



State of Idaho

DEPARTMENT OF WATER RESOURCES

322 East Front Street • P.O. Box 83720 • Boise, Idaho 83720-0098

Phone: (208) 287-4800 • Fax: (208) 287-6700 • Web Site: www.idwr.idaho.gov

October 24, 2011

C. L. "BUTCH" OTTER
Governor

GARY SPACKMAN
Interim Director

COX PARTNERSHIP LLC
PO BOX 128
SANDPOINT ID 83864

RE: Change in Ownership for Water Right Nos. 96-4016 & 96-4143

Dear Interested Party:

Our letter of August 11, 2009 (copy enclosed) explaining reasons why the department was unable to process your ownership change request, and giving you the possibility of options so that an ownership change could be accomplished remains unanswered.

Therefore, I am returning your notice of change in water right ownership request. Issuance of a refund in the amount of \$50.00 for fees paid by Sand-Ida Services, Inc., is in process. A copy of your ownership change request information will be kept in our files for reference.

If, at a later date you wish to reinstate this request you may send an ownership change request form along with the required documentation, and we will be happy to complete the request for you.

If you have any questions regarding this matter, please call me at 208-287-4952.

Sincerely,

For Emalee Rushing
Office Services Supervisor

Enclosure(s)

RECEIVED

JUN 19 2009

OC ✓

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP IDWR / NORTH

Please print or type. Attach pages with additional information. Instructions are included at the end of this form. Incomplete forms will be returned.

1. Please list the water right number(s) and/or adjudication claim number(s) (if any) for each water right to be changed. List just the adjudication claim number if there is no corresponding water right record on file with the department. Indicate, by checking in the space provided (under the "split" heading), if the change in ownership is limited to a portion of a water right in which case IDWR will produce new water right number(s) for the split(s).

Water Right No(s)	Adjudication Claim No(s)	Split(s)	Water Right No(s)	Adjudication Claim No(s)	Split(s)
964016					
964143					

2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).
- OR**
- D. If your water right(s) and/or adjudication claim(s) is for ten or more acres of irrigation, you must submit a USDA Farm Service Agency or equivalent **AERIAL PHOTO** with the irrigated acres outlined and point(s) of diversion clearly marked. The AERIAL PHOTO should be submitted in place of the PLAT OF PROPERTY or SURVEY MAP.

3. Name and Address of Former Owner/Claimant(s) 964016 TIGER ENTERPRISES No Address
964143 JAY MOUNT No Address

4. New Owner/Claimant(s)

COX Partnership LLC
 Name Connector (Check one): ☐ and ☐ or, ☐ and/or

New Mailing Address

PO Box 128

City, State and ZIP Code

Sandpoint Idaho

New Telephone Number

(208) 263-7613 Email: _____

5. Date you acquired the property

1979 + 1981 -

6. If the change in ownership affects the entire water right for each water right or adjudication claim number listed in line 1, then skip this line and go to line 7. If the change in ownership divides the water right(s) among multiple owners, you must describe, in detail, your portion of each water right after the change. Fill in the appropriate spaces in the box(es) below to describe your water right(s) after the change (you may copy this page, if necessary). If your quantity of water is greater than a proportionate split, you must attach documentation to show justification for a larger amount. If you are not sure how to identify your portion of the original water right or adjudication claim records, please contact the nearest IDWR office for assistance.

DESCRIPTION OF YOUR PORTION OF WATER RIGHT (If the right will not be split, skip this area and proceed to line 7)		
Water Use	Diversion Rate or Volume (cubic feet per second or acre-feet per annum)	Description (acres, number and type of stock, homes, etc)
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		
Water Right and/or Adjudication Claim Number _____		
Irrigation		
Stock		
Domestic		
Other		
Totals		

For Snake River Basin Adjudication Claims: Please attach a Notice of Appearance completed by your attorney, if you wish IDWR to correspond with him/her for all matters related to your claims.

7. Signature(s) of New Owner(s) or Claimant(s)



(title if applicable)

(title if applicable)

IT IS IMPORTANT TO FILE THIS COMPLETED FORM AT THE APPROPRIATE IDWR OFFICE, WITH PAYMENT OF THE FILING FEE AND THE OWNERSHIP DOCUMENT(S), AS REFERRED TO IN LINE 2.

