

Roda, Evan

From: Michelle Silva <tccasst@davisoncoppie.com>
Sent: Wednesday, April 12, 2023 2:20 PM
To: Roda, Evan
Subject: Dufort Water Rights 96-9206
Attachments: 2023.04.12 - ID Dept of Water Resources.pdf

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Good afternoon, Mr. Roda

The attached correspondence is being sent to you pursuant to Mr. Copple's request.

Thank you,

Michelle Silva

Legal Assistant to Terry C. Copple & Michael E. Band

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April 12, 2023

SENT VIA EMAIL ONLY

Idaho Department of Water Resources
Northern Regional Office
Attn: Evan W. Roda, Water Rights Supervisor
Coeur d'Alene, Idaho 83815
evan.roda@idwr.idaho.gov

Re: *Dufort Water Rights 96-9206*

Dear Evan:

This office represents Willow Bay Marina and RV Resort LLC, an Idaho limited liability company, which is a member of Dufort Water Association, Inc. ("Dufort Water"), and receives water to its RV park, marina, and related facilities from Dufort Water.

It has been a member in good standing ever since its acquisition of the property serviced by Dufort Water.

We have just recently received a copy of the February 26, 2023 email from Erik P. Smith making the contention that his client, The Crossing HOA, is actually the owner of the water rights of Dufort Water. The information which he has provided to you gives an entirely misleading impression that Dufort Water does not own its water rights.

In order to set the record straight, we are providing you with the enclosed documents confirming the water system has always been owned and administered by Dufort Water even though its well and lines may be located within the roadways of the subdivision.

We specifically note that the plat for the subdivision, a copy of which is enclosed with this letter, explicitly states the following:

“Water to be supplied by a community water system to be owned and maintained by Dufort Water Association, Inc. Tract N is to be dedicated to the Dufort Water Association, Inc. for the community water system as a domestic water well and reservoir lot.”

Please note the following records which confirm the foregoing:

1. Declaration of Covenants, Conditions and Restrictions reflecting the fact that Dufort Water is the water system owner pursuant to the general plan for the development of The Crossing Subdivision.
2. Also attached is a copy of the plat for the subdivision with an enlarged copy of the portion of the Owner's Certificate included, wherein it is confirmed that Dufort Water is the water owner and distributor as quoted above.
3. Attached are the Articles of Incorporation of Dufort Water, as well as the Restated Articles of Incorporation, confirming the creation of the system pursuant to the general plan of development of the subdivision.
4. Also attached are the Master Bylaws of Dufort Water confirming the ownership by various members in the water system.
5. Rules and Regulations of Dufort Water Association confirming its rules for administering the system.
6. Income and expense statement for Dufort Water showing that has consistently billed the HOA members for the water provided by Dufort Water.
7. Dufort Water financials for August, 2022, again reflecting the operation of the system.
8. We are enclosing a copy of a Dufort Water notice from 2022 showing the method of billing and the fact that it has been owning and maintaining the water system through the dues collected from its members. This particular billing was sent because the original billing was sent to the incorrect address for our client but has been paid.
9. Enclosed is a November 17, 2022 letter from this office to Dufort Water, which has the same board of directors as the HOA, demanding that the HOA not attempt to take the assets and water rights of Dufort Water.

Idaho Department of Water Resources
April 12, 2023
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It should be emphasized that our client is serviced by Dufort Water and is a member of it but is not a member of the HOA, and thus the effort to take the water rights away from Dufort Water is a thinly veiled maneuver to take control of the water rights of Dufort Water.

Very truly yours,

DAVISON, COPPLE, COPPLE & COPPLE, LLP

By: 
Terry C. Copple, of the firm

TCC/ms
Enclosures

RECORDED BY:
WHEN RECORDED, RETURN TO:

THIS SPACE FOR RECORDER'S USE:

JOHN A. FINNEY
Finney Finney & Finney, P.A.
Attorneys at Law
Old Power House Building
120 E. Lake Street, Suite 317
Sandpoint, Idaho 83864
Telephone: 1-208-263-7712

Instrument # 847907

BONNER COUNTY, SANDPOINT, IDAHO
7-26-2013 03:30:20 No. of Pages: 37
Recorded for: FINNEY
R. ANN DUTSON-SATER Fee: 118.00
Ex-Officio Recorder Deputy
Index to: MISC

**SECOND RESTATED DECLARATION
OF
RESIDENTIAL COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS
APPLICABLE TO "THE CROSSING" IN BONNER COUNTY, IDAHO
AND
RESTATED BYLAWS
OF
THE CROSSING HOA, INC.**

RECITALS

- A: On January 17, 2007, the Plat of THE CROSSING was recorded as instrument number 721139, in Book 8 of Plats at page 124, records of Bonner County, Idaho, and located in portions of Section 1, Township 55 North, Range 4 West, Boise Meridian, Bonner County, Idaho, and Section 36 Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho;
- B. On January 17, 2007, a Declaration of Residential Covenants, Conditions, Easements and Restrictions was recorded as instrument number 721140, records of Bonner County, Idaho;
- C. On August 2, 2006, Articles of Incorporation of The Crossing HOA, Inc. were filed with the Idaho Secretary of State. On April 29, 2008, Articles of Amendment of The Crossing HOA, Inc. were filed with the Idaho Secretary of State; True and correct copies of the Articles of Incorporation, the Articles of Amendment, and the 2013 Annual Report are attached hereto and incorporated herein;
- D. On January 22, 2007, Bylaws of The Crossing HOA, Inc. were recorded as instrument number 721419, records of Bonner County, Idaho;

E. On April 29, 2008, a Restated Declaration of Residential Covenants, Conditions, Easements and Restrictions was recorded as instrument number 750519, records of Bonner County, Idaho;

F. Willow Brook Landing, LLP, an Idaho limited liability partnership, has acquired certain rights as Declarant for THE CROSSING subdivision and for THE CROSSING HOA, INC. and is the vested owner of the following described real property within the subdivision:

Block 1, Lots 1, 2, 3, 4, 5, 6, 7 and 8;
Block 2, Lots 2, 3, and 6;
Block 3, Lots 1, 4, 6, 7, 8, 9, 10, 11, 13 and 14;
Block 4, Lots 2, 3 and 4;
Block 5, Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, and 13;
Block 6, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11;
Block 7, Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17;
Block 8, Lots 1, 2, and 3;
Block 9, Lots 1, 2 and 3;
Block 10, Lot 2;
Tracts A, B, C, D, E, F, G, H, I, J, K, L, M and N;
All in THE CROSSING, according to the plat thereof, recorded in Book 8 of Plats, Page 124, records of Bonner County, Idaho.

Said real property comprises 71 of the 82 platted Lots, for a total of 87% of the platted Lots (and 100% of the platted Tracts).

G. The Restated Declaration, Article 12 provides for the methods of modification of the Declaration by several methods. These methods include a vote of two-thirds majority (67%) vote of the Lot Owners, or by a majority vote (51%) of the Lot Owners within 6 months of each five year anniversary of the recording of the Restated Declaration. The Restated Declaration was recorded April 29, 2008, with five years being April 29, 2013, with the six month period ending October 29, 2013;

H. The present Bylaws, Article X provides for the methods of amendment of the Bylaws by a sixty percent majority (60%) of the Lot Owners;

I. At a duly called meeting of the Lot Owners on July 26, 2013, the Lot Owners voted with not less than an 87% majority to adopt this Second Restated Declaration and Restated Bylaws and that this Second Restated Declaration and Restated Bylaws shall amend, modify, replace, and supersede the Restated Declaration (and the original Declaration) and the original Bylaws;

J. NOW THEREFORE, the Second Restated Declaration and Restated Bylaws, are set forth as follows:

SECOND RESTATED DECLARATION
AND
RESTATED BYLAWS

WHEREAS, the Declarant and the Association are the owners of certain real property known as THE CROSSING, as described on an official plat, recorded as instrument number 721139, in Book 8 of Plats at page 124, records of Bonner County, Idaho, and located in portions of Section 1, Township 55 North, Range 4 West, Boise Meridian, Bonner County, Idaho, and Section 36 Township 56 North, Range 4 West, Boise Meridian, Bonner County, Idaho; now, therefore,

THE LOT OWNERS AND MEMBERS OF THE ASSOCIATION, with the approval of the Declarant, hereby declare that all of the Property, including without limitation the numbered Lots therein, roadways, walkways and the like, shall be held, sold and conveyed subject to the restrictions, covenants, easements and conditions set forth in this instrument for the purpose of protecting the value and desirability of said lots, and which shall run with the real property and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I.
DESIGNATION OF USE

- 1.1 **Residential Lots.** Use of the Property shall be restricted to single family residential lots and associated recreational and maintenance facilities.
- 1.2 **No Further Subdivision.** Except for lots owned by the Declarant, a Lot Owner shall make no further subdivision of any lot. The Declarant reserves the right to further subdivide any lot it owns.
- 1.3 **Future Additions to Subdivision.** The Declarant reserves the right to plat adjoining parcels and to add such platted parcels to the subdivision. The Association shall accept into membership owners of lots in subsequently platted blocks that are made subject to this Declaration, provided such new Members shall be subject to this Declaration, as restated or amended, and to all of the duties, obligations, rights and responsibilities contained herein.
- 1.4 **Declarant's Right to Make Improvements.** So long as the Declarant is in title to a lot on the property, the Declarant shall have the right, in its sole discretion and expense, to make any improvements to the Common Area. The Declarant reserves an easement incident to construction for ingress, egress, temporary and permanent utilities, and physical structures over, under, around and through the Common Area.
- 1.5 **Declarant Sales Office.** So long as the Declarant or assignee is in title to a lot on the Property, the Declarant reserves the right to maintain a sales office on its lot(s) or in the Common Area.

ARTICLE II.
HOMEOWNERS' ASSOCIATION & BYLAWS, ROAD MAINTENANCE, SPECIAL
REQUIREMENTS
(Articles 2.1 – 2.5 are Irrevocable Provisions)

- 2.1 **Homeowners' Association.** The prior Declarant established and the Lot Owners collectively shall maintain the Idaho nonprofit corporation known as **THE CROSSING HOA, INC.** (Association formed under the authority of Chapter 3 of Title 30 of the Idaho Code, known as the Idaho Nonprofit Corporation Act. The principal office of the Association shall be located in the County of Bonner, State of Idaho.
- 2.1.1 **Purpose.** The purpose of the Association shall be to maintain, improve, and regulate the use of real property owned by the Association, to carry out the provisions of the this Second Restated Declaration, and to take any other lawful actions for the benefit of the Association and its Members.
- 2.1.2 **Articles of Incorporation and Bylaws.** The prior Declarant adopted Articles of Incorporation and Articles of Amendment for the Association, which were filed with the Idaho Secretary of State. The Restated Bylaws herein are adopted for the Association and any future amendments shall be recorded in the records of Bonner County, Idaho. A Lot Owner by acceptance of a Deed thereby acknowledges and ratifies the Articles of Incorporation of the Association, as amended and accepts the Restated Bylaws herein.
- 2.1.3 **Priority of Authority.** Notations on the plat map shall supersede and take precedence over any conflicting provision contained herein. The provisions contained in this Second Restated Declaration shall supersede and take precedence over any conflicting provision in the Association's Articles of Incorporation, as amended, and these Restated Bylaws. The Association's Articles of Incorporations, as Amended and Restated Bylaws shall be interpreted in a manner consistent with the provisions contained herein. In the event of ambiguity between these governing documents, preference shall be given first to plat notations, then to this instrument, then to the Articles of Incorporation.
- 2.1.4 **Governing Authority.** The Association through its Board of Directors (Board), shall have the authority to: (a) enforce this Declaration; (b) make improvements to the Property; (c) levy and collect assessments from the Members; (d) enter into contracts as may be necessary or desirable to carry out the provisions of this Second Restated Declaration and Restated Bylaws and the Articles of Incorporation, as amended; (e) establish procedures and policies necessary or deemed desirable to provide for the general welfare, in accordance with the spirit and letter of this Declaration; (f) enforce and carryout the development requirements as set forth in Bonner County Planning Department files S1158-05 and C818-05, as amended; (g) place liens on the real property of Lot Owners who fail to pay dues and assessments, and to enforce such liens through judgment and foreclosure; and (h) hire, retain and dismiss employees, agents or other persons to carry out the purposes of this Second Restated Declaration.

2.2 Duties of Association. The Association shall have the following general duties to its Members.

2.2.1 Maintain and Protect the Property. The Association shall have the duty to maintain the Common Roadways, Common Area, and Association-owned land, structures, and facilities in a safe, functioning, and attractive condition. The Association shall not be liable for crimes, vandalism, or injury suffered by Lot Owners on their property.

2.2.2 Publish Rules and Regulations. The Association shall establish and periodically publish rules and regulations to carry out its duty to maintain and protect the Property. Without limitation, such rules shall provide for use of the RV Parking Area, the Club House, Beach and Swimming Area, Upland Recreation Area and all other Common Areas.

2.2.3 Maintain Erosion Control and Stormwater Management Measures. The Association shall maintain as designed all permanent erosion control and stormwater management measures installed by Declarant.

2.2.4 Road System and Maintenance. All lots within the subdivision shall be accessed from the Common Roadway as defined herein. The Association shall maintain the Common Roadway for the benefit of the Lot Owners and their invitees including but not limited to snow removal, road repair and replacement, stormwater management, erosion control, and eradication of noxious weeds. The Association shall annually budget for road maintenance, adjust the fee schedule to accomplish its routine road maintenance obligations, and make and collect special assessments for necessary capital improvements and replacements.

2.2.5 Parking and Blocking Roads. The Association shall adopt rules for the use of the Common Roadways including a schedule of fines and penalties sufficient to achieve enforcement. Such rules shall provide that, at a minimum, Lot Owners and their invitees are not permitted to park recreational vehicles or store materials in or on the Common Roadways except for (a) temporary purposes with the express written permission of the Association Board, or designee, or (b) in a designated parking area.

2.2.6 Maintain Sewer and Water Systems. The Association shall maintain a large soil absorption system (LSAS) for certain lots as set forth in Article VI, and a water system as set forth in Article VII.

2.2.7 Maintain a Reserve Fund. The Association shall maintain a reserve fund sufficient in scope to defray foreseeable capital expenses for Common Area maintenance.

2.3 Special Requirements. The following special requirements are imposed on Lot Owners and the Association:

2.3.1 Conformance with Land Use Codes. The Association and Lot Owners shall maintain their respective properties in conformance with applicable Bonner County, Idaho land use codes, and relevant statutes and regulations of the state of

Idaho and the United States of America. The following exceptions from the Bonner County Code are permitted:

- 2.3.1.1 **Front and Rear Yard Setbacks.** The six Block 2 "cottage" lots are permitted 20-foot setbacks from the front and rear property line. BCRC Section 12-630(c).
- 2.3.1.2 **Depth to Width Ratio.** Lot 11 of Block 3 may vary from the depth to side ratio of a maximum depth to width of 3:1. BCRC Section 12-2305(b).
- 2.3.1.3 **Other Exceptions.** Other limited exceptions are permitted as set forth in paragraph 7 of Decision Letter of July 14, 2005 in Bonner County Planning Commission file C818-05.
- 2.3.2 **Individual Lot Stormwater/Erosion Control Management.** Lot Owners shall construct and maintain stormwater management systems required by Bonner County on their respective lots. In addition, each individual Lot Owner shall implement any and all drainage, stormwater, and erosion control measures pursuant to the Bonner County-approved stormwater management and erosion control plan as set forth in Bonner County Planning Department files S1158-05 and C818-05.
- 2.3.3 **Wildlife Mitigation.** The Idaho Department of Fish and Game recommends the following wild life mitigation measures:
 - 2.3.3.1 **General Advice.** Residents should avoid attracting bears, raccoons and skunks. Suggested means include cleaning barbecue grills frequently, not leaving pet food outside, not distributing bird feed on the ground, and protecting compost piles and fruit trees. Purposely feeding wild animals creates an unnatural situation and may cause local population increases, which may create an unwanted nuisance for neighboring residents and, eventually, the resident providing the food. Animals will continue to return even if the food is removed. Also, concentrating a large number of animals in a small area can facilitate local disease outbreaks.
 - 2.3.3.2 **Contain Garbage.** Residential garbage shall be stored inside a secure structure or in bear-proof containers.
 - 2.3.3.3 **Retain Timber and Vegetation.** Standing timber and natural vegetation, including snags and shrubs, should whenever possible be retained to provide cover, food, nesting or perching sites for indigenous wildlife.
 - 2.3.3.4 **Control Pets.** Pets shall be restrained from chasing or disturbing wildlife.
- 2.3.4 **Fire Protection Planning.** The Property is located in a wooded, rural area. Therefore, the Association shall remain cognizant of wild fire danger, shall provide fire protection information to Lot Owners from time to time, and

encourages Lot Owners to maintain their Lots in accordance with such fire protection safeguards.

