revocation or termination hereof shall be ineffective as to
such third party, unless and until actual notice or knowledge of such revocation or
termination shall have been received by such third party. For myself/ourselves
and for my/our heirs, executors, legal representatives and assigns, hereby agree
to indemnify and hold harmless any such third party by reason of such party
having relied on the provisions of this instrument.

THIS POWER OF ATTORNEY shall be revoked upon, shall not be
affected by subsequent disability or incompetence of the principal.

IN WITNESS WHEREOF, have hereunto set hand the
day of 3-7, 2012.

STATE OF IDAHO)
County of Kootenai) ss.

Before me, the undersigned Notary Public, personally appeared the person(s)
above, to me known or proved, who did sign the above on the date set forth above.



Gayle M Young
Notary Public for the State of Idaho
Residing at Kootenai
My Commission Expires 9-2-16

FILED EFFECTIVE

Articles of Incorporation
of
Hester Road Water Association, Inc.

2012 MAR 22 AM 9:57

SECRETARY OF STATE
STATE OF IDAHO

The undersigned adopt the following Articles of Incorporation for the purpose of forming a nonprofit, incorporated Water User's Association under the Idaho Nonprofit Corporation Act.

Article I – Name

The name of the corporation is "Hester Road Water Association, Inc."

Article II – Duration

The duration of the Association shall be perpetual.

Article III – Authority

The Association is created pursuant to the Idaho Nonprofit Corporation Act, Idaho Code Title 30, Chapter 3, and shall be a Water User's Association under Idaho Code Section 30-804.

Article IV – Purpose and Powers

The Association is organized for the sole purpose of delivering potable water to its members on the real property described in the Association Bylaws. The Association shall not sell, distribute or offer water for profit. In furtherance of such purpose, the Association shall have the power to acquire, construct, develop, operate, maintain and administer a private water source and distribution system, and to engage in all other lawful activities and functions consistent with its primary purpose and authorized under the Idaho Nonprofit Corporation Act.

Article V – Membership and Voting

1. Membership. Members of the Association shall consist solely of those persons who are the fee simple owners of the real property described in the Association Bylaws.
2. Voting. Members in good standing shall be entitled to cast one (1) vote per lot owned, regardless of the number of individuals holding title to each lot. Voting rights shall be further defined in the Bylaws of the Association.
3. Transfer of Membership. Membership shall be appurtenant to each lot identified in the Association Bylaws and shall automatically pass with title to each lot.

Articles of Incorporation: Hester Road Water Association, Inc.

IDAHO SECRETARY OF STATE
03/22/2012 05:00
CK: 3918 CT: 69601 DH: 1316359
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Article VI – Registered Office and Agent

The initial registered office and registered agent of the Association is:

Scott L. Poorman
Attorney at Law
8884 N. Government Way, Suite E
Hayden, ID 83835

Article VII – Board of Directors

The business of the Association shall be managed by a Board of Directors numbering not less than three (3) or more than nine (9). The Board of Directors shall be elected by the Members in the manner set forth in the Bylaws of the Association.

The initial Directors of the Association are:

Incorporators

Robert Bennett
24835 N. Hester Rd.
Athol, ID 83801

Christy Gilbert
PO Box 3549
Post Falls, ID 83854

Cheryl Yenulonis
2483 N. Hester Rd.
Athol, ID 83801

Article VIII – Indemnification

No Director, Officer or Member of the Association shall be held personally liable for any action, debt, obligation or other liability of the Association. The Association will defend and indemnify any person who serves as an Officer or Director for claims arising out of or related to any action taken or decision made on behalf of the Association and within the scope of the person's authority as an Officer or Director of the Association.

Article IX – Assessments and Fees

The Association is organized for the mutual benefit of its members and shall have no profit. The cost of acquiring, constructing, managing and operating the corporate water system shall be paid by fees and charges assessed to the members of the Association. Whenever the Board of Directors deems it necessary and advisable to establish or change the fees and charges for water, such fees and charges shall be established by the Board at a meeting called for that purpose in accordance with the provisions of the Bylaws of the Association. All assessments received by the Association will be used only for the payment of corporate debts, and to operate and maintain the water system owned by the Association. After all expenses of the Association are paid each year, and a reasonable reserve set aside as determined by the Board of Directors, any excess income of the Association shall be used to reduce or offset future fees and charges assessed by the Association.

Article X – Lien on Shares

The Association shall have a lien on the Membership Certificate held by the members for all assessments levied, and shall have the right to enforce such lien as set forth in the Bylaws of the Association.

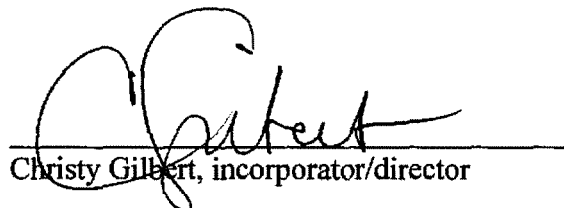
Article XI - Dissolution

No part of the income or assets of this Association shall ever inure to the benefit of any director, officer or member, or for the benefit of any private person. Upon the dissolution and winding up of the corporate affairs, any remaining assets, after payment of all debts and liabilities of the Association, shall be distributed to a qualified nonprofit fund, foundation or other organization in accordance with the provisions of the Bylaws of the Association. Such disbursement shall be determined by a majority vote of the Board of Directors.

Article XII – Amendment

These Articles of Incorporation may be amended at a meeting of the members having voting rights. The proposed amendment shall be adopted by the approval of not less than two-thirds (2/3rds) of the members present at such meeting in person or by proxy and entitled to vote under the terms of the Bylaws of the Association.

Approved and adopted this 17 day of February, 2012


Christy Gilbert, incorporator/director

Cheryl Yenulons, incorporator/director

Robert Bennett, incorporator/director

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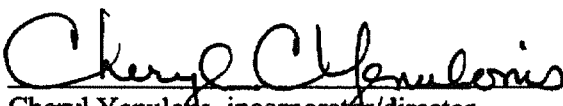
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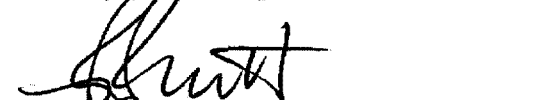
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These Articles of Incorporation may be amended at a meeting of the members having voting rights. The proposed amendment shall be adopted by the approval of not less than two-thirds (2/3rds) of the members present at such meeting in person or by proxy and entitled to vote under the terms of the Bylaws of the Association.

Approved and adopted this 17 day of February, 2017.

Christy Gilbert, incorporator/director


Cheryl Yemulon, incorporator/director
Yemulon


Robert Bennett, incorporator/director