For IDWR Office Use Only:

Received by Chad GoodwinDate 06/19/09Receipt Amt. \$50.00Receipted by N SteadingDate 06/19/09Receipt No. N020973

Processed by _____ AJ

Date _____

WR _____ Date _____

RECEIVED

JUN 19 2009

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

IDWR / NORTH

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2. The following **REQUIRED** information must be submitted with this form:

- A. The appropriate **FILING FEE**. See instructions for fee amounts.
- B. A copy of the most recent **DEED, TITLE POLICY, CONTRACT OF SALE** or other legal document indicating your ownership of the property and water right(s) or claim(s) in question, **WITH ATTACHED LEGAL DESCRIPTION**.
- C. Either of the following (if necessary to clarify division of water rights or other complex property descriptions):
PLAT OF PROPERTY or **SURVEY MAP** clearly showing the location of the point(s) of diversion and place of use of your water right(s) and/or adjudication claim(s) (these are on file with the county Planning and Zoning or Recorder's Office).

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COX Partnership LLC

Name Connector (Check one): ☐ and ☐ or, ☐ and/or

New Mailing Address

PO Box 128

City, State and ZIP Code

Sandpoint Idaho

New Telephone Number

(208) 263-7613 Email: _____

5. Date you acquired the property

1979 + 1981 -

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Other		
Totals		
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Irrigation		
Stock		
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Totals		
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(title if applicable)

(title if applicable)

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For IDWR Office Use Only:

Received by _____ Date _____
 Receipted by _____ Date _____
 Processed by _____ AJ Date _____

Receipt Amt. _____
 Receipt No. _____
 WR _____ Date _____

WARRANTY DEED

206532

For Value Received CHAUNCEY STARR and DORIS E. STARR, husband and wife, the Grantors, do hereby grant, bargain, sell and convey unto ROBERT A. COX, ALLEN G. COX and DONALD COX, the Grantees, whose current address is the City of Sandpoint, County of Bonner, State of Idaho, the Grantors' undivided one-half (1/2) interest in the following described premises in Bonner County, Idaho, to-wit:

(See Attached Schedules "A" and "B")

TO HAVE AND TO HOLD the said premises, with their appurtenances unto the said Grantees, their heirs and assigns forever. And the said Grantors do hereby covenant to and with the said Grantees, that they are the owners in fee simple of said premises; that they are free from all encumbrances except those of view and of record; and that they will warrant and defend the same from all lawful claims whatsoever.

DATED this 2nd day of September, 1978.

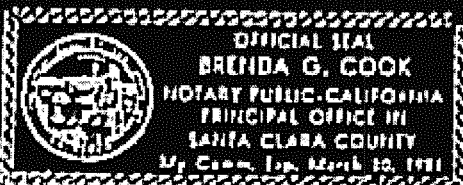
Chauncey Starr
CHAUNCEY STARR

Doris E. Starr
DORIS E. STARR

STATE OF CALIFORNIA)
) ss. Palo Alto
County of SANTA CLARA)

On this 2nd day of October, 1978, before me, the undersigned Notary Public in and for said State, personally appeared CHAUNCEY STARR and DORIS E. STARR, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

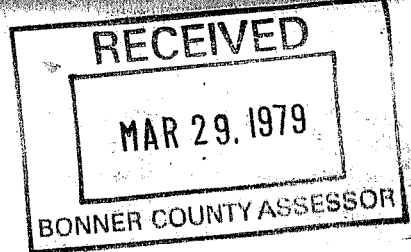
IN WITNESS WHEREOF I have hereunto set my hand and seal on the date in this certificate first above written.



Brenda G. Cook
Notary Public in and for the
State of California
Residing at 2001 Mayfield Ave.
San Jose, CA

LEWIS & CLARK
STEVEN L. HENNING
Notary Public, State of
California - P.O. Box 1170
San Jose, CA 95108
Telephone: (408) 263-7108

COPY



(PARCEL I) Government Lot 3 and the $W\frac{1}{2}NE\frac{1}{4}$ of Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho;

LESS: The Plat of Marimount Beach, as recorded in Book 2 of Plats, Page 62, records of Bonner County, Idaho;

ALSO LESS: All that portion of said Government Lot 3 lying South of a line described as follows:

Beginning at the Northeasterly corner of Lot 8 in Block 1 of Marimount Beach, thence due East to the East line of Government Lot 3 and East of Marimount Beach as recorded in Book 2 of Plats, Page 62, records of Bonner County, Idaho;

ALSO LESS: That portion of the $W\frac{1}{2}NE\frac{1}{4}$ of Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point North $48^{\circ} 40' 32''$ West 1012.68 feet from the Northwesterly corner of Lot 1 of Marimount Beach Addition to Bonner County, according to the plat thereof, recorded in Volume 2 of Plats, Page 62, this being a TRUE POINT OF BEGINNING; thence North $15^{\circ} 54' 46''$ East 254.95 feet; thence South $72^{\circ} 03' 14''$ East 250 feet; thence South $15^{\circ} 54' 46''$ West 250 feet more or less to the meander line of Lake Pend Oreille; thence in a Northwesterly direction along said line to the point of beginning;

ALSO LESS: Lots 1 and 30, Stage I-A, Phase I, Whiskey Jack, according to the plat thereof, recorded in Book 3 of Plats, Page 59, records of Bonner County, Idaho.