2.3.4.1 **Water Flow.** The Association shall maintain a system of approved hydrants and water sources, and water supply for fire protection as approved by the Sage Fire District or its successor.

2.3.4.2 **No Obstructions.** Access to all water sources for fire protection shall be unobstructed at all times.

2.3.4.3 **Water Source Identification.** Water sources for fire protection, such as hydrants, shall be clearly identified in a manner approved by the Sage Fire District or its successor.

2.3.4.4 **Testing and Maintenance.** Water sources, draft sites, hydrants and other fire protection equipment shall be subject to periodic tests as required by the Sage Fire District or its successor.

2.3.4.5 **Clearance of Fuel.** Lot Owners and the Association are encouraged to maintain defensible space around structures and to utilize fire-resistive vegetation in their landscaping in accordance with safeguards published by the Association and distributed to Lot Owners.

2.4 **Membership and Voting Rights in Association.** The Declarant has adopted Articles of Incorporation, as amended and these Restated Bylaws for the Association.

2.4.1 **Membership.** Every Lot Owner, whether the lot is undeveloped or improved, shall be a Member of the Association and by acceptance of a Deed consents to membership. Membership shall be appurtenant to and may not be separated from the fee ownership of any such lot. Ownership of a lot shall be the sole qualification for membership. Co-owners shall enjoy the benefits of membership and shall be jointly and severally liable for the obligations of membership.

2.4.2 **Transfer of Membership.** A Lot Owner shall not transfer, pledge, convey or alienate the Association membership except to a bona fide successor in interest of the ownership of the lot. A sale of a lot by real estate contract shall constitute a valid transfer of membership to the buyer. A prohibited transfer is void.

2.4.3 **Voting Rights.** There shall be two classes of membership: Class A and Class B. The Declarant, or its successor in interest, shall hold Class B membership for each Lot it owns. All other Lot Owners shall hold Class A memberships.

2.4.3.1 **Class A Membership.** Class A Members shall have one (1) vote in the Association for each Lot owned, such vote to be cast by the Lot Owner. Where co-owners exist, they shall designate in writing, with the Secretary, who shall cast the vote of the Lot Owner. A designation shall remain of record until revoked. Any co-owner may revoke a designation in a writing submitted to the Secretary. The Secretary shall not accept a vote by co-owners who fail to properly designate authority to cast the vote. Fractional votes are not permitted. All co-owners may attend and otherwise participate in Association meetings.

2.4.3.2 Class B Membership. The Class B Member (the Declarant) shall have ten (10) votes in the Association for each Lot owned. The Declarant may designate an agent or agent(s) to cast its votes. Class B membership shall automatically convert to Class A membership upon the earlier of the following: (a) the voting power of Class A Members exceeding that of Class B; (b) the recordation of notice by the Declarant of voluntary conversion; or (c), at 11:59 p.m. on December 31, 2023.

2.4.4 Majority Vote. Except as otherwise set forth herein, a majority of votes of the Members shall be the action of the Association.

2.4.5 Proxy Voting. A Lot Owner may give his proxy to another Lot Owner. Such proxy shall be in writing and delivered to the Secretary prior to any vote. A proxy shall automatically expire on its annual anniversary.

2.5 Actions Reserved to the Members. The following actions are reserved to the Members, voting at a duly noticed meeting of the Association:

2.5.1 Elect and Remove Directors. The Members shall have the exclusive authority to elect and remove directors.

2.5.2 Approve Budget. Upon presentation by the Board, the Members shall adopt an annual budget and any supplemental budgets of the Association. The Members may amend the budget presented by the Board. The Association shall not make expenditures, except emergency expenditures, absent an approved budget. The Board may declare an emergency.

2.5.3 Resolve a Deadlock of the Board. If the Board refers a matter to the Members because of a deadlock on the Board or otherwise, the Members shall have the right and duty to resolve the matter by majority vote.

2.5.4 Amend the Articles of Incorporation and Bylaws. Upon resolution of the Board, the Members may, at a duly called meeting of the Members, amend the Bylaws with a 67% majority of votes, and amend the Articles of Incorporation with a 67% majority of votes.

2.5.5 Limitation of Action. Except as set forth in this Article 2.4, the Members shall take no action except upon resolution of the Board presented to the Members at a duly called meeting of the Members. The Members may amend any resolution presented by the Board.

2.6 Board of Directors.

2.6.1 Management Vested in the Board of Directors. The Board shall govern the Association and shall manage the Property. The Board may, but is not required, to seek the approval of the Members before taking an action other than those actions reserved to the Members in Article 2.5. The Board shall present an annual budget to the Members at least fourteen (14) days prior to an annual or special meeting of the Members.

2.6.2 Budget. The Board shall prepare and the Association shall adopt an annual budget.

2.6.3 Board Determines Rate of Assessment. The Board shall establish the rate of assessment based on the approved annual budget. The Board shall not assess in excess of the funds necessary to fund the budget EXCEPT that the Board shall have the right to fund a capital reserve account for the purpose of making capital improvements, and major or emergency repairs.

2.6.4 Rate of Assessments. Each lot, regardless of size and location, shall bear an equal burden for the general expenses of the Association including but not limited to Common Area maintenance. The Association may, through its Board, levy special assessments disproportionately for particularized services provided to certain Lot Owners or to Lot Owners in a disproportionate manner.

2.6.5 Due Date of Assessments. The annual assessment shall be payable monthly commencing on January 1 and ending December 31st. Payments shall be due on the first day of the month and, if late, shall be subject to a late penalty. Lot Owners may pay in advance. The Treasurer shall send written notice of the assessment to every Lot Owner subject thereto.

2.6.6 Number & Terms. The Board shall consist of no less than three (3) Directors who shall serve staggered three-year terms. Directors shall be elected by the Members at an annual meeting or at a special meeting called for the purpose of electing Directors. Directors shall be Lot Owners, except a non-Lot Owner may be elected if nominated by the Declarant. Co-owners may serve as Directors.

2.6.7 Electing a Director. The President shall call for nominations for Director. The nominee need not be present. A Member may nominate himself or herself. Members shall cast one (1) vote for each position. Where only one (1) Directorship is being filled, the nominee(s) obtaining the most votes shall be elected.

2.6.8 Removing a Director. The Members may remove a Director at any time, for any reason or no reason at all. In the case of removal, the Members shall vote on each Director and the Director shall be removed upon the vote of a majority, excluding the vote of the Director subject to removal.

2.6.9 Vacancies. Any vacancy occurring on the Board may be filled by appointment by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board. A Director appointed to fill a vacancy shall be appointed for the unexpired term of his predecessor in office. The Board may not appoint a Director who has been removed from the Board.

2.6.10 Action of the Board. The votes of a majority of the Board shall be the action of the Board.

2.6.11 Meetings. The Board shall meet from time to time as required to carry out the business of the Association. Meetings of the Board shall be open to Members but Members shall have no right to participate in the meeting.

- 2.6.12 **Notice.** The Board shall, by resolution, adopt notice requirements.
- 2.6.13 **Quorum.** A majority of the number of Directors fixed by Article 5.2 shall constitute a quorum for the transaction of business at any meeting of the Board.
- 2.6.14 **Manner of Acting.** The act of the majority of the Directors present at a duly convened meeting shall be the act of the Board.
- 2.6.15 **Action without a Meeting.** Any action that may be taken by the Board at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed by all of the Directors. This consent requirement may be satisfied by a written resolution adopted by the Directors and signed by all of the Directors.
- 2.6.16 **Compensation.** Directors shall not be compensated but may be reimbursed for expenses incurred in the performance of their duties.
- 2.6.17 **Presumption of Assent.** A Director who is present at a meeting of the Board at which action on any Association matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the Association immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.
- 2.6.18 **Deadlock of the Board.** If Directors are deadlocked, the Board shall refer the matter causing deadlock to the Members at a special or annual meeting.
- 2.6.19 **Referral to Members.** Except as otherwise required herein, the Board may refer a matter to the Members for an advisory vote or final decision.
- 2.6.20 **All Authorized Acts.** The Board may apply any and all power, authority and discretion given a corporate board under the laws of the state of Idaho, as long as such statutory authority is not otherwise inconsistent with the provisions of this instrument or the other governing documents of the Association. In addition the Board take the following specific actions:
- i. **Appoint Agents and Attorneys.** Appoint and employ agents and attorneys as necessary or desirable for the proper administration of the Association or, for any litigation, controversy or uncertainty which may arise in connection with the Association.
 - ii. **Appoint Committees.** Appoint committees to advise the Board and/or to carry out tasks as defined by the Board. The Board may determination the composition of the committee and name its chair.
 - iii. **Engage in Legal Proceedings.** Prosecute, defend or participate in any legal action as principal or otherwise. This power shall include, without limitation, actions for attachment, execution, eviction, foreclosure, indemnity, arrest, and any other proceeding for legal, equitable or injunctive relief.

- iv. **Engage or Dismiss Employees.** Engage and dismiss employees, all upon such terms as the Board shall think fit for the efficient administration of the Association.
- v. **Enter Contracts and Leases.** Enter into binding contracts and leases.
- vi. **Insure the Corporation.** Obtain such insurance as the Board determines is necessary to protect the Association against liability with respect to third persons.
- vii. **Manage Financial Accounts.** Open, maintain and close bank, brokerage, or similar accounts. The authority with respect to all such accounts shall include the authority to make deposits, transfers, and withdrawals.
- viii. **Manage Personal Property.** Purchase, receive, take possession of, lease, sell, assign, endorse, exchange, and release any interest in personal property.
- ix. **Manage Real Estate Transactions.** Purchase, take possession of, lease, sell, convey, exchange, mortgage, and release any interest in real property, EXCEPT the Board shall not sell or encumber the Common Area without express authorization by resolution of the Members.
- x. **Manage Securities.** Purchase, sell, assign, collect, redeem, transfer, or exercise any voting or other rights for stocks, bonds, mutual funds, brokerage accounts, other securities and any kind of US government bond including Series E, Series EE, Series H and Series I bonds.
- xi. **Pay and Settle Claims.** Pay, contest, or settle any claim by or against the Association by compromise, arbitration or otherwise and to release, in whole or in part, any claim belonging to the Association.
- xii. **Pay Taxes.** Perform any and all necessary acts with respect to federal and state taxation. This power includes, but is not limited to the following authority: (a) to prepare, execute, and file any tax return or document required by any federal or state government or taxing authority; (b) to represent the Association before any office of the Internal Revenue Service with respect to all Internal Revenue tax matters for any past or future tax periods, including audits, conferences and litigation; (c) to receive confidential information respecting the Association; (d) to receive, endorse and collect checks in payment of any refund of Internal Revenue tax, penalties, or interest, and execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund; (e) to execute consents extending the statutory period for assessment or collection of taxes; (f) to execute any agreements under the Internal Revenue Code; (g) and to delegate authority or substitute another representative for such tax matters.

- xiii. **Receive Money.** Request, demand, recover, collect, endorse, and receive all moneys, debts, accounts, gifts, bequests, dividends, annuities, rents, and payments due the Association.
- xiv. **Repair Property.** Make ordinary or extraordinary repairs, alterations or improvements in buildings or other Association property including but not limited to demolition.
- xv. **Sign for the Association.** Sign, acknowledge and deliver written instruments as may be necessary or desirable in the exercise of the powers granted herein.

2.6.21 **Elect Officers.** The Board shall annually elect Officers. There shall be a President, Vice-President, Secretary and Treasurer. No Officer may hold more than one office except one Officer may be both Secretary and Treasurer. The duties of office shall be expressed in the Bylaws. An Officer may be removed by the Board of Directors upon the vote of a majority, excluding the vote of the Officer subject to removal.

2.6.22 **Number of Officers.** The Officers of the Association shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be elected by the Board of Directors. No Officer may hold more than one office except one Officer may be both Secretary and Treasurer.

2.6.23 **Election and Term of Office.** The Officers of the Association shall be elected annually by the Board at the first meeting of the Board held after each annual meeting of the Members, or as soon thereafter as practicable. Each Officer shall serve a three-year term and hold office until his term is ended, or his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed as an Officer or Director.

2.6.24 **President.** The President shall be the principal executive officer of the Association and, subject to the control of the Board, shall supervise and control all of the business and affairs of the Association. He shall, when present, preside at all meetings of the Members and of the Board. He may sign, with the Secretary or any other proper Officer of the Association who is so authorized by the Board, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other Officer or agent of the Association, or shall be required by law to be otherwise signed or executed. In addition, and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.

2.6.25 **Vice-President.** In the absence of the President or in event of his death, inability or refusal to act, the Vice-President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

- 2.6.26 **Secretary.** The Secretary shall: (a) Keep the minutes of the proceedings of the Members and of the Board in one or more minute books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records; (d) Keep a register of the post office address of each Member which shall be furnished to the Secretary by such Member; and (e) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.
- 2.6.27 **Treasurer.** The Treasurer shall: (a) Have charge and custody of and be responsible for all funds and securities of the Association; (b) Send notices of assessments due to all Lot Owners; (c) Receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such funds in the name of the Association in such banks, trust companies or other depositories; and (d) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such sureties as the Board of Directors shall determine.
- 2.6.28 **Compensation of Officers.** The officers shall not receive compensation but may be reimbursed for expenses incurred in the performance of their respective duties.
- 2.6.29 **Checks and Internal Controls.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the President or Vice President, as determined by resolution of the Board. The Treasurer or designee shall have exclusive control and possession of blank checks and shall fill out the payee and issue the check to the authorized signatory for execution. A signatory shall not possess blank checks.
- 2.6.30 **Deposits.** All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.
- 2.6.31 **Contracts.** The Board may authorize any Officer or Officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.
- 2.6.32 **Loans.** No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.
- 2.6.33 **Fiscal Year.** The fiscal year of the Association shall begin on the first day of January and end on the thirty-first day of December.

2.6.34 Indemnity: The Association shall indemnify its Directors, Officers and employees as follows: (a) Every Director, Officer, or employee of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection with any proceeding to which he may be made a party, or in which he may become involved, by reason of his being or having been a Director, Officer, employee or agent of the Association or any settlement thereof, whether or not he is a Director, Officer, employee or agent at the time such expenses are incurred, except in such cases wherein the Director, Officer, or employee is adjudged guilty of willful misfeasance or malfeasance in the performance of his duties; provided that in the event of a settlement the indemnification herein shall apply only when the Board approves such settlement and reimbursement as being in the best interests of the Association. (b) The Association shall provide to any person who is or was a Director, Officer, employee, or agent of the Association or is or was serving at the request of the Association as a Director, Officer, employee or agent of the Association, partnership, joint venture, trust or enterprise, the indemnity against expenses of suit, litigation or other proceedings which is specifically permissible under applicable law. (c) The Board may, in its discretion, direct the purchase of liability insurance by way of implementing the provisions of this Article.

2.7 Membership.

2.7.1 Compensation of Officers: The officers shall not receive compensation but may be reimbursed for expenses incurred in the performance of their respective duties.