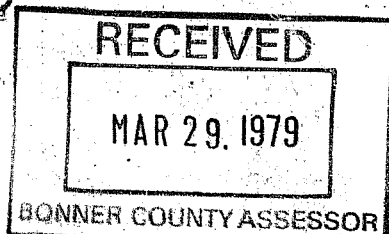
(PARCEL II) Blocks 3 and 4 of North Bay Addition, according to the plat thereof, recorded in Book 1 of Plats, Page 142, records of Bonner County, Idaho;

LESS: A portion of Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho, described as follows:

Commencing at Project Control Monument No. 1, which bears South $14^{\circ} 40' 28''$ West, 1048.54 feet from the North quarter corner of Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho; thence North $83^{\circ} 03' 47''$ West, 425.99 feet to the TRUE POINT OF BEGINNING; thence North $54^{\circ} 18' 26''$ East, 165.00 feet; thence North $03^{\circ} 25' 12''$ West, 60.00 feet; thence South $85^{\circ} 34' 48''$ West, 99.77 feet; thence around a curve to the right having a radius of 170.00 feet and a distance of 113.63 feet; thence North $55^{\circ} 07' 24''$ West, 127.35 feet; thence around a curve to the left, having a radius of 80.00 feet and a distance of 312.00 feet; thence around a curve to the right having a radius of 70.00 feet and a distance of 23.42 feet; thence around a curve to the right having a radius of 170.00 feet and a distance of 41.45 feet; thence around a curve to the right having a radius of 680.00 feet and a distance of 11.49 feet; thence South $42^{\circ} 12' 24''$ West, 360.00 feet, more or less, to the Shore Line of Pend Oreille Lake; thence Easterly along the lake shore to the intersection with a line which bears South $42^{\circ} 12' 24''$ West from the True Point of Beginning; thence North $42^{\circ} 12' 24''$ East, 240.00 feet, more or less, to the True Point of Beginning.

(Stage I-B of Phase I, Whiskey Jack)

-continued-



ALSO LESS: A tract in Government Lot 2 in Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point North 48° 47' 18" West, 1012.68 feet from the Northwestern corner of Lot 1 of Marimount Beach Addition to Bonner County, Idaho; thence South 15° 48' West, to the shore of Lake Pend Oreille; thence along said shoreline North 76° 28' West, 100.00 feet; thence North 15° 49' East to a point North 76° 28' West, 100.00 feet from the point of beginning; thence continuing North 15° 49' East, 262.45 feet; thence South 72° 10' East, 99.98 feet; thence South 15° 49' West, 254.95 feet to the point of beginning;

Being a part of Block 3, North Bay Addition, according to the plat thereof, recorded in Book 1 of Plats, Page 142, records of Bonner County, Idaho.

ALSO LESS: Units 5 and 8, Stage 2-B, Phase 2, and Units 9, 11, 13 and 14, Stage 2-A, Phase 2, Whiskey Jack, according to the plat thereof, recorded in Book 3 of Plats, Page 67, records of Bonner County, Idaho;

ALSO LESS: That portion of Government Lot 2; and the W½NE¼ of Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho, described as follows:

Beginning at a point North 48° 40' 32" West 1012.68 feet from the Northwestern corner of Lot 1 of Marimount Beach Addition to Bonner County, according to the plat thereof, recorded in Volume 2 of Plats, Page 62, this being a TRUE POINT OF BEGINNING; thence North 15° 54' 46" East 254.95 feet; thence South 72° 03' 14" East 250 feet; thence South 15° 54' 46" West 250 feet more or less to the meander line of Lake Pend Oreille; thence in a Northwestern direction along said line to the point of beginning;

And

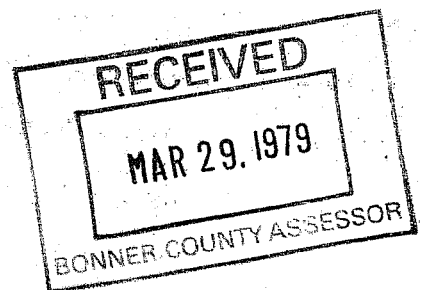
Beginning at a point North 48° 40' 32" West 1012.68 feet from the Northwestern corner of Lot 1 of Marimount Beach Addition to Bonner County, according to the plat thereof, recorded in Volume 2 of Plats, Page 62, thence North 76° 21' 14" West 100 feet to the TRUE POINT OF BEGINNING; thence North 15° 55' 46" East 262.45 feet; thence North 72° 03' 14" West 150 feet; thence South 15° 55' 46" West to the high water line of Lake Pend Oreille; thence North a Southeasterly direction along said line to the true point of beginning.

(PARCEL III) Lots 1, 4, 5, 6 and 7 in Block 1 of Marimount Beach, according to the plat thereof, recorded in Book 2 of Plats, Page 62, records of Bonner County, Idaho.

(PARCEL IV) That portion of Government Lot 3 in Section 7, Township 57 North, Range 1 West, Boise Meridian, Bonner County, Idaho, lying South and East of the Northeasterly extension of the line between Lots 14 and 15 of Marimount Beach Addition to the East line of said Government Lot 3.

PARCEL V: That certain un-numbered tract lying between Lot 7 and Lot 8 of Marimount Beach Addition, according to the plat thereof, recorded in Book 2 of Plats, Page 62, records of Bonner County, Idaho.

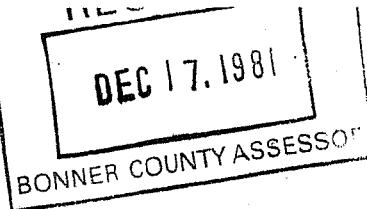
INCLUDING any interest of the grantor in and to Common Areas of Whiskey Jack, a Planned unit development, as platted and recorded in Book 3 of Plats, Page 59 and Book 3 of Plats at Page 67, records of Bonner County, Idaho.



7-51
207-573
COPY

250111

SHERIFF'S DEED



THIS INDENTURE, Made this 9th day of December, 1981, between FLOYD EVELAND, Sheriff of Bonner County, Idaho, party to the first part, and ROBERT A. COX, of 401 S. First Avenue, Sandpoint, Idaho, the party of the second part,

WITNESSETH: That

WHEREAS, in and by a judgment of foreclosure and deficiency against Tiger Enterprises, Inc., et al., Defendants, in favor of Jay A. Mount and Eva Mae Mount, his wife, Plaintiffs, in the original amount of Two Hundred Five Thousand, Four Hundred Seventy-Three Dollars and 09/100 (\$205,473.09) with interest at the rate of 6 3/4% from November 25, 1970, plus Sixty One Thousand, Two Hundred Fifty Dollars (\$61,250.00) attorneys fees and costs; entered in the District Court of the First Judicial District of the State of Idaho, In and For the County of Bonner, Case No. 13367 and recorded July 10, 1975 as Instrument No. 166995, records of Bonner County, Idaho,

And

WHEREAS, pursuant to a Writ of Execution issued in accordance with the above-entitled Judgment, on the 5th day of October, 1979 by which the then Sheriff, was commanded to make the amount of Four Hundred Forty-Two Thousand, Two Hundred and Eight Dollars and 94/100's (\$442,208.94) to satisfy the judgment in said action, which sum included interest and costs out of the personal property of said Tiger Enterprises, Inc. and if sufficient personal property could not be found, then out of the real property belonging to said Defendants;

And

WHEREAS, in obedience to said Writ of Execution and after due public notice given as required by law, the said Sheriff did, on the 31st day of October, 1979, at the hour of 10:00 A.M. on said day and date, at the Courthouse door in Sandpoint, Idaho, sell at public auction according to law in a single parcel the premises hereinafter described:

And

WHEREAS, at said sale, said premises were fairly sold to ROBERT A. COX, the party of the second part herein, for the sum of ONE HUNDRED THOUSAND Dollars (\$100,000.00), it being the highest bidder and that sum the highest bid therefor; which sum was duly paid by said purchaser to said Sheriff together with the Sheriff's costs of sale. That the said Sheriff thereupon delivered his certificate of

FILED FOR RECORD Dec 10 1981 N 3:03 P.
CLIFFORD D. CHAPIN, BONNER COUNTY RECORDER STATE OF IDAHO
By *Marilla Johnson, Deputy*
BOOK NO. 2077
Page 573
Dec 9 1981

(0452)

574

sale to said purchaser and filed a duplicate thereof in the office of the County Recorder of said Bonner County as required by law; and

WHEREAS, more than twelve months have expired since the date of said sale, and no redemption having been made of the property so sold by any person or persons;

NOW THEREFORE, in consideration of the premises and of said sum so paid as aforesaid, and in compliance with the statute, said party of the first part, as Sheriff of Bonner County, Idaho, does hereby grant, bargain, sell and convey unto the said party of the second part, its successors and assigns, forever, all that real property situate in Bonner County, State of Idaho described as follows: to-wit:

THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER
The Southeast Quarter of the Northeast Quarter; and the south half of the Southwest Quarter of the Northeast Quarter of the Northeast Quarter, all in Section 7, Township 57 North, Range 1 West of the Boise Meridian, Bonner County, Idaho.