2.7.2 Annual Meeting: The annual meeting of the Members shall be held on a duly noticed date each year falling in the month of October, at which time the Members shall elect Directors. The Members may consider an annual budget for the calendar year beginning on January 1st of the succeeding year. In the alternative, the Members shall adopt an annual budget prior to the beginning of next fiscal year at a special meeting of the Members called for the purpose of adopting the annual budget.

2.7.3 Special Meetings: Special meetings of the Members for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the petition of no less than twenty-five percent (25%) of the Members.

2.7.4 Place of Meeting: Meetings shall be held in the designated Association office or as otherwise designated by the Board and set forth in the notice of meeting. The Association may recess a meeting and reassemble in any location to which a majority of Members shall agree. A Member may attend by telephone conference or other communications whereby all persons participating in the meeting can hear one another.

2.7.5 Notice of Meeting: Written notice stating the place, day and hour of the meeting and, in the case of a special meeting, the purpose for which the meeting is called, shall unless otherwise prescribed by statute, be delivered not less than fourteen (14) nor more than twenty-eight (28) days before the date of the meeting, to each

Member entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the Member at his address as it appears in the Association records, or served on the Member's person. Where lots are held in joint or common tenancy, each Lot Owner shall be entitled to notice. A Member's attendance at a meeting, other than to register an objection to proper notice, shall constitute a waiver of notice.

2.7.6 Quorum. The presence in person or by proxy of Members representing thirty percent (30%) of the lots shall constitute a quorum at a meeting of Members. If less than a quorum is represented at such meeting, a majority of the Members entitled to vote may adjourn the meeting from time to time without further notice.

2.7.7 Proxy Voting. At all meetings of Members, a Member may vote in person or by proxy executed in writing by the Member or by his duly authorized attorney-in-fact, conservator or trustee. Such proxy shall be voted by the designee. The Member or designee shall file the proxy with the Association Secretary and shall be effective upon filing. The proxy shall be effective for one (1) year unless a different term is set forth in the proxy, in which case the stated term shall apply. A Member may terminate a proxy at any time by filing a written notice of termination with the Association Secretary. The termination shall be effective upon receipt by the Secretary.

2.7.8 Agents and Trustees. A Member's agent under a power of attorney, trustee or conservator may cast the Member's vote and participate in a meeting, but shall not hold office in the Association.

2.7.9 Manner of Acting. Except as otherwise provided herein or in the Articles of Incorporation, the act of the majority of the Members present at a duly convened meeting shall be the act of the Association.

2.7.10 Action of Members without a Meeting. Any permitted or required action may be taken without a meeting if all Members who are entitled to vote consent to the action by signature on a writing that sets forth the action so taken.

2.7.11 Record of Membership. The Association Secretary shall maintain a record of Membership. Such record shall contain the name(s) of the Lot Owner(s), notice address(es), and the name of the owner who cast the vote for the lot.

2.8. Insure Against Foreseeable Liabilities. The Association shall have the further duty to insure against foreseeable liabilities. Premium expenses shall be deemed a common expense of the Association to be included in the regular assessments levied by the Association. In addition the Board shall have the right to adjust any minimum insurance limits from time to time as it deems necessary or desirable. The Association shall obtain insurance from reputable insurance companies authorized to do business in the State of Idaho, and maintain in effect any insurance policy the Board deems necessary or advisable including, without limitation, the following policies of insurance:

2.8.1 Fire Insurance. Fire insurance including those risks embraced by coverage of the type known as the broad form "All Risk" or special extended coverage endorsement on a blanket agreed amount basis for the full insurable replacement

value of all Improvements, equipment and fixtures located within the Common Area.

- 2.8.2 **Liability Insurance.** Comprehensive public liability insurance insuring the Board, the Association, the Declarant and the individual grantees and agents and employees of each of the foregoing against any liability incident to the ownership and/or use of the Common Area in such amounts as the Board shall determine.
- 2.8.3 **Directors and Officers.** Full coverage directors' and officers' liability insurance with limits in such amounts as the Board shall determine.
- 2.8.4 **Other Insurance Policies.** Such other insurance, including motor vehicle insurance and Workers' Compensation insurance, to the extent necessary to comply with all applicable laws and indemnity, faithful performance, fidelity and other bonds as the Board shall deem necessary or required to carry out the Association functions or to insure the Association against any loss from malfeasance or dishonesty of any employee or other Person charged with the management or possession of any Association funds or other property.
- 2.8.5 **Association as Trustee.** The Association shall be deemed trustee of the interests of all Lot Owners in connection with any insurance proceeds paid to the Association under such policies, and shall have full power to receive such Lot Owner's interests in such proceeds and is required to distribute such proceeds as it deems appropriate to the individuals.

ARTICLE III.

COVENANT FOR MAINTENANCE ASSESSMENTS

- 3.1 **Creation of Lien and Personal Obligation.** The Declarant hereby covenants, and each Lot Owner by acceptance of a Deed, whether or not it shall be so expressed in such Deed, is deemed to covenant and agree to pay to the Association assessments as provided in this Second Restated Declaration. The assessments levied by the Association and any other charges properly assessed by the Association against the Lot Owner, together with interest, costs and reasonable attorney fees shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment or charge is made, senior to all liens and debt instruments recorded subsequent to this Second Restated Declaration. Such assessment or charge, together with interest, costs and reasonable attorney fees shall also be the personal obligation of the person who was the Lot Owner at the time when the assessment or charge fell due.
- 3.2 **Purpose of Assessments.** The assessments levied by the Association shall be used exclusively for the purpose of carrying out the general duties and powers of the Association, including without limitation, operation, maintenance, repair, reconstruction, restoration, replacement, or alteration of the Property; hiring and retaining employees, agents, and contractors; and purchasing equipment, materials, and services such as Internet bandwidth and television. In addition, the Association may include in any assessment the cost of (a) general liability insurance; (b) insuring its officers and Directors; (c) insuring its property against loss; (d) the costs of enforcement of this

Second Restated Declaration including reasonable attorney fees; (e) property and other taxes levied against the Association; (f) debt service for monies borrowed for the improvement of the Common Roadways and other Common Area; and (g) such reasonable reserves as the Board deems necessary.

- 3.3 **Rate of Assessment.** Each lot, regardless of size and location, shall bear an equal burden for the general expenses of the Association including but not limited to Common Area and Common Road maintenance. The Association may, through its Board, levy special assessments disproportionately for particularized services provided to certain Lot Owners or to Lot Owners in a disproportionate manner. The Association may, but shall not be required to make available special services to Lot Owners at a specified cost such as concierge, vacation security, and property maintenance.
- 3.4 **Initial Assessment Upon Purchase from Declarant.** The Initial Assessment shall be \$400.00, due upon conveyance of the lot from the Declarant or its successor to the initial buyer and payable at closing. The Initial Assessment shall be used for the purpose of providing initial capitalization of the Association. The initial assessment is in addition to the Annual Assessment.
- 3.5 **Rate of Annual Assessments.** The initial Annual Assessment for the year 2013 shall be \$1,200.00 (\$100.00/month), with the Annual Assessment thereafter set by the Board, but said rate shall not increase more than 10% per year without a two-thirds majority (67%) approval of the Lot Owners. The Annual Assessment shall be payable semi-annually on January 1 and July 1 of each year for each Lot commencing upon the conveyance from the Declarant or its successor Declarant. For each semi-annual assessment not paid within 10 days of its due date, an additional late fee of five percent (5%) shall be due. The Board shall annually set the rate of assessment.
- 3.6 **Transfer Assessment.** The Association shall levy a transfer assessment in the amount of one month of membership dues (annual assessment) upon the transfer of a lot subsequent to the initial conveyance from the Declarant. The purpose of the transfer assessment is to defray the costs of administration in documenting the ownership change in Association records, providing the new homeowner a current set of governing documents including the rules and regulations, and providing an orientation to the Common Area and facilities, if offered.
- 3.7 **Special Assessments.** Upon authorization of a majority of Members, voting at a duly noticed meeting of the Members, the Board may levy a special assessment from time to time when the current assessment is deemed insufficient for the Association to carry out its obligations under this instrument and the Bylaws.
- 3.8 **Remedies for Non-Payment.** The Association shall have authority to apply any and all rights and remedies at law and in equity to collect delinquent assessments, fees, dues, fines, and interest not paid within thirty (30) days of its due date. The Board may provide notice to a Lot Owner's mortgagee of a delinquency, action required to cure the delinquency, and the Association's remedies if the delinquency is not cured. No Lot Owners may waive or otherwise escape liability for the dues and assessments provided for herein by non-use of the Common Area, or abandonment of a lot.

- 3.9 **No Assessment on Declarant.** Notwithstanding the provisions of this article, the Declarant shall not be assessed for any Lot it owns. The Declarant may make up any budget shortfalls in the operating budget through direct contribution to the Association, but the Declarant shall not be required to contribute to any capital fund or future reserve.

ARTICLE IV, DWELLINGS, STRUCTURES AND IMPROVEMENTS

- 4.1 **Architectural Control.** No building, fence, wall or other structure shall be commenced, erected or maintained upon the property, nor shall an exterior addition to or change or alteration therein be made until the plans and specifications have been submitted to and approved by the Association's Board or designee. The Board shall appoint a Design Review Committee (DRC) to review said plans and specifications and shall delegate authority to the DRC for such purposes. The Board may appoint itself as the DRC.
- 4.2 **Design Review Committee.** The DRC shall consist of no less than three (3) members who are Lot Owners EXCEPT, unless and until the Declarant has conveyed ninety percent (90%) of the lots, the Declarant shall exercise the sole authority of the DRC. The initial DRC shall consist of Milton Drake, Tom Puckett, and Teague Mullen. DRC members shall serve staggered three-year terms and no member may serve more than two consecutive terms. The Board may retain an architect or an individual with substantial residential design experience to serve as a consultant to the DRC.
- 4.3 **Architectural Considerations.** The DRC shall consider the nature, kind, shape, height, materials and location of the submitted structure. The Committee shall further consider the quality of materials, harmony of external design and location in relationship to surrounding structures and topography.
- 4.4 **Architectural Guidelines.** The Declarant shall publish architectural guidelines (Design Guidelines). The Design Guidelines may be amended by the Board upon recommendation of the DRC but shall be no less restrictive than the building standards set forth herein. In the event of a conflict in interpretation between this Article IV and the Design Guidelines, the Design Guidelines shall control.
- 4.5 **Building Standards.** The following minimum building standards shall apply. The Design Guidelines may exceed these standards. The DRC shall have discretion to grant relief from these minimum standards in particular cases for good cause:
- 4.5.1 **Building Code and Inspection.** All dwellings and structures shall comply with state and local building standards as applicable. All dwellings and structures shall be inspected if a building inspection is required by the State of Idaho and/or Bonner County, Idaho. Electrical and plumbing inspections are required. Absent County inspection, private inspections of foundation and framing are encouraged.
- 4.5.2 **Building Height.** No building, except buildings constructed by the Declarant, shall be more than thirty-five (35) feet in height, from the entry level finished floor to the mid-point of the roof's pitch.

- 4.5.3 **Building Permit.** Construction shall not commence on any structure without an applicable building permit or building location permit issued by Bonner County, Idaho.
- 4.5.4 **Floor Space.** There is no minimum or maximum floor space requirements (square footage), but all dwellings and structures shall be of a size and dimension harmonious with the Lot dimensions and layout.
- 4.5.5 **Mobile and Manufactured Homes Prohibited.** An owner shall not construct or maintain on the property a mobile or manufactured home, as such terms are defined herein.
- 4.5.6 **Modular Homes Prohibited.** An owner shall not construct or maintain on the property a modular home, as such term is defined herein.
- 4.5.7 **Set Backs.** Structures shall comply with the set backs shown on the face of the recorded plat. In the event that setbacks for a lot are not indicated on the face of the plat, the structure shall comply with the minimum setbacks as required by Bonner County Code, as amended, and as modified in Article 2.3.1 herein.
- 4.5.8 **Temporary Structures Prohibited.** Temporary structures are prohibited except for trailers used by contractors while a dwelling is Actively Under Construction as defined in Article XIV.
- 4.6 **Design Standards.** Lot Owners shall comply with the Design Guidelines in effect upon the submission of plans and specifications.
- 4.7 **Procedures for Submission and Approval of Plans.** Lot Owners shall comply with the procedures for submitting plans and specifications as set out in the Design Guidelines in effect at the time of submission.
- 4.8 **Grounds for Disapproval.** The DRC shall have the right to disapprove any plans and specifications submitted hereunder for any one of the following reasons:
- 4.8.1 **Failure of Submission.** The plans or specifications submitted are inadequate to fairly evaluate the proposal and/or the Lot Owner has failed to supply information requested by the DRC.
- 4.8.2 **Violation of Covenants.** The plans or specifications violate a provision of this Second Restated Declaration.
- 4.8.3 **Incompatible Design or Materials.** The exterior design, appearance, materials, color scheme, finish, proportions, style of architecture, height, bulk, or appropriateness of the proposed structure is incompatible with the surrounding structures, topography, or Design Guidelines.
- 4.8.4 **Incompatible Site Design.** The location of the structure, parking areas, grading, or landscaping is incompatible with the surrounding structures and topography.
- 4.8.5 **Incompatible with the Development Design.** The structure or proposed uses are incompatible or not in harmony with the general plan of improvement of the subdivision, or with structures or uses located upon other lots in the vicinity.

- 4.9 **Exceptions.** The DRC may modify these standards with respect to the plans and specifications for any particular lot or dwelling unit if the strict application of these standards would create an undue hardship on the Lot Owner, or would create a result inconsistent with the appearance or uses of other lots on the property.
- 4.10 **Cost of Design Review.** The Board may establish a fee for design review. Such fee shall be calculated to defray the costs of the Association of plan review and technical assistance.
- 4.11 **No Waiver of Future Approvals.** The approval of the DRC to the plans and specifications as to one dwelling or phase of construction shall not be deemed to constitute a waiver of any right to withhold approval or consent to any similar plans and specifications subsequently or additionally submitted by a Lot Owner.
- 4.12 **Construction of Unapproved Structure.** A structure or site plan that is commenced, altered, erected, placed or maintained upon a Lot without the approval of the DRC shall be deemed a violation and breach of this covenant. Upon written notice from the DRC, the Lot Owner shall remove such structure or otherwise bring the structure or site plan into compliance. If, within fifteen (15) days of notice, the Lot Owner has failed to remove or terminate the violation, or has failed to take reasonably meaningful steps to do so, the Association shall have right through its designated agents to enter upon such lot and remove or otherwise extinguish the violation. The cost of such removal shall be borne by the Lot Owner personally and shall constitute a lien upon the land. Such lien shall be recorded in the records of Bonner County, Idaho. Upon the Lot Owner's request, the Board shall afford a Lot Owner a hearing before taking any remedial action.
- 4.13 **Maintenance and Repair Obligations.** Each Lot Owner shall have a continuing duty to maintain, repair, replace and restore areas under his or her exclusive control in a neat, sanitary and attractive condition. The area of exclusive control means the dwelling unit and lot. After notice and hearing, the Board shall have the right to remove or otherwise remedy any condition found to be (a) dangerous, unsafe, unsightly or unattractive; or (b) that falls out of compliance with approved plans and specifications for any reasons including lack of maintenance; or (c) a prohibited structure or activity. The cost of remedial action shall be born by the Lot Owner. Failure to timely reimburse the Association for such costs of remediation shall be cause for the Board to levy a special assessment on the Lot Owner.
- 4.14 **Non-liability of Board Members.** The Declarant, the Board, and members of the DRC shall not be liable to the Association or to any Lot Owner for any loss, damage or injury arising out of or in any way connected with the performance of their respective duties hereunder, unless due to willful misconduct or bad faith.

ARTICLE V. COMMON AREA

- 5.1 **Common Area Designation.** The Common Area consists of the Common Roadway, Trails, Open Spaces, Boat Storage and RV parking, and attendant recreational and

maintenance facilities, and any other areas designated Common Area or recreational easement on the plat map. In addition, the Association may acquire and own in fee simple or by easement additional real property, facilities and structures that shall be maintained by the Association for the benefit of Lot Owners.