TO HAVE AND TO HOLD the above described premises with the appurtenances unto said party of the second part, its successors and assigns forever.

IN WITNESS WHEREOF, said party of the first part, as Sheriff aforesaid, has hereunto set his hand and seal the day and year first above written.

FLOYD EVELAND
FLOYD EVELAND

STATE OF IDAHO)

) ss.

County of Bonner)

On this 9th day of December, 1981, before me, the undersigned, a Notary Public for said State, personally appeared FLOYD EVELAND, known to me to be the person whose name is subscribed to the above and foregoing instrument as Sheriff of Bonner County, Idaho, and acknowledged to me that he executed the same as such Sheriff of Bonner County, State of Idaho.

IN WITNESS WHEREOF, I have hereunto set my hand and seal on the day and year last above written.

Jessie C. Sweeney
NOTARY PUBLIC-State of Idaho
Residing at: Handpoint

QUITCLAIM DEED

232660

For Value Received John W. Krause, a single man

do hereby convey, release, remise and forever quitclaim unto Robert A. Cox

whose current address is

the following described premises, to-wit:

7-57-12W
The Southeast Quarter of the Northeast Quarter; and the South Half
of the Southwest Quarter of the Northeast Quarter of the Northeast
Quarter all in Section 7, Township 57 North, Range 1 West Boise
Meridian, Bonner County, Idaho.

SEP 16. 1980

BONNER COUNTY ASSESSOR

PARTNERSHIP AGREEMENT

AGREEMENT, made this _____ day of _____, 1978, among those partners and their spouses signing this Partnership Agreement on this date, and all subsequent partners, if any, who may acknowledge, accept, and become signatories to this agreement at the time of becoming partners herein, all referred to herein as Partners.

RECITALS

I

Partners have formed and are operating a partnership for commercial purposes and desire to formalize their agreement.

II

Partners desire to establish a formal policy and procedure for the operation of the partnership.

III

Partners wish to provide for the purchase of the partnership interest of any partner necessitated by voluntary withdrawal, permanent disability or demise.

IV

Partners desire to provide the funds necessary to carry out such purchase of a partnership share.

IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN, PARTNERS AGREE AS FOLLOWS:

ARTICLE I

PARTNERSHIP ORGANIZATION

1. Parties. The partnership is created with Three (3) partners, all of whom have signed this agreement on the final page, wherein their residents addresses are given. These parties shall remain partners until termination or dissolution of this partnership agreement except for those

authorized changes in partners provided for in Article VI, Change Of Partners-Buy-Sell Agreement.

2. Name. The name of the partnership shall be THE COX PARTNERSHIP, and a certificate of doing business under a fictitious name shall be filed as required by the laws of the State of Idaho.

3. Place of Business. The principal place of doing business of the partnership shall be at Sandpoint, Idaho. The principal place of business may be changed at any time by a favorable vote of partners representing a majority of the outstanding partnership interest.

4. Purpose. The purpose of the partnership shall be to engage in various commercial enterprises. In general, the purpose of the partnership shall be to establish, purchase, lease as Lessee or otherwise acquire, to own, operate, and maintain, and sell, mortgage, deed in trust, lease as Lessor and otherwise dispose of any and all business sites. Additionally the general purposes shall be to buy, sell, trade, manufacture, deal in, and deal with, both real and personal property of every kind and nature, and to carry on business as wholesalers, retailers, importers, and exporters; to acquire all merchandise, supplies, materials, real property, and other articles and it shall be necessary or incidental to the business; and to have any or all powers above set forth as fully as natural persons, whether as principals, agents, trustees, or otherwise.

5. Duration. The term of the partnership shall be perpetual unless sooner terminated by operation of law or under a provision of this agreement.

ARTICLE II

BUSINESS CAPITAL

6. Capital. The partners have contributed cash and

property to their partnership capital account as is shown in the books and records of account for the partnership.

7. Additional Capital. Partners may contribute additional capital if they so desire; however, without unanimous approval the partners shall not have to contribute any additional capital to the partnership, except that each partner shall be required to contribute a proportionate share in additional contributions if the fiscal year closes with an insufficiency in the capital account or profits of the partnership to meet current expenses.

8. Capital Accounts. A capital account shall be maintained by the partnership for each partner and shall include original capital contributions by the partner and any additional capital that the partner has contributed to the partnership in accordance with Paragraph 7. This account shall be used to determine any required repayment of capital.

ARTICLE III

EARNINGS OF PARTNERS

9. Salaries. It is specifically provided that partners may upon unanimous approval receive a salary from the partnership for services rendered to the partnership. All other compensation to the partners shall be based upon a division of partnership profits among partners as provided in Paragraph 10.

10. Profits and Losses. The net profits or losses earned by the partnership during the fiscal year shall be divided among the partners according to each partner's contribution to capital.

The profits or losses shall be calculated within Thirty (30) days after the close of the fiscal year and the payment of the profit due to each partner shall be then credited to that partner's drawing account.

Losses shall be apportioned among the partners and

the net annual partnership loss shall be repaid from the individual capital accounts of each partner within Thirty (30) days after notice of the portion.

ARTICLE IV

CONDUCT OF BUSINESS

11. Management and Operation. Each partner shall be responsible to contribute his full time and skill to the operation of the partnership business, and to be actively engaged in those areas of the partnership business that he is responsible for. The management of the partnership business affairs shall be established at the regular meetings of partners as defined in Paragraph 12.

12. Meeting. Partners shall hold regular partnership meetings at a time and place to be announced for the purpose of planning, implementing, reviewing, or modifying established business management procedure and policy.

13. Voting. There shall be a total of Three (3) votes for all partners, with each partner having a number of votes in proportion to his interest in partnership. A simple majority of total eligible partnership votes shall be required to pass any measure pertaining to partnership affairs except those pertaining to merger, reorganization, dissolution, capital improvement programs to exceed Five Thousand (\$5,000.00) Dollars or other special vote requirements provided in this agreement. Unanimous vote of the total eligible partnership vote shall be required on the matters of merger, reorganization, dissolution, or capital improvements over the specified amount.

14. Duties of Partners. Partners may transact any business, negotiate, contract, or represent the partnership in any manner for the benefit of the partnership, except as specifically prohibited by Paragraph 15.

15. Limitations. No partner shall enter a contract obligating the partnership for Ten thousand Dollars (\$10,000⁰⁰) or more without prior approval of the majority interest of partners.

No partner shall act as Guarantor, surety, or indemnitor on any obligation that could result in a liability for the partnership without the prior written consent of a majority of the voting shares of the partnership.

16. Devotion to Duty. Partners shall devote all their time and effort to the duty of operating the partnership, and shall act in good faith relative to the partnership at all times.

ARTICLE V

FINANCIAL ORGANIZATION

17. Fiscal Year. The partnership fiscal year shall commence on the 1st day of the month of JANUARY, and terminate on the 31st day of the month of December, each year. All accounting, auditing and financial statements shall be prepared to support the partnership fiscal year and the annual reports shall be completed within Thirty (30) days after the closing of the fiscal year.

18. Books of Account. The partnership shall employ a certified public accounting firm to maintain all books of Accounts. The accounting firm shall institute the accounting system that it selects and shall prepare all the necessary ledgers, accounts, financial statements and balance sheets. All books of accounting shall be maintained at the offices of the partnership, and shall be opened for inspection by any partner at any reasonable time.

19. Allocations of Gains and Losses. All gains or losses realized by the partnership from the appreciation or depreciation of capital contributions, as established under

guidelines published by the Internal Revenue Services, shall be allocated on a pro rata basis at the close of each fiscal year to the partner's capital accounts.

20. The partnership has established a general business bank account at _____
Bank located at _____.
All partnership receipts shall be deposited in this account and all partners' business expenses shall be paid from this account.

ARTICLE VI

CHANGE OF PARTNERS-BUY-SELL AGREEMENT

21. Transfer Limited. The transfer by any partner, his heirs, or assigns of said partner's interest in THE COX PARTNERSHIP is restricted, the same being dependant upon compliance with the provisions of this agreement.

22. Insurance. The company may take out insurance covering the life or disability of each partner and may name itself as beneficiary of the policies. And if necessary to comply with the purchase terms of this agreement each partner may during the lifetime of the partners and in continuing enforce of this agreement, maintain life and disability insurance policies as the owner and the company as the beneficiary, in a sufficient amount to comply with the purchase terms herein. Each partner agrees to pay premiums on the policies owned by him as they become due and to give proof of payment to the other partners within Twenty (20) days after the date of each payment. If any premium is not paid within Twenty (20) days after its due date, the company or in appropriate cases the insured shall have the right to pay such premium and be reimbursed therefore by the owner. All dividends shall be applied on account of premiums. All insurance companies are hereby authorized and directed to

give the owner or insured, upon written request any information with respect to the status of the policies.