- 5.2 **Easement to Common Area.** Every Member of the Association shall have a nonexclusive easement to the designated Common Area, including without limitation the Common Roadway and Trails, for the limited purpose of ingress, egress, and recreation. Such easement shall be appurtenant to and shall pass with title to every lot, subject to the right of the Association to limit and control the use of the Common Area through rules and regulations established by the Board.
- 5.3 **Easement for Declarant.** Notwithstanding the limitation in paragraph 5.2, the Declarant hereby reserves a mutual non-exclusive easement for ingress, egress and utilities including, without limitation, public and private utilities, under, over, across and through the Common Area for additions to the subdivision located within or without the boundaries of the plat map.
- 5.4 **Reservation of Easement for Water Association.** The prior Declarant reserved for the benefit of THE DUFORT WATER ASSOCIATION, INC., an Idaho nonprofit corporation (DWA), an exclusive easement for the acquisition and distribution of potable water on, over, under, across and through the Common Area for pipes, buildings, reservoirs, pumps, storage tanks, and related facilities. Said reservation includes an easement for ingress and egress over the Common Area for the purpose of installation and maintenance of the water facility.
- 5.5 **Water and Sewer Utility Easement for Willow Bay Holdings, LLC.** The prior Declarant reserved for the benefit of Willow Bay Holdings, LLC, its successors, agents, and assigns, a water and sewer utility easement appurtenant to and for property located adjacent to the Property (known as Willow Bay Marina and Resort) and described in a warranty deed recorded on June 2, 2005 as instrument number 678075, records of Bonner County, Idaho.
- 5.6 **Yacht Club Access.** The prior Declarant granted Willow Bay Holdings, LLC, and its lessee, Willow Bay Yacht Club, Inc., and their respective employees, agents, successors, and assigns, a license for ingress, egress and utilities, for the limited purpose of construction, maintenance, and operation of slips, tie downs, moorage and navigational aids. This license shall be limited to construction and maintenance personnel and shall not extend to access for Yacht Club members who are not Lot Owners or are not the Lot Owners' guests, or invitees. The Association may, at its discretion, grant Yacht Club members who are nonresidents a license to enter the Property. The Declarant reserves the right to modify or terminate the license, on such terms solely in the Declarant's discretion.
- 5.7 **Damage to Common Property.** Each Member shall be liable to the Association for any damage to the Common Area or Common Roadway not fully reimbursed to the Association by insurance proceeds arising out of or caused by the willful, negligent or accidental act of any Lot Owner, his family or invitees. Repair or replacement shall be

done at the Lot Owner's expense, or after notice and hearing, a special assessment shall be levied by the Board against the Lot Owner and his lot.

- 5.8 **Parking and Blocking Roads.** The Association may adopt rules for the use of the Common Area including a schedule of fines and penalties sufficient to achieve enforcement.
- 5.9 **Noxious Weed Control.** The Association shall destroy and control for noxious weeds in Common Area. Weed control shall comply with applicable Bonner County and Idaho state regulations.
- 5.10 **Nuisance Birds.** The Association and its Members shall avoid attracting nuisance birds.

ARTICLE VI. SEPTIC AND SEWER SYSTEM

- 6.1 **Private Facilities.** Except for Lots designated in Article 6.2, each Lot Owner shall construct a septic system contained entirely within the lot boundaries and within the applicable set back requirements. No dwelling shall be occupied unless there is an operable septic system in compliance with the regulations of Panhandle Health District.
- 6.2 **Common Facility.** Lots 1-8 in Block 1, 1-6 in Block 2, 1-14 in Block 3, Open Space Tract D, and other properties serviced by an easement shall be served by a large soil absorption system (LSAS) owned and maintained by the Association. Lot Owners and others licensed to use the common facility shall share the costs of maintenance and operation proportionately. The Association shall determine proportionality, publish a fee schedule, and establish rules, regulations, and construction standards. The initial connection fee shall be \$2,500.00. The connection fee is payable one-half (50%) upon closing and one-half (50%) upon application for design committee approval. The Association may adopt rules and regulations or separate resolutions by action of the Board. PERIODIC SERVICE FEES FOR THE COMMON SEWER FACILITY ARE NOT INCLUDED IN THE ASSOCIATION'S ANNUAL ASSESSMENT.
- 6.3 **Responsibility for Maintenance.** The Association shall maintain the common sewer system and associated sewer facilities to the lot boundary, or to the boundary of any adjacent property using the system. Lot Owners constructing a private septic system shall be solely responsible for construction and maintenance.
- 6.4 **License for Maintenance.** A Lot Owner with a private septic system, and any user of the common sewer facility, by hooking on to said system, shall be deemed to have granted the Association, its successor, agents, employees and assigns, an irrevocable license on, over, under, across and through their respective properties and structures for the purpose of maintaining the sewer facilities. No compensation shall be paid for any use of this license. A Lot Owner shall reimburse the Association for any reasonable costs of repair.
- 6.5 **Documentation.** Lot Owners with private septic systems shall provide the Association with "as built" drawings of the system and relevant operation manuals in order that the Association may maintain the system in an emergency.

ARTICLE VII. WATER SYSTEM

- 7.1 **Water Association.** Lot Owners shall be served with potable water by the Dufort Water Association, Inc. (DWA), an Idaho non-profit corporation established on August 29, 2006.
- 7.2 **No Individual Wells.** A dwelling shall not be occupied unless under active service by DWA. Lot Owners shall not drill water wells on their lots.
- 7.3 **Deemed Membership.** Upon accepting title to a lot, the Lot Owner shall be deemed a member of the DWA and shall have a duty to execute a membership application at closing.
- 7.4 **Connection Fee.** The initial connection fee shall be \$5,000.00. The connection fee is payable one-half (50%) upon closing and one-half (50%) upon application for design committee approval. The connection fee and terms of payment may be modified as set forth in the DWA's rules and regulations or by separate resolution of its Board.
- 7.5 **Connection Requirement.** A Lot Owner shall be connected to the water system no later than commencement of construction of a dwelling unit. "Commencement" means ground disturbing activities.
- 7.6 **Rules and Regulations.** Membership in the DWA, or its successor, shall be governed by the entity's rules, regulations, bylaws and other governing documents.
- 7.7 **Fees and Assessments.** Lot Owners shall pay the fees and assessments set forth in the governing documents of the DWA and shall abide by its rules and regulations. WATER SERVICE IS NOT INCLUDED IN THE CROSSING HOA, INC.'s ANNUAL ASSESSMENT. FEES FOR WATER SERVICE ARE CONTAINED IN THE RULES AND REGULATIONS OF THE DWA.
- 7.8 **Maintenance License.** Lot Owners and the Association hereby grant the DWA, its successor, agents, employees and assigns, an irrevocable license on, over, under, across and through their respective properties or structures for the purpose of maintaining, expanding, and/or repairing the water system. No compensation shall be paid for any use of this license.

ARTICLE VIII. PROHIBITED USES AND ACTIVITIES

The following uses and activities are prohibited:

- 8.1 **Nuisances.** No noxious or offensive activity shall be carried on, in or upon any lot or dwelling unit. A nuisance shall be broadly defined as any activity that creates a noxious or offensive odor, noise or visual effect, or otherwise substantially interferes with another Lot Owner's quiet enjoyment. A nuisance shall include, without limitation, failing to silence or isolate an excessively barking dog.
- 8.2 **Activity that Increases Insurance Rates.** Nothing shall be done or kept on the property, lot, or dwelling unit that will increase the rate of insurance on any property insured by the

Association without the approval of the Board. Likewise, nothing shall be done or kept that would cause the cancellation of the Association's policies of insurance.

- 8.3 **Animals.** Animals and pets shall not be kept, bred or maintained for commercial purposes or in unreasonable quantities, nor in violation of the rules and regulations of the Association. Pigs are specifically prohibited.
- 8.4 **Dirt Bikes, All Terrain Vehicles, and Snowmobiles.** Dirt bikes, as defined herein, all terrain vehicles (commonly known as an ATV or UTV or side by side), and snowmobiles shall not be ridden on or in the Common Areas or Trails except for areas or trails as specifically designated by the Board. Such vehicles may be used on the Common Roadways, so long as registered and insured for such under the laws of the State of Idaho.
- 8.5 **Discharge of Firearms.** Owners shall not discharge a firearm on the Property except in defense of self or others. Shooting ranges are expressly prohibited.
- 8.6 **Excavations and Building Materials.** Excavation is prohibited except as necessary for construction of a dwelling and associated landscaping and hardscaping. Storage of building materials, including but not limited to sand, gravel, top soil, lumber, roofing, windows and doors, shall be permitted only while a structure is actively under construction.
- 8.7 **Firewood.** Firewood, manufactured logs, and the like shall be stored within the dwelling unit or garage, or otherwise screened from public view.
- 8.8 **No Hunting.** Hunting on the Property is prohibited.
- 8.9 **Operating a Business.** Lot Owners and their invitees shall not conduct a business or commercial activity on the Property except for a "home occupation" as described and limited in Section 12-202 of the Bonner County Revised Code and as subsequently amended. A "bed and breakfast" shall be deemed a prohibited commercial activity regardless of Bonner County Revised Code.
- 8.10 **Rental.** Notwithstanding any other limitation herein, a Lot Owner may rent their improved lot as a vacation rental, so long as the term of the rental is not less than seven consecutive days in length and with written notice given to the Association not less than 21 days prior to the occupancy by the tenant, setting forth the tenant's name, address, and length of stay, and proof of liability general insurance and vehicle insurance. The Lot Owner shall be responsible for all conduct of the tenant.
- 8.11 **Posting Signs.** Signs, billboards, posters, reader boards and the like are prohibited except for small owner identification and address signs, and typical signs necessary for the sale of a lot as defined in the Rules and Regulations.
- 8.12 **Storing Wrecked Vehicles.** Wrecked, disabled, or unlicensed vehicles shall not be stored on or within the Property unless such vehicles are stored in a fully enclosed building.
- 8.13 **Trash.** No rubbish, trash or garbage or other waste material shall be kept or permitted upon any lot or dwelling unit except in sanitary containers located in areas concealed from public view, or appropriately screened. Lot Owners shall control for odors and protect containers from animals. Containers may be placed in public view for the limited

purpose of trash collection for up to twelve (12) hours. Lot Owners shall be responsible for the timely collection of any trash that escapes containment. Containers used for dwelling construction trash shall be subject to the Design Guidelines.

- 8.14 **Recreational Vehicles.** Recreational vehicles, as defined herein, shall be subject to use limitations and restrictions and limited to specific lots and areas within the Property as specifically designated by the Board. Such vehicles may be used on the Common Roadways, so long as registered and insured for such under the laws of the State of Idaho.
- 8.15 **Fireworks.** The ignition of fireworks upon the Lots and Common Area within the subdivision is prohibited, except pursuant to written approval of the Board for a public display in a designated area(s).
- 8.16 **Fires.** Open burning or fires upon the Lots and Common Area within the subdivision shall be subject to Rules and Regulations adopted by the Board for such conduct. This restriction, shall be in addition to, and may be more restrictive than, burning rules imposed by the State of Idaho or other governmental jurisdiction.

ARTICLE IX. NO EASEMENTS IN FAVOR OF THIRD PARTIES.

Except as otherwise set forth herein or on the plat, the Owners individually or collectively, and the Association, shall not grant an easement for ingress or egress through the Property to a third party that owns a lot or parcel outside the boundaries of the Property. Any such grant made in violation of this provision shall be voidable by any Owner or the Association. The Association, through its Board, may grant a utility easement to one or more owners of property outside the boundaries of the Property.

ARTICLE X. CONDEMNATION

In the event of any partial taking by a governmental body or other entity that has the power of eminent domain that involves a taking of all or part of the improvements to the Property, each Lot Owner agrees, by acceptance of a deed to such lot, whether or not it is so expressly stated in such deed, that the Association shall have and shall be deemed to have an interest in proceeds to be paid for such taking in the amount necessary to repair, restore or replace the portion of such improvements so taken as near as practicable to a functional whole to serve the same purpose after such taking as the facility so taken served prior to such taking. To the extent that the Association does not receive its own award or payment from the condemning authority or the award or payment received is inadequate to cover the cost of repair, restoration or replacement of such improvements, each Lot Owner receiving such award or payment shall pay to the Association pro rata from their awards or payments the amount necessary for the Association to complete such repair, restoration or replacement of such improvements. In the event that the awards or payments received from such condemnation are inadequate to pay the entire cost to complete such repair, restoration or replacement of such improvements, then the remaining cost shall be assessed against all Owners in proportion to their respective

assessment shares. All amounts due to the Association under this article shall constitute a lien against the Lot Owner's property.

ARTICLE XI. ENFORCEMENT

Lot Owners individually and collectively, and the Association as an entity, are entitled to the protections provided hereunder and shall, therefore, each be entitled to enforce in law or equity any breach of these covenants. Time is of the essence and these covenants shall be subject to declaratory and/or injunctive relief and/or specific performance. In addition, a party in breach shall be subject to a claim for monetary damages reasonably foreseeable from the breach. The prevailing party shall be entitled to recover the costs of enforcement including reasonable attorney fees from the non-prevailing party subject to the following condition: a party seeking relief shall be entitled to automatic recovery only if it gives the party in breach notice of intent to enforce these covenants in law or equity and provides the party in breach no less than thirty (30) days to cure the breach before such action is commenced. Notice of intent shall be by certified mail, postage prepaid, return receipt requested, to the party's address of record with the Association. Such notice shall set forth the alleged breach with sufficient particularity that the alleged breach can be cured. The notice period is waived where the alleged breach constitutes an immediate danger to the health and safety of Lots Owners and their invitees.

ARTICLE XII. MODIFICATION OF RESTRICTIONS

- 12.1 **Covenant.** All of the restrictions contained herein shall be deemed to be covenants running with the land and shall endure and be binding upon all Lot Owners, their successors and assigns.
- 12.2 **Irrevocable Provisions.** Articles 2.1 through 2.5 of this Declaration shall be irrevocable (but are modifiable as to the period of Declarant's Class B shares).
- 12.3 **Declarant Modification.** Except for Articles 2.1 - 2.5 herein, the Declarant may modify this Declaration during the period which it holds Class B shares.
- 12.4 **Homeowner Modification.** Provisions of this Declaration, other than those set out in Articles 2.1 through 2.5, may be modified at any time by a vote of two-thirds (67%) or more of the Lot Owners voting at a duly called membership meeting AND, so long as the Declarant holds Class B shares, the Declarant's approval. This Declaration may be modified commencing on the fifth anniversary of its recordation, and every fifth anniversary thereafter, by a vote of a majority of the Lot Owners, voting at a duly called membership meeting; AND, so long as the Declarant holds Class B Share, the Declarant's approval. The modification period shall expire at 11:59 p.m. on the last day of the sixth month following the anniversary date. The modification must be adopted within the modification period and recorded within 14 days of its adoption. The modification shall reference this Declaration by recording number and all prior modifications thereto.

- 12.5 **Binding Effect.** Any modification to this Declaration, made in conformance with the provisions of this article, shall be binding upon all Lot Owners from and after the date of recordation regardless of the Lot Owner's consent to such modification.

ARTICLE XIII. MISCELLANEOUS PROVISIONS

- 13.1 **Assignment.** The Declarant shall have the right to assign its duties, obligations and interests as set forth herein.
- 13.2 **Conflicts with Government Ordinance.** A Bonner County ordinance that conflicts with a provision herein shall take precedence unless the provision in this Declaration is more restrictive, in which case this Declaration shall take precedence.
- 13.3 **Compliance with Plat Requirements.** No provision herein or resolution by the Association shall be construed to conflict with the requirements set forth in the final plat of the Property.
- 13.4 **No Public Dedication.** Except as otherwise shown on the plat, nothing contained in this Declaration shall be deemed a gift or dedication of any portion of the Property to or for the general public. The roads within the Property are private.
- 13.5 **Captions and Titles.** The captions and titles are for convenience and reference only. They shall not define, limit or construe the contents of any provision.
- 13.6 **Governing Law and Severability.** This Declaration is established under, and shall be governed by the laws of the State of Idaho. Any provision prohibited by law or unenforceable shall not affect the remaining provisions of the Declaration.