All policies shall be listed on Schedule "A", attached hereto and made a part hereof by this reference, as they come into existence.

The policies, if any, and any proceeds received thereunder, shall be held by the company in trust for the purpose of this agreement.

The company shall have the right to take out additional insurance on the life of any partner whenever, in the opinion of the company, additional insurance may be reasonably required to carry out the obligations of this agreement.

Schedule "A" may be amended from time to time so as to reflect changes in coverage.

No insurance company shall be under any obligation with respect to the performance and conditions of this agreement. Payment by any insurance company, pursuant to the terms of any policy, shall be a complete discharge of any and all claims of whatsoever nature against said insurance company.

23. Price of Partnership Interest and Method of Payment. The purchase price of the interest of each partner shall be set forth in Schedule "B", attached hereto and made a part hereof by this reference. Said price shall be determined by agreement of the partners at the date of signing of this agreement, and shall be amended to reflect current conditions each year thereafter within Thirty (30) days following the close of the company's fiscal year.

In the event of a transfer pursuant to this agreement, the price as endorsed on Schedule "B" shall be further amended so as to make an accounting for profits or losses

accrued between the date said price was last computed and the end of the month preceeding the date of the transfer by adding the profits or subtracting the losses to the purchase price as it was last computed at the close of the fiscal year.

In the event of death or disability as hereinafter defined, net proceeds from any applicable insurance policy shall first be applied to the purchase price of the deceased or disabled partner's interest in the company and any balance due thereon or in a case of voluntary withdrawal not covered by an insurance policy the balance or price shall be paid as follows:

- A. A down payment as of the date of election to purchase, of not less than Ten percent (10 %) of the determined purchase price; and
- B. The balance to be paid by promissory note in monthly installments over a ten year period bearing interest at a rate to be established annually but not less than Nine (9%) percent per annum upon the unpaid balance thereof.

So long as any part of the purchase price shall remain unpaid, the Transferor or personal representative of the Decedent, as the case may be, shall have the right to examine the books and records of the company from time to time and receive copies of all accounting reports prepared for or on behalf of THE COX PARTNERSHIP. If the company breaches any of its obligation under this paragraph, the Transferor or personal representative of the Decedent, as the case may be, in addition to any other remedies available, may elect to declare the entire purchase price due and payable forthwith.

24. Death of Partner. Upon the death of any partner the company agrees to purchase said partner's interest from his estate, and his estate shall sell said interest to the

company. The personal representative of the deceased partner shall proceed with the probate of the estate and shall promptly transfer title to the decedent's interest in the company.

The company shall collect the proceeds of insurance policies, if any, on the life of the deceased partner, and upon receipt of title to the partner's interest shall pay such proceeds to the deceased partner's personal representative in payment for the partner's interest in the company. In the event the purchase price exceeds the insurance proceeds, the company shall pay to the decedent's personal representative any additional amount necessary according to the provisions of Paragraph 23.

25. Mental Incapacity or Permanent Disability. A partner who is permanently disabled due to accident, sickness, or injury or if it be determined in any proceeding by a Court of competent jurisdiction that a partner is mentally incapable of carrying on his affairs, the company shall then have the right, exercisable within Sixty (60) days, to purchase said partner's interest in the partnership pursuant to the provisions of Paragraph 23.

26. Voluntary Withdrawal of Partner. In the event that any partner desires to sell, or shall be required to transfer to a spouse as a result of marital discord, all or part of his interest in the partnership, he shall first offer in writing, said interest to company. The company shall then have the right to accept the said offer within Sixty (60) days and pay for the same pursuant to the provisions of Paragraph 23. The offer shall be based on a price determined with accordance with the provisions of Paragraph 23 hereof. Each partner shall have the right to purchase a portion of such interest in proportion to his percentage of ownership

excluding the selling partner or in any manner mutually agreeable to the remaining partners, except that the selling partner may not be compelled to sell less than his full interest. If the offer is not accepted by the other partners within Sixty (60) days of receipt thereof, the partner desiring to withdraw shall have the right to sell his interest to any other person but shall not sell such interest without giving the remaining partners the right to purchase such interest at a price and on the terms offered by such other person.

By any such transfer the individual partner's participation in this agreement shall terminate.

Within Thirty (30) days after such termination said partner will have the right to purchase the policies of insurance upon which he is designated as the Insured, if any, then owned by the company. If said partner desires not to exercise this option then the company shall apply the cash value of the policies, if any, to the purchase price of his interests.

The purchase price of the aforementioned policies shall be the interpolated terminal reserve as of the date the retiring partner ceased to be a party to this agreement, plus that portion of the gross premiums paid before said date which attributable to coverage beyond the date of termination. In the event any policy to be transferred shall not have been enforced for a sufficient length of time to obtain a cash value, then the purchase price shall be an amount equal to the net premiums paid thereon.

27. Specific Performance. The parties hereby declare that it is impossible to measure in money the damages which will accrue to any partner hereto or to the personal representative of the decedent by reason of a failure to perform any

of the obligations under this article. Therefore the provisions of this article shall be specifically enforceable, and the defense of adequate remedy at law is hereby waived.

28. Compliance. Whenever the partnership shall, pursuant to this article, be required to purchase the interest of any partner, such partner and or the personal representative of any decedent, shall do all things and execute and deliver all papers necessary to the consumation of such purchase. Any note required to be given hereunder by the company as a part of a purchase price shall be secured by the interest in the partnership which is to be transferred.

29. Partners Wills. This agreement shall bind the partners and their respective spouses who have signed their names hereto as well as the respective heirs, executors, administrators, and assigns of the partners, but nothing herein shall be construed as an authorization to any partner to assign his rights or obligations hereunder. Each partner, in furtherance hereof, shall execute a Will, directing his personal representative to perform according to this article and to execute all the documents necessary to affectuate the purpose of this article, but the failure to execute such wills shall not effect the rights of any of the partners or the obligations of any estate as provided in this article.

ARTICLE VII

TERMINATION AND DISSOLUTION

30. Valuation of Interest. Any termination or dissolution of the partnership shall be preceeded by a valuation of the partnership business pursuant to the terms of Article VI.

31. Purchase of Interest. There shall be no purchase of any partnership interest by any partner or by any other party on termination or dissolution of the partnership either by operation of law or by a decision of the necessary majority

of partners. Any partner or third party desiring to reorganize the partnership must purchase the entire partnership on termination or dissolution. The net assets of the partnership shall be distributed to the partners on a pro rata basis if the total partnership is not purchased.

32. Dissolution and Winding Up. The partnership shall be dissolved upon a unanimous vote of the partners, upon a breach of this agreement, or upon operation of law. A Sixty (60) day written notice of intention to dissolve partnership shall be furnished to all partners and to all debtors, creditors, and customers.

A committee consisting of partners, to be elected at a special meeting of the partners by a vote of partners representing two-thirds (2/3) of the total interest, shall conduct the activities necessary to wind up the business. This activity shall be completed within One Hundred Twenty (120) days.

The individual members of the committee shall be entitled to receive a reasonable salary for their services in winding up the affairs of the partnership.

ARTICLE VIII

NOTICES, ARBITRATION, AND LEGALITY OF AGREEMENT

33. Notices. All notices to partners required by this agreement or given at the election of a partner shall be in writing, and may be delivered to the partners personally or may be deposited in the U. S. Mails, postage prepaid, addressed to the partners at their mailing addresses provided on the signature page of this agreement.

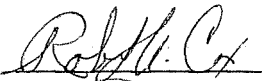
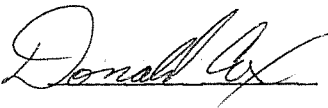
34. Assignment of Rights. A partner shall not assign his rights in the partnership to any other partner or to a third party except as provided in Article VI hereof.

35. Severability. Each of the separate provisions of

this agreement is to be read and interpreted separately. A question regarding the legality or constitutionality of any one paragraph or part thereof shall not affect any other paragraph, and if determined illegal, unlawful, or unconstitutional, the specific paragraph or part thereof shall be severed from this agreement and the balance of the agreement shall remain in full force and effect.

36. Applicable Law. The laws of the State of Idaho shall apply to the interpretation and operation of this agreement in the partnership. All matters to be judicially decided shall be submitted to the courts of the State of Idaho.

IN WITNESS WHEREOF, the undersigned have executed this agreement at Sandpoint, Idaho, the date and year set opposite their respective names.

<u>NAME</u>	<u>SIGNATURE</u>	<u>ADDRESS</u>	<u>DATE</u>
ROBERT A. COX		401 South 2nd Street, Idaho	
ALLEN G. COX		703 4/28 St. P. Id.	
DONALD COX		318 Superior Way, ID, 12/1	