ARTICLE XIV. DEFINITIONS

"Accessory Structure" means any structure not directly attached to the residence to which it is appurtenant.

"Actively Under Construction" means regular, diligent and periodic activity.

"Association" means The Crossing HOA, Inc., its successors and assigns.

"Board" means the Board of Directors of the The Crossing HOA, Inc. homeowners' association.

"Bylaws" means this Restated Bylaws.

"Common Area" means property deeded to and/or managed by the Association for the use and enjoyment of the Members of the Association. A Common Roadway is a Common Area.

"Common Roadway" means the common roads identified on the Plat and/or deeded to the Association by the Declarant, and/or acquired by the Association and intended for the use and enjoyment of the Members of the Association.

"Declaration" means this Second Restated Declaration.

"Dirt Bike" means a lightweight motorcycle generally equipped with rugged tires and suspension and designed and/or used for riding over rough or unpaved surfaces.

"Dwelling" means a building or portion thereof designed exclusively for residential purposes.

"Dwelling Unit" means a dwelling for a single housekeeping unit.

"Emergency" means a sudden, unexpected happening or unforeseen occurrence or condition.

"Family" as used in the term "single family residence" means an individual or two or more persons who live together as a single housekeeping unit.

"Improvements" are buildings, accessory structures, driveways, parking areas, sidewalks, and any structure of any type or kind.

"International Building Code" means the codes as published by the International Code Council together with any amendments or revisions set forth in section 39-4109, Idaho Code.

"Lot" means an individual platted lot within the Property.

"Manufactured Home" means a structure that is transportable in one (1) or more sections, which in the traveling mode, is eight (8) body feet or more in width or is forty (40) body feet or more in length, or when erected on site, is three hundred twenty (320) or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein, except that such term shall include any structure which meets all the requirements of this paragraph except the size requirements.

"Member" means a member of The Crossing HOA, Inc. when the word is capitalized. Members of other related associations or boards of directors are referenced by the word "member," all in lower case.

"Mobile Home" means a factory-assembled structure or structures equipped with the necessary service connections and made so as to be readily movable as a unit or units on their own running gear and designed to be used as a dwelling unit or units with or without a permanent foundation.

"Modest." The word "modest" as used herein means not dominate in size or color.

"Modular Home" or "modular building" means a structure, other than a manufactured or mobile home, which is of closed construction and is either entirely or substantially prefabricated or assembled at a place other than the building site, complies with the International Building Code, and does not have a chassis, and is completely disassembled for transportation.

"Owner" means the record owner, whether one or more persons or entities of the fee simple title. The term Owner includes, but is not limited to, a purchaser under a deed of trust, mortgage, or contract, or a person who takes the lot under a life estate.

"Recreational Vehicle" means a vehicle primarily designed as temporary living quarters for recreation, camping, travel or other similar use that has its own mode of power or is mounted on or drawn by another vehicle. The term "recreational vehicle" includes but is not limited to travel trailer, camping trailer, truck camper, fifth-wheel trailer, and motor home.

"Structure" means a walled and roofed building including a gas or liquid storage tank that is principally above ground.

"Subdivision" means The Crossing as depicted on the plat thereof as recorded in the records of Bonner County, Idaho; including subsequent phases thereto.

"Trails" are defined on the plat as recreation easements.

EXECUTED BY THE ASSOCIATION AND THE DECLARANT ON THE ATTACHED
SIGNATURE PAGE(S)

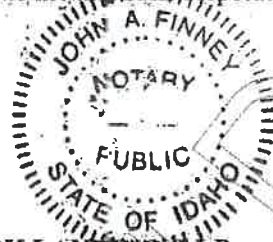
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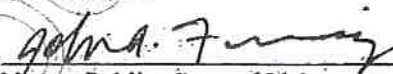
ASSOCIATION:
THE CROSSING HOA, INC.


By: MILTON DRAKE
Its: President

STATE OF IDAHO)
County of Bonner) ss.

On this 26 day of July, 2013, before me, the undersigned Notary Public, personally appeared, MILTON DRAKE, proved to me on the basis of satisfactory evidence, to be the President of the corporation The Crossing HOA, Inc., that executed the instrument or the person who executed the instrument on behalf of the corporation and acknowledged to me that such corporation executed the same.




Notary Public- State of Idaho
Residing at: Sandpoint
My Commission Expires: 10-19-2014

DECLARANT:
WILLOW BROOK LANDING, LLP
An Idaho Limited Liability Partnership

By: 0957352 B.C. LTD
Its: Partner

By: 
MILTON DRAKE
Its: President

By: 0957354 B.C. LTD
Its: Partner

By: 
MILTON DRAKE
Its: President

STATE OF IDAHO)

ss.

County of Bonner)

On this 26 day of July, 2013, before me, the undersigned Notary Public, personally appeared MILTON DRAKE, proved to me on the basis of satisfactory evidence, to be the President of the corporations which are partners in the partnership of Willow Brook Landing, LLP, that executed the instrument or the person who executed the instrument on behalf of the corporations in the partnership name and acknowledged to me that such corporations executed the same in said partnership name.



John A. Finney
Notary Public - State of Idaho

Residing at: Sandpoint

My Commission Expires: 10-25-2014

31 N 87°45'12" E A DISTANCE OF 46.06 FEET TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;
32.4 N 87°10'00" E A DISTANCE OF 153.72 FEET TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;
33.1 N 74°32'52" E A DISTANCE OF 95.81 FEET TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;
34 N 62°44'19" E A DISTANCE OF 103.00 FEET TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;

THENCE, LEAVING SAID SHORELINE OF PEND OREILLE RIVER, S 00°38'55" E A DISTANCE OF 304.34 FEET, TO A FOUND 5/8" REBAR, MARKED PLS 6321;
THENCE, S 69°49'54" W A DISTANCE OF 159.15 FEET, TO A FOUND 5/8" REBAR, MARKED PLS 6321;

THENCE, S 00°38'54" E A DISTANCE OF 10.00 FEET, TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;

THENCE, S 00°31'54" E A DISTANCE OF 639.93 FEET, TO A 5/8" REBAR, 30 IN. LONG, MARKED PLS 9367;

THENCE, S 89°52'27" E A DISTANCE OF 1338.21 FEET, TO THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION.

SAID PARCEL CONTAINING 188.861 ACRES OF LAND, MORE OR LESS.

WATER TO BE SUPPLIED BY A COMMUNITY WATER SYSTEM TO BE OWNED AND MAINTAINED BY THE DUFORT WATER ASSOCIATION, INC. TRACT N 5 TO BE DEDICATED TO THE DUFORT WATER ASSOCIATION, INC. FOR THE COMMUNITY WATER SYSTEM AS A DOMESTIC WATER WELL AND RESERVOIR LOT.

SEWER SERVICE FOR LOTS 1-4, BLOCK 4; LOTS 1-14, BLOCK 5; LOTS 1-11, BLOCK 6; LOTS 1-17, BLOCK 7; LOTS 1-3, BLOCK 8; LOTS 1-3, BLOCK 9; LOTS 1-2, BLOCK 10; LOTS 1, BLOCK 11 AND TRACT E TO BE PROVIDED BY INDIVIDUAL SEPTIC SYSTEMS LOCATED ON THE RESPECTIVE LOT OR TRACT. SEWER SERVICE FOR LOTS 1-8, BLOCK 1; LOTS 1-6, BLOCK 2 AND LOTS 1-14, BLOCK 3 AND TRACT D TO BE SERVED BY A COMMUNITY DRAINFIELD SYSTEM LOCATED WITHIN THE COMMUNITY SEPTIC SYSTEM EASEMENT ENCUMBERING TRACT I.

TRACT A IS A PRIVATE ROAD TRACT TO BE OWNED AND MAINTAINED BY THE CROSSING HOA, INC. AND IS ENCUMBERED BY A BLANKET ACCESS AND UTILITY EASEMENT. THE ROADS WITHIN THIS SUBDIVISION ARE PRIVATE, AND HAVE NOT BEEN CONSTRUCTED TO COUNTY STANDARDS FOR MAINTENANCE. THESE ROADS SHALL BE MAINTAINED AT THE SOLE EXPENSE OF THE PROPERTY OWNERS UNTIL SUCH TIME AS THEY ARE CONSTRUCTED TO COUNTY STANDARDS FOR MAINTENANCE AT NO EXPENSE TO THE TAXPAYERS AND ARE DEDICATED TO THE PUBLIC BY THE LOT OWNERS AND ACCEPTED INTO THE COUNTY'S MAINTENANCE SYSTEM BY THE BONNER COUNTY BOARD OF COMMISSIONERS.

A 30.00 FOOT RIGHT-OF-WAY IS HEREBY DEDICATED TO THE PUBLIC ALONG DUFORT ROAD AS SHOWN HEREON.

A 30.00 FOOT RIGHT-OF-WAY IS HEREBY DEDICATED TO THE PUBLIC ALONG MELLOW DAY ROAD AS SHOWN HEREON.

THE EASEMENTS NOTED ON THIS PLAT ARE HEREBY DEDICATED TO THE PARTIES AND FOR THE PURPOSES AS SHOWN HEREON.

TRACTS B-W ARE RESERVED FOR OPEN SPACE AND LANDSCAPE BUFFERS TO BE OWNED AND MAINTAINED BY THE CROSSING HOA, INC. AND ARE ENCUMBERED BY BLANKET ACCESS AND UTILITY EASEMENTS IN FAVOR OF THE CROSSING HOA, INC. AND FRANCHISED UTILITIES, INCLUDING DUFORT WATER ASSOCIATION, INC. ADDITIONALLY, THE CROSSING HOA, INC. SHALL MAINTAIN THE EXISTING VEGETATIVE BUFFER WITHIN TRACT L IN THE EVENT OF VEGETATIVE DISTURBANCE IN THIS TRACT FOR UTILITY CONSTRUCTION SUCH VEGETATION SHALL BE REPAIRED AND RESTORED FOLLOWING SUCH WORK.

LOTS WITHIN THIS PLAT TO BE SUBJECT TO THE CCAR'S AS RECORDED UNDER INSTRUMENT NOS. 889892 AND 721140. A STORMWATER MANAGEMENT PLAN FOR DEVELOPMENT OF THESE LOTS HAS BEEN FILED WITH BONNER COUNTY PLANNING DEPARTMENT. ALL LOTS SHALL BE DEVELOPED CONSISTENT WITH THE APPROVED PLAN.

ANY WORK INVOLVING FILLING, EXCAVATING, FLOODING OR DRAINING OF EXISTING WETLANDS REQUIRES AN ARMY CORPS OF ENGINEERS, SECTION 404 PERMIT, PRIOR TO BEGINNING WORK.

IN THE EVENT PRE-HISTORIC OR HISTORIC CULTURAL ARTIFACTS OR HUMAN REMAINS ARE UNCOVERED ON SITE, THE LANDOWNER SHALL IMMEDIATELY CONTACT THE INDIAN STATE HISTORICAL SOCIETY AND APPROPRIATE NATIVE AMERICAN TRIBES.

SUBJECT TO ALL EASEMENTS OF RECORD AS FILED UNDER INSTRUMENT NUMBERS: 44523, 64261, 74458, 405436, 151043, 153039, 248232, 361306, 369239, 663249, 706037, 707903.

CATE

[Handwritten signature] 1/16/07

8-124

SHEET ONE OF ELEVEN

THIS CROSSING
A PORTION OF SECTION 1, TOWNSHIP 28 NORTH, RANGE 4 WEST, AND
SECTION 36, TOWNSHIP 26 NORTH, RANGE 4 WEST, BOWNE MERIDIAN,
BONNER COUNTY, IDAHO

REFERENCES

SURVEY BY ALAN V. KEBERT, PLS 974 RECORDED UNDER INSTRUMENT 200351
R-2 RECORD OF SURVEY BY ALAN V. KEBERT, PLS 974 RECORDED UNDER INSTRUMENT 200351
R-3 RECORD OF SURVEY BY ALAN V. KEBERT, PLS 974 RECORDED UNDER INSTRUMENT 200351
R-4 RECORD OF SURVEY BY JAMES A. SEWELL, PLS 775 RECORDED UNDER INSTRUMENT 154973
R-5 RECORD OF SURVEY BY JAMES A. SEWELL, PLS 775 RECORDED UNDER INSTRUMENT 154973
R-6 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-7 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-8 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-9 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-10 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-11 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-12 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-13 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-14 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-15 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-16 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-17 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-18 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-19 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820
R-20 RECORD OF SURVEY BY RANDY RAY HOSINGTON, PLS 1019 RECORDED UNDER INSTRUMENT 239820

NOTES

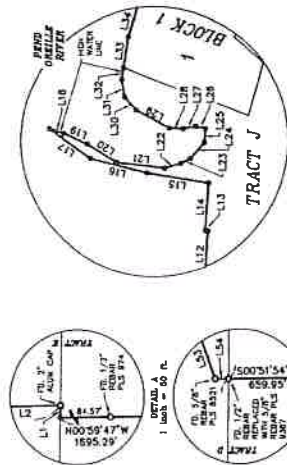
1. THERE WAS AN ATTEMPT MADE TO SHOW PHYSICAL FEATURES OF THE PROPERTY OR SHOW ANY NON-RECORDED EASEMENTS, EXCEPT FOR THOSE THAT ARE SHOWN HEREIN.

BASIS OF BEARING

BASIS OF BEARING FOR THIS SURVEY IS S 00°00'00"E ALONG THE EAST LINE OF THE NORTHEAST QUARTER, SECTION 1, T36N, R. 4W, B.M. BONNER COUNTY, IDAHO

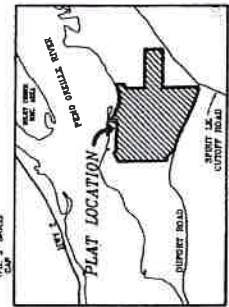
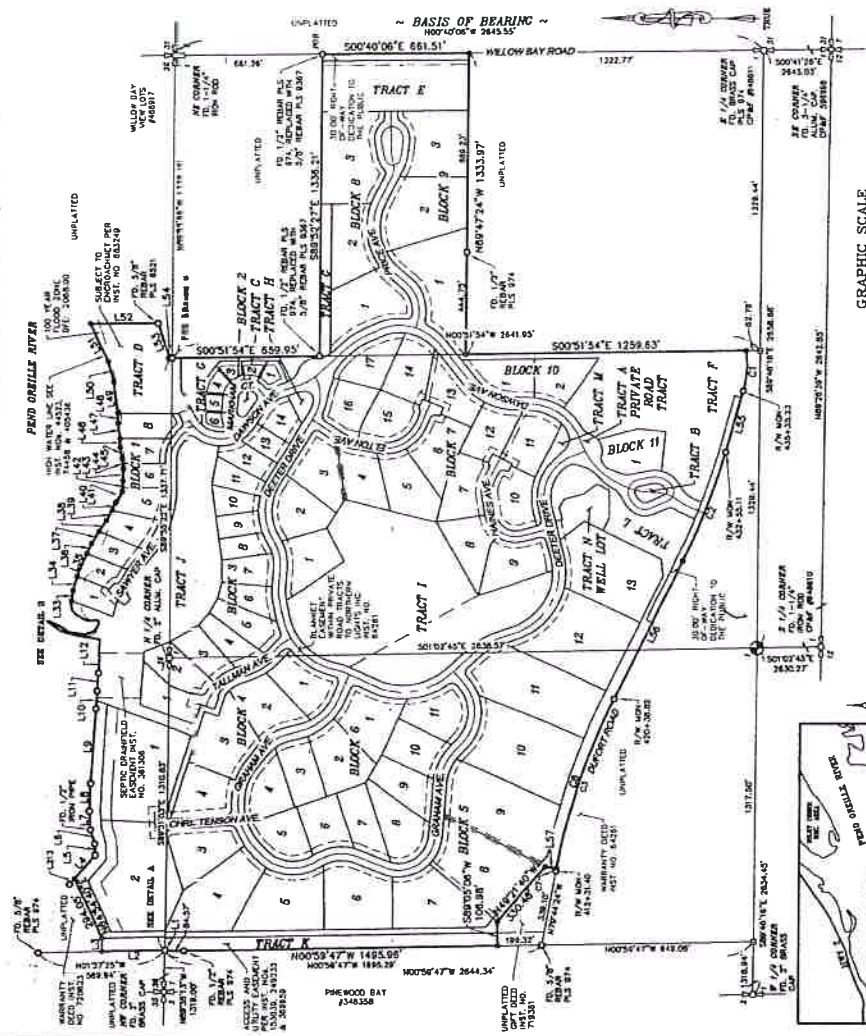
LEGEND

- FOUND 3/8" REBAR WITH NO CAP, OR AS NOTED
- CALCULATED POINT NOTHING FOUND NOTHING SET
- ◆ SET 5/8" BY 10" REBAR WITH PLASTIC CAP MARKED "INC PLS # 9387"
- ✕ FOUND SECTION CORNER AS NOTED
- ⊕ FOUND QUARTER CORNER AS NOTED
- ⊙ FOUND CENTER QUARTER AS NOTED
- ⊙ CHINA



PAGE 8 & 9 OF 11 - CURVE & LINE TABLES
PAGE 10 & 11 OF 11 - CERTIFICATION SIGNATURES

CERTIFICATION
I, CHAD J. JOHNSON, PLS 9387, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF IDAHO, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD OF THIS SURVEY AS FILED IN THE PUBLIC RECORDS OF THE STATE OF IDAHO, BONNER COUNTY, IDAHO, AND THAT THE SAME IS IN ACCORDANCE WITH IDAHO CODE 20-1-1302.
DATE: 1-1-2014
BY: CHAD J. JOHNSON, PLS 9387
I, _____, COUNTY CLERK, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD OF THIS SURVEY AS FILED IN THE PUBLIC RECORDS OF THE STATE OF IDAHO, BONNER COUNTY, IDAHO, AND THAT THE SAME IS IN ACCORDANCE WITH IDAHO CODE 20-1-1302.
DATE: 1-1-2014
BY: _____, COUNTY CLERK



NOTIFICATION CERTIFICATE
CHAD J. JOHNSON, PLS 9387, A PROFESSIONAL LAND SURVEYOR IN THE STATE OF IDAHO, DO HEREBY CERTIFY THAT THE FOREGOING IS A TRUE AND CORRECT COPY OF THE ORIGINAL RECORD OF THIS SURVEY AS FILED IN THE PUBLIC RECORDS OF THE STATE OF IDAHO, BONNER COUNTY, IDAHO, AND THAT THE SAME IS IN ACCORDANCE WITH IDAHO CODE 20-1-1302.
DATE: 1-1-2014
BY: CHAD J. JOHNSON, PLS 9387

8-124

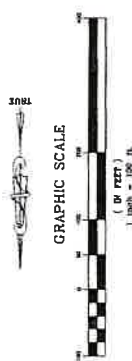
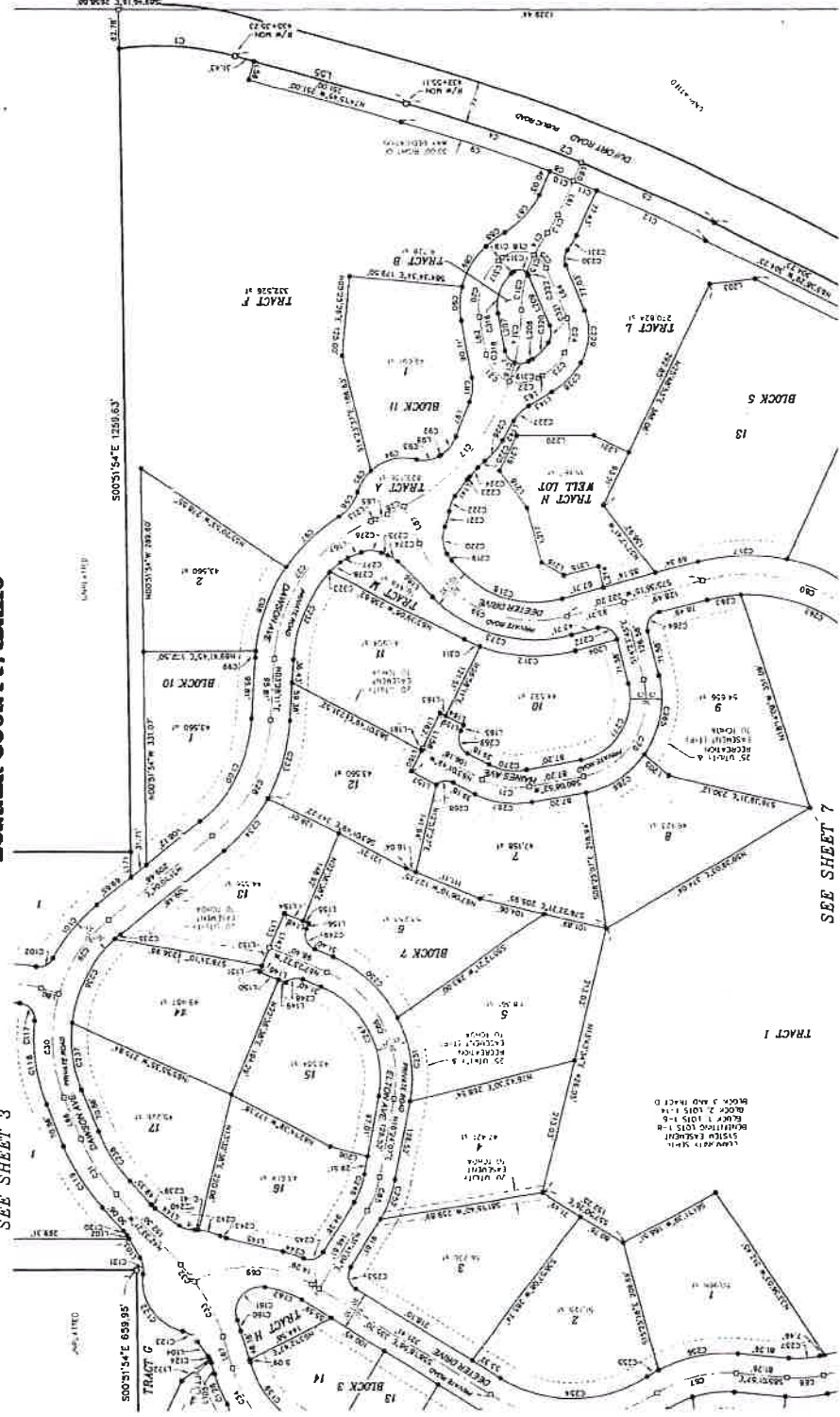
721133

THE CROSSING

A PORTION OF SECTION 1, TOWNSHIP 55 NORTH, RANGE 4 WEST, AND SECTION 36, TOWNSHIP 55 NORTH, RANGE 4 WEST, BOONE MERIDIAN, BONNER COUNTY, IDAHO

SEE SHEET 3

SEE SHEET 4



LEGEND

- FOUND 5/8" REBAR WITH NO CAP, ON AS NOTED
- CALCULATED POINT NOTHING FOUND NOTHING SET
- SET 5/8" BY 30" REBAR WITH PLASTIC CAP MARKED "1" C.P.L.S. # 358"
- 10-04 THE CROSSING 104, NC



1200 Highway 100, Box 11
 Fruit Valley, Idaho 83454
 PHONE (208) 770-0370
 FAX (208) 772-0320
 www.thecrossingidaho.com



THE CROSSING
 BONNER COUNTY, IDAHO

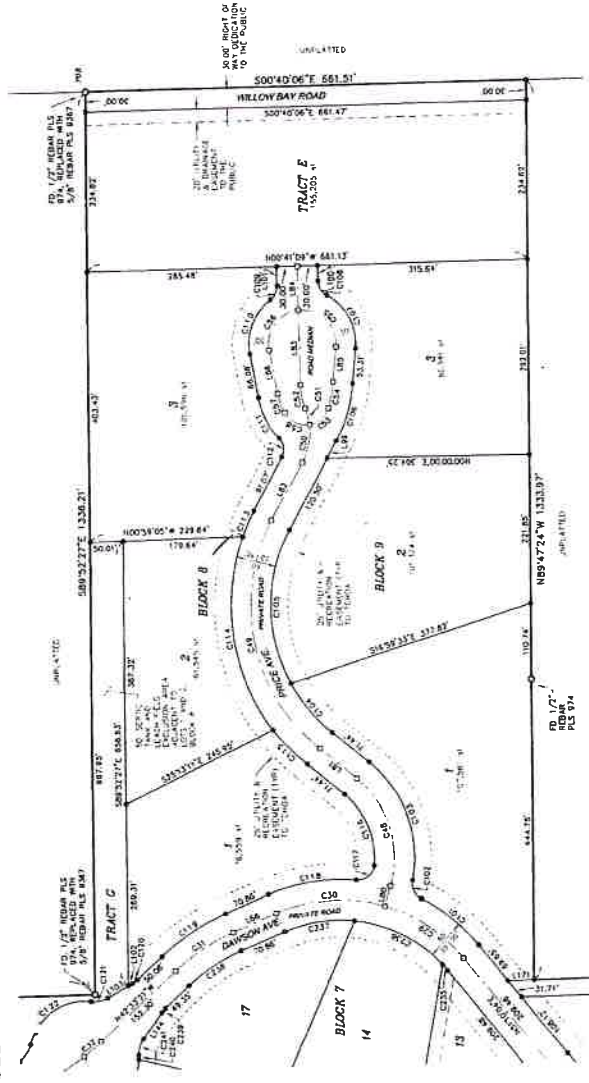
DATE PLANNING: 04/17/07	DATE: 04/17/07	SCALE: 1"=100'
SHEET: 3 OF 11		

721139

SHEET THREE OF ELEVEN

THE CROSSING
A PORTION OF SECTION 1, TOWNSHIP 25 NORTH, RANGE 4 WEST, AND
SECTION 36, TOWNSHIP 26 NORTH, RANGE 4 WEST, BONNER MERIDIAN,
BONNER COUNTY, IDAHO

SEE SHEET 4



SEE SHEET 2

LEGEND

- FOUND 5/8" REBAR WITH NO CAP, CP AS NOTED
- CALCULATED POINT NOTHING FOUND NOTHING SET
- SET 5/8" BY 30" REBAR WITH PLASTIC CAP MARKED "N.C. PLS. # 9387"
- THE CROSSING MON, INC.

GRAPHIC SCALE



TRUE



1205 Polaris Ave., Ste. B
 Post Falls, Idaho 83854
 PHONE: (208) 777-7770
 FAX: (208) 777-7139
 www.incrossing.com

THE CROSSING
 BONNER COUNTY, IDAHO

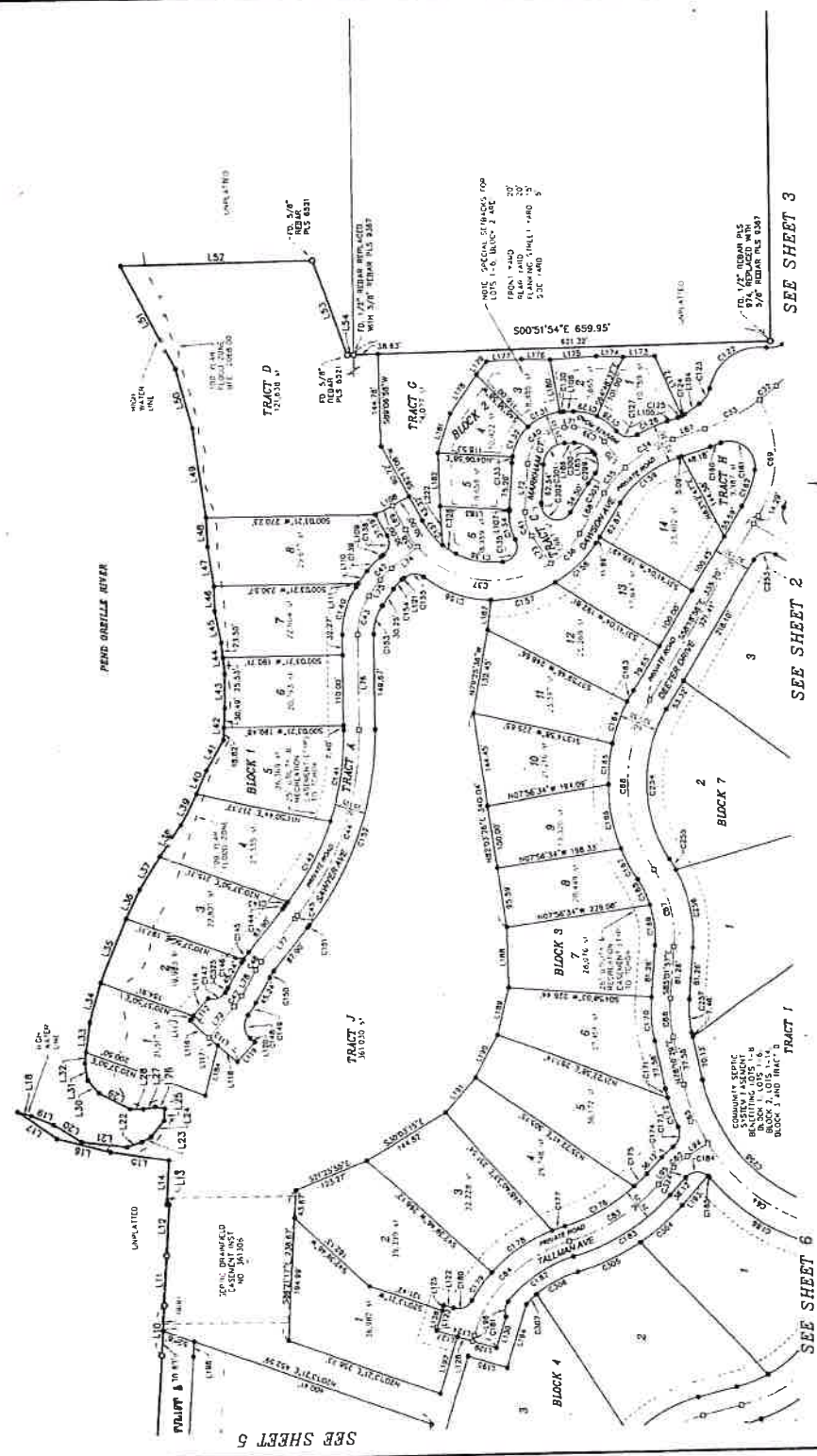
DATE: 10-2011	SCALE: 1"=100'	SHEET: 3 OF 11
DESIGN: MON-10-11-01	DATE: 10-2011	BY: JCT

9-177

721139

SHEET FOUR OF ELEVEN

THE CROSSING
A PORTION OF SECTION 1, T.55N., R.4W., AND
SECTION 36, T.55N., R.4W., S.M., BONNER COUNTY, IDAHO



THE CROSSING
BONNER COUNTY, IDAHO

1500 Patton Ave., Ste. B
Pocatello, ID 83401
PHONE (208) 775-8379
FAX (208) 777-5128
www.incorporate.com

SHOWN BY: JRM
DATE: 1/18/07
SCALE: 1"=40'

SHEET: 4 OF 11
JOB NO.: 0207

LEGEND

- 0 FOUND 5/8" REBAR WITH NO CAP, OR AS NOTED
- 1 CALCULATED POINT NOTHING FOUND NOTHING SET
- 2 SET 1/2" BY 1/2" REBAR WITH PLASTIC CAP MARKED
- 3 C.P. 1/2" BY 1/2"

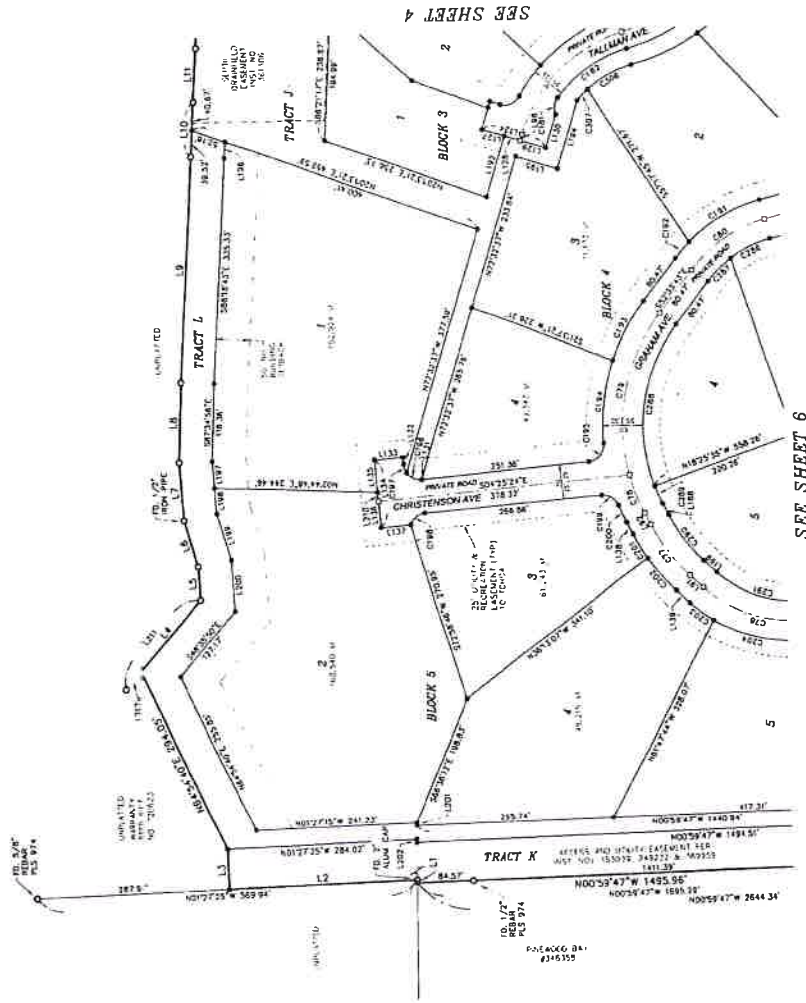
TOUCH: THE CROSSING, INC.

GRAPHIC SCALE
1" = 40' N.
1" = 100' N.

721139

SHEET FIVE OF ELEVEN

THE CROSSING **A PORTION OF SECTION 1, TOWNSHIP 35 NORTH, RANGE 4 WEST, AND** **SECTION 36, TOWNSHIP 36 NORTH, RANGE 4 WEST, BOISE MERIDIAN,** **BONNER COUNTY, IDAHO**



1228 Madison Ave., Ste. B
 Boise, Idaho 83725
 Phone: (208) 773-0370
 Fax: (208) 777-2128
www.thecrossingidaho.com

DATE: 11/11/11	BY: J. W. HARRIS	SCALE: 1"=100'	SHEET: 5 OF 11
PROJECT: 02-001			

GRAPHIC SCALE
 (in feet)
 1 inch = 100 ft

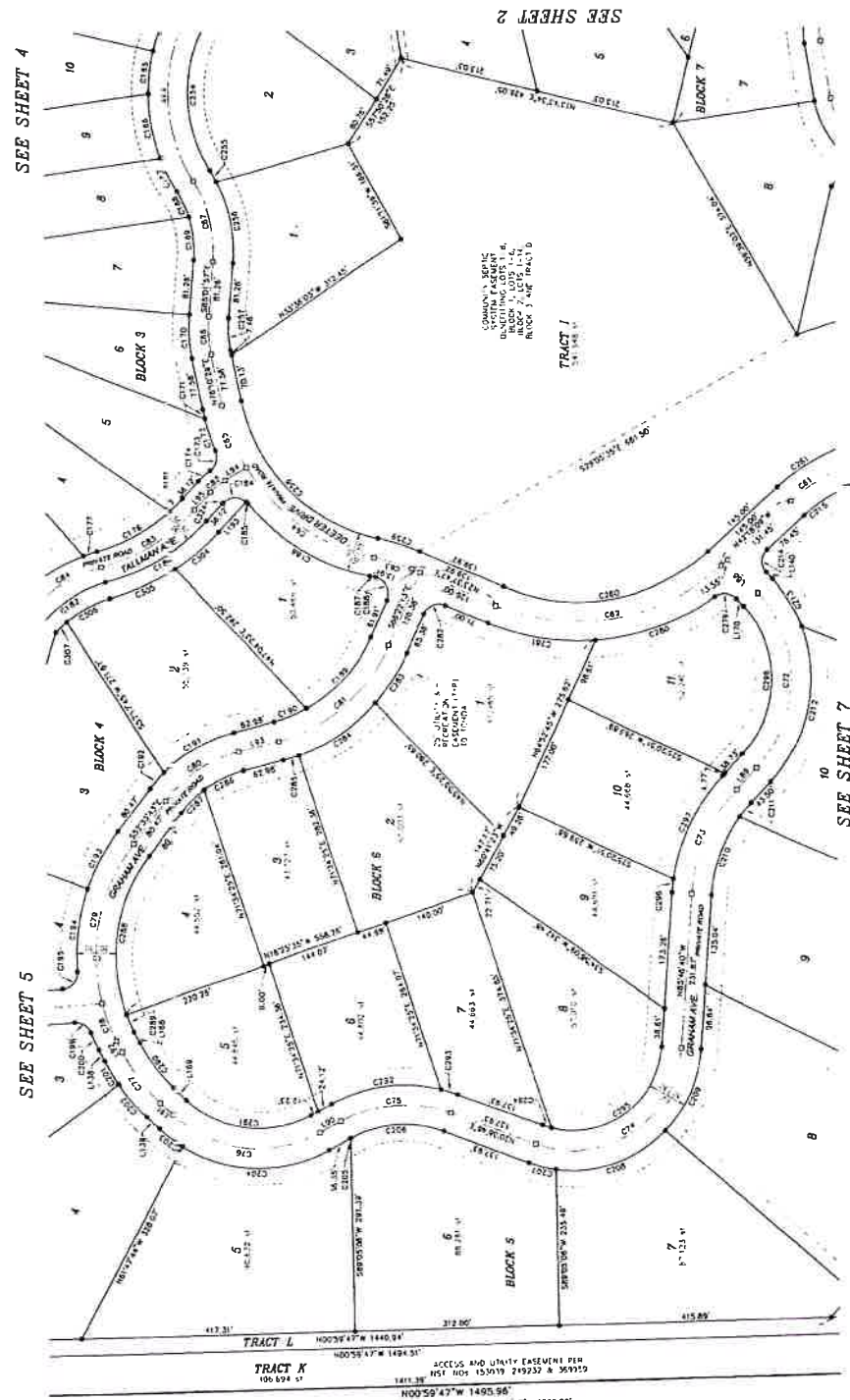
- LEGEND**
- FOUND 5/8" REBAR WITH NO CAP, UN AS NOTED
 - CALCULATED POINT METHODES FOUND INSTANT TEE
 - SET 5/8" BY 30" REBAR WITH PLASTIC CAP MARKED "INC PLS # 9387"
- THE CROSSING IDAHO, INC.

8-144

128109

SHEET SIX OF ELEVEN

THE CROSSING
A PORTION OF SECTION 1, TOWNSHIP 56 NORTH, RANGE 4 WEST, AND
SECTION 36, TOWNSHIP 56 NORTH, RANGE 4 WEST, BOISE MERIDIAN,
BONNER COUNTY, IDAHO



LEGEND

- FOUND 3/8" REBAR WITH NO CAP, OR AS NOTED
- CALCULATED POINT, NOTHING FOUND NOT AS SET
- SET 3/8" B. 30" REBAR WITH PLASTIC CAP MARKED
- △ C.P.S. # 318"
- 1C104 THE CROSSING HOLD, INC.

GRAPHIC SCALE

1" = 100 FT.

1" = 100 FT.

THE CROSSING
BONNER COUNTY, IDAHO

1258 Platoon Ave., Ste. H
Post Falls, Idaho 83854
Phone (208) 777-3138
Fax (208) 777-3138
www.thecrossinghold.com

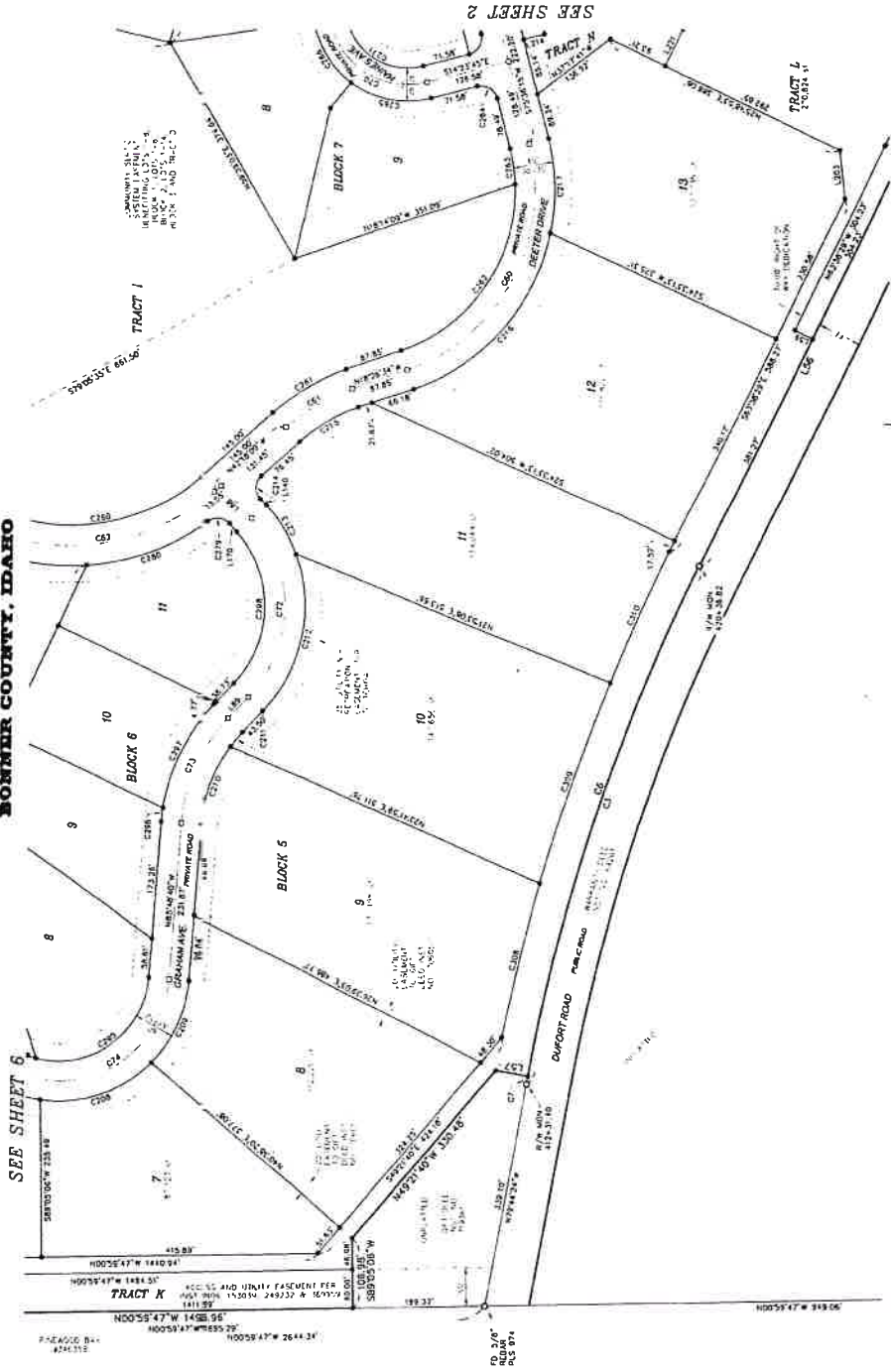
DATE: 1/1/07
SCALE: 1"=100'
SHEET: 6 OF 11
CR #1: 4277

721139

8-124

SHEET SEVEN OF ELEVEN

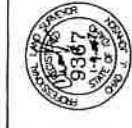
THE CROSSING
A PORTION OF SECTION 1, TOWNSHIP 55 NORTH, RANGE 4 WEST, AND
SECTION 36, TOWNSHIP 56 NORTH, RANGE 4 WEST, BOISE MERIDIAN,
BONNER COUNTY, IDAHO



LEGEND

- FOUND 3/5" HIGHWAY MARK NO. 2, 3P, 3M, 45, 46, 47
- CALCULATED POINTS, FOUND NO. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

GRAPHIC SCALE
(IN FEET)
1 inch = 100 ft



1234 Polaris Ave., Ste. B
Boise, Idaho 83725
PHONE (208) 777-0370
FAX (208) 777-0370
www.thecrossinginc.com

THE CROSSING
BOYER COUNTY, IDAHO

DATE: 01-01-2004	SCALE: 1"=100'	SHEET: 7 OF 11
PROJECT: 00-001		DATE: 01-01-2004

SHEET EIGHT OF ELEVEN

711133
THE CROSSING
 A PORTION OF SECTION 1, TOWNSHIP 36 NORTH, RANGE 4 WEST, AND
 SECTION 36, TOWNSHIP 36 NORTH, RANGE 4 WEST, BOISE MERIDIAN,
 BONNER COUNTY, IDAHO

CURVE TABLE

CURVE	LENGTH	RADIUS	CHORD	TANGENT	BEARING	DELTA
C1	10.00	10.00	10.00	90.00	270.00	90.00
C2	10.00	10.00	10.00	90.00	270.00	90.00
C3	10.00	10.00	10.00	90.00	270.00	90.00
C4	10.00	10.00	10.00	90.00	270.00	90.00
C5	10.00	10.00	10.00	90.00	270.00	90.00
C6	10.00	10.00	10.00	90.00	270.00	90.00
C7	10.00	10.00	10.00	90.00	270.00	90.00
C8	10.00	10.00	10.00	90.00	270.00	90.00
C9	10.00	10.00	10.00	90.00	270.00	90.00
C10	10.00	10.00	10.00	90.00	270.00	90.00
C11	10.00	10.00	10.00	90.00	270.00	90.00
C12	10.00	10.00	10.00	90.00	270.00	90.00
C13	10.00	10.00	10.00	90.00	270.00	90.00
C14	10.00	10.00	10.00	90.00	270.00	90.00
C15	10.00	10.00	10.00	90.00	270.00	90.00
C16	10.00	10.00	10.00	90.00	270.00	90.00
C17	10.00	10.00	10.00	90.00	270.00	90.00
C18	10.00	10.00	10.00	90.00	270.00	90.00
C19	10.00	10.00	10.00	90.00	270.00	90.00
C20	10.00	10.00	10.00	90.00	270.00	90.00
C21	10.00	10.00	10.00	90.00	270.00	90.00
C22	10.00	10.00	10.00	90.00	270.00	90.00
C23	10.00	10.00	10.00	90.00	270.00	90.00
C24	10.00	10.00	10.00	90.00	270.00	90.00
C25	10.00	10.00	10.00	90.00	270.00	90.00
C26	10.00	10.00	10.00	90.00	270.00	90.00
C27	10.00	10.00	10.00	90.00	270.00	90.00
C28	10.00	10.00	10.00	90.00	270.00	90.00
C29	10.00	10.00	10.00	90.00	270.00	90.00
C30	10.00	10.00	10.00	90.00	270.00	90.00
C31	10.00	10.00	10.00	90.00	270.00	90.00
C32	10.00	10.00	10.00	90.00	270.00	90.00
C33	10.00	10.00	10.00	90.00	270.00	90.00
C34	10.00	10.00	10.00	90.00	270.00	90.00
C35	10.00	10.00	10.00	90.00	270.00	90.00
C36	10.00	10.00	10.00	90.00	270.00	90.00
C37	10.00	10.00	10.00	90.00	270.00	90.00
C38	10.00	10.00	10.00	90.00	270.00	90.00
C39	10.00	10.00	10.00	90.00	270.00	90.00
C40	10.00	10.00	10.00	90.00	270.00	90.00
C41	10.00	10.00	10.00	90.00	270.00	90.00
C42	10.00	10.00	10.00	90.00	270.00	90.00
C43	10.00	10.00	10.00	90.00	270.00	90.00
C44	10.00	10.00	10.00	90.00	270.00	90.00
C45	10.00	10.00	10.00	90.00	270.00	90.00
C46	10.00	10.00	10.00	90.00	270.00	90.00
C47	10.00	10.00	10.00	90.00	270.00	90.00
C48	10.00	10.00	10.00	90.00	270.00	90.00
C49	10.00	10.00	10.00	90.00	270.00	90.00
C50	10.00	10.00	10.00	90.00	270.00	90.00
C51	10.00	10.00	10.00	90.00	270.00	90.00
C52	10.00	10.00	10.00	90.00	270.00	90.00
C53	10.00	10.00	10.00	90.00	270.00	90.00
C54	10.00	10.00	10.00	90.00	270.00	90.00
C55	10.00	10.00	10.00	90.00	270.00	90.00
C56	10.00	10.00	10.00	90.00	270.00	90.00
C57	10.00	10.00	10.00	90.00	270.00	90.00
C58	10.00	10.00	10.00	90.00	270.00	90.00
C59	10.00	10.00	10.00	90.00	270.00	90.00
C60	10.00	10.00	10.00	90.00	270.00	90.00
C61	10.00	10.00	10.00	90.00	270.00	90.00
C62	10.00	10.00	10.00	90.00	270.00	90.00
C63	10.00	10.00	10.00	90.00	270.00	90.00
C64	10.00	10.00	10.00	90.00	270.00	90.00
C65	10.00	10.00	10.00	90.00	270.00	90.00
C66	10.00	10.00	10.00	90.00	270.00	90.00
C67	10.00	10.00	10.00	90.00	270.00	90.00
C68	10.00	10.00	10.00	90.00	270.00	90.00
C69	10.00	10.00	10.00	90.00	270.00	90.00
C70	10.00	10.00	10.00	90.00	270.00	90.00
C71	10.00	10.00	10.00	90.00	270.00	90.00
C72	10.00	10.00	10.00	90.00	270.00	90.00
C73	10.00	10.00	10.00	90.00	270.00	90.00
C74	10.00	10.00	10.00	90.00	270.00	90.00
C75	10.00	10.00	10.00	90.00	270.00	90.00
C76	10.00	10.00	10.00	90.00	270.00	90.00
C77	10.00	10.00	10.00	90.00	270.00	90.00
C78	10.00	10.00	10.00	90.00	270.00	90.00
C79	10.00	10.00	10.00	90.00	270.00	90.00
C80	10.00	10.00	10.00	90.00	270.00	90.00
C81	10.00	10.00	10.00	90.00	270.00	90.00
C82	10.00	10.00	10.00	90.00	270.00	90.00
C83	10.00	10.00	10.00	90.00	270.00	90.00
C84	10.00	10.00	10.00	90.00	270.00	90.00
C85	10.00	10.00	10.00	90.00	270.00	90.00
C86	10.00	10.00	10.00	90.00	270.00	90.00
C87	10.00	10.00	10.00	90.00	270.00	90.00
C88	10.00	10.00	10.00	90.00	270.00	90.00
C89	10.00	10.00	10.00	90.00	270.00	90.00
C90	10.00	10.00	10.00	90.00	270.00	90.00
C91	10.00	10.00	10.00	90.00	270.00	90.00
C92	10.00	10.00	10.00	90.00	270.00	90.00
C93	10.00	10.00	10.00	90.00	270.00	90.00
C94	10.00	10.00	10.00	90.00	270.00	90.00
C95	10.00	10.00	10.00	90.00	270.00	90.00
C96	10.00	10.00	10.00	90.00	270.00	90.00
C97	10.00	10.00	10.00	90.00	270.00	90.00
C98	10.00	10.00	10.00	90.00	270.00	90.00
C99	10.00	10.00	10.00	90.00	270.00	90.00
C100	10.00	10.00	10.00	90.00	270.00	90.00

1208 Paxson Ave., Ste. B
 Boise, Idaho 83725
 Phone (208) 333-8888
 Fax (208) 777-5188
 www.idahosurveyor.com

THE CROSSING
 BONNER COUNTY, IDAHO

DATE: 8/1/14
 DRAWN BY: JMM
 CHECKED BY: JMM
 SCALE: AS SHOWN
 SHEET: 8 OF 11

TYPE CROSSING

THE CROSSING
A PORTION OF SECTION 1, TOWNSHIP 55 NORTH, RANGE 4 WEST, AND
SECTION 36, TOWNSHIP 55 NORTH, RANGE 4 WEST, BOISE MERIDIAN,
BONNER COUNTY, IDAHO

PANHANDLE HEALTH DISTRICT 1 APPROVAL

A SANITARY RESTRICTION ACCORDING TO 10 AND CODE 50-1326 TO 50-1329 IS IMPOSED ON THIS PLAT. NO BUILDING, DWELLING, OR SHEDS SHALL BE ERIGED UNTIL SANITARY RESTRICTION REQUIREMENTS ARE SATISFIED AND LIFTED.

THIS PLAY APPROVED THIS 10 DAY OF JANUARY 1907

Ralph J. Tinsley
PLANNED GILFILLAN DISTRICT
SUNBARY RESTRICTION SATISFIED AND LIFTED THIS 10 DAY OF JANUARY 2087

PLANNING DIRECTOR'S CERTIFICATE

THIS PLAN HAS BEEN EXAMINED AND APPROVED

DATE THIS 5TH DAY OF JANUARY 2007
Place Marie Thelley, ACP

COUNTY COMMISSIONERS' CERTIFICATE

THIS PLAN HAS BEEN APPROVED AND ACCEPTED BY THE BOARD OF COUNTY COMMISSIONERS
FOR THE COUNTY, IS AND IS TO BE KEPT IN THE OFFICE OF THE CLERK OF THE BOARD OF COUNTY COMMISSIONERS
THIS 14th DAY OF MAY, 2007

David L. ...

IDENTIFICATION CERTIFICATE

THE FOLLOWING BENEFICIARY OF A DEED OF TRUST ON THE PROPERTY DESCRIBED IN THE FOREGOING OWNER'S CERTIFICATE HEREBY AGREES TO THE SUBMISSION AS SHOWN HEREON.

CROSSING PARTNERSHIP, LLC BY Jeffery A. Cross ITS Member
MOUNTAIN WEST BANK BY Mike Dieff ITS Vice President

NOTARY PUBLIC CERTIFICATE

STATE OF OHIO
COUNTY OF COLUMBIA

ON this _____ day of _____ 2007, before me,
a Notary Public in and for said County and State,
personally appeared _____, known to me to be the
same person as _____, a _____ of _____, LLC,
a limited liability company organized under the laws of the
State of Ohio, and acknowledged to me that she was the
owner and authorized signatory of said company, and
executed the same in witness whereof, I have hereunto set my hand
and Notary Seal the day and date of this certificate set above.

NOTARY PUBLIC FOR STATE OF IDAHO
RESIDING AT SANDPOINT
MY COMMISSION EXPIRES 8-16-2012

NOTARY PUBLIC CERTIFICATE

STATE OF IDAHO
COUNTY OF BONNER

"
DAY OF JANUARY 2007 BEFORE ME,
THE UNDERSIGNED, A NOTARY PUBLIC IN AND FOR THE STATE OF IDAHO, PERSONALLY APPEARED _____, KNOWN TO ME TO BE THE PERSON WHOSE NAME IS SUBSCRIBED TO THE FOREGOING INSTRUMENT, HE REQUESTED THAT I EXECUTE THE INSTRUMENT ON BEHALF OF MOUNTAIN WEST BANK, AND ACKNOWLEDGED TO ME THAT MOUNTAIN WEST BANK, EXECUTED THE SAME, IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND NOTARY SEAL AT THE CITY AND PLACE OF THIS CERTIFICATE FIRST ABOVE WRITTEN.

NOTARY PUBLIC FOR STATE OF Idaho
RESIDING AT Sackbut
MY COMMISSION EXPIRES 8-11-2011
NOTARY [Signature]

COUNTY RECORDER

THIS PLAY WAS FILED IN THE OFFICE OF THE BOONER COUNTY RECORDER, STATE OF OKLAHOMA, AT THE REQUEST OF CHENING DEVELOPMENT, INC.

THIS 14 DAY OF February, 2022 A 5:35 O'CLOCK P M

AS INSTRUMENT NUMBER 7-2-2-33-1 AND DULY RECORDED AT

FILE
11/1

COUNTY TREASURER'S CERTIFICATE

I HEREBY CERTIFY THAT THE REQUIRED TAXES ON THE HEREIN DESCRIBED
PROPERTY HAVE BEEN FULLY PAID UP TO AND INCLUDING THE
DATE ABOVE WRITTEN 10th DAY OF January 2007

County: D & L

COUNTY SURVEYOR'S CERTIFICATE

I, HENRY GERTY, THAT I HAVE EXAMINED THE HEREIN PLAY OF THE CROSSINGS AND CHECKED THE PLAY AND COMPUTATIONS THEREON AND HAVE DETERMINED THAT THE REQUIREMENTS OF THE INLAND CODE PERTAINING TO PLANTS AND SURVEYS HAVE BEEN MET.

DATED THIS 11th DAY OF JANUARY 20 07

W. H. Williams State Kan ans

SURVEYORS' CERTIFICATE

I HEREBY CERTIFY THAT THIS PLAT WAS PREPARED BY ME OR UNDER MY DIRECTION, AND IS BASED ON AN ACTUAL PLAT LOCATED IN SECTION 1, TOWNSHIP 35 NORTH, RANGE 4 WEST, AND SECTION 34, TOWNSHIP 34 NORTH, RANGE 4 WEST, BOGGS, ARIZONA, BANNER COUNTY, IDAHO. THAT THE DISTANCES, COURSES AND ANGLES ARE CORRECTLY THIERDEN AND THAT THE MONUMENTS HAVE BEEN PLACED AND A LOT AND BLOCK CORNERS PROPERLY SET AND THE SURVEY IS IN COMPLIANCE WITH ALL PROVISIONS OF APPLICABLE STATE LAW AND LOCAL ORDINANCES.

s/s

CHAD + JOHNSON (9/5/07)



1206 Polston Ave., Ste. B
Post Falls, Idaho 83854
PHONE (208) 773-0370
FAX (208) 777-2120
www.incnorthwest.com

**THE CROSSING
BONNER COUNTY, IDAHO**

DATE: 1/9/08	SHEET: 11 OF 11
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**ARTICLES OF INCORPORATION
OF
DUFORT WATER ASSOCIATION, INC.**

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SECRETARY OF STATE
STATE OF IDAHO

The undersigned, acting as the Incorporator of a nonprofit corporation ("Corporation") organized under and pursuant to the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code ("Act"), adopt the following Articles of Incorporation ("Articles").

**ARTICLE 1
NAME**

- 1.1. The name of the Corporation is DUFORT WATER ASSOCIATION, INC.

**ARTICLE 2
NONPROFIT STATUS**

- 2.1. The Corporation is a nonprofit corporation.

**ARTICLE 3
PERIOD OF DURATION**

- 3.1. The period of duration of the Corporation is perpetual.

**ARTICLE 4
REGISTERED OFFICE AND AGENT**

4.1. The location of this Corporation is in the city of Dufort, County of Bonner, in the state of Idaho. The address of the initial registered office is 1322 W. Kathleen Avenue, Suite 2, Coeur d'Alene, Idaho 83815, and the name of the initial registered agent is Pete B. Bredeson at 1322 W. Kathleen Avenue, Suite 2, Coeur d'Alene, Idaho 83815.

**ARTICLE 5
PURPOSES**

5.1. This Corporation is not organized for profit. The specific primary purposes for which it is formed are to provide for the acquisition, construction, management, operations, administration, maintenance, repair, improvement, preservation, and general control of a water system to provide water to a portion of Bonner County, Idaho. In addition to the primary purposes, this Corporation shall have power to:

ARTICLES OF INCORPORATION FOR DUFORT WATER ASSOCIATION, INC. - 1

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5.1.1. Perform all of the duties and obligations of the Corporation in the service of water to the Corporation's members;

5.1.2. Fix, levy, collect and enforce assessment fees and fines in a fair and equitable fashion and secure the payment of assessments through liens upon real property, as allowed by Idaho law;

5.1.3. Pay all expenses and obligations incurred by the Corporation in the conduct of its business, including, without limitation all licenses, taxes or governmental charges levied or imposed against the Corporation's property;

5.1.4. Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

5.1.5. Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

5.1.6. Dedicate, sell, transfer or grant easements over all or part of any of the Corporation's property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members;

5.1.7. Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional services to the management of the Corporation;

5.1.8. Convey all, or substantially all, corporate assets to a public entity which would serve water to the members of this Corporation;

5.1.9. Litigate, mediate, and arbitrate any and/or all corporate rights and obligations. This Corporation, in addition to other provisions, may provide for the qualification of members, the terms and conditions of admission, the time, mode, conditions and effect of expulsion or withdrawal from the restoration of membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Corporation by any member or officer of the Corporation, and such other rules and regulations as are not repugnant to the laws of the state of Idaho; and

5.1.10. To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money and property, whether real or personal, or any other things of value. Nothing herein contained shall be deemed to authorize or permit the Corporation to carry on any business for profit, to exercise any power, or to

do any act that a corporation formed under the Act, or any amendment thereto or substitute therefore, may not at that time lawfully carry on or do.

ARTICLE 6

LIMITATIONS

6.1. No substantial part of the activities of the Corporation shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. The Corporation shall solely use its income to cover losses and expenses, with any excess being returned to the members or retained for future losses and expenses. The Corporation must collect at least eighty-five percent (85%) of its gross income from the members for the sole purpose of meeting its losses and expenses. Any excess income shall be distributed to the members on a pro rata basis based on their patronage or business done with the Corporation.

ARTICLE 7

MEMBERS AND MEMBERSHIP

7.1. Non-Stock Corporation. Participation in management and ownership of the Corporation shall be by membership only. The Corporation shall issue no stock and shall have no shareholders.

7.2. Membership. The Originating Member and any person or entity being served water by this Corporation shall automatically become a member. Upon becoming a member of the Corporation, the member shall remain a member thereof until such time as his/her service ceases for any reason, at which time his/her membership in the Corporation shall automatically cease. Membership and transfer of membership shall be further regulated by the Bylaws of the Corporation.

7.3. Transferred Membership. Membership in the Corporation shall not be transferred, pledged or alienated in any way, except upon the transfer of the right to service of water which shall only occur in accordance with the Bylaws of the Corporation. Any attempt to make a prohibited transfer is void. In the event the owner of any lot should fail or refuse to transfer the membership registered in his/her name to the purchaser of his/her lot, the Corporation shall have the right and authority to transfer, purchase and record the transfer upon the books; thereupon the old membership outstanding, in the name of the seller, shall be null and void.

7.4. Classes of Membership. The Corporation shall have two (2) classes of voting membership established according to the following provisions:

7.4.1. Class "A" Membership. Class "A" membership shall be held by each individual served by the system, excepting the Originating Member. Each Class "A" member shall be entitled to one (1) vote for service provided. If the service is owned by more than one person, each such person shall be a member of the Corporation, but there shall be no more than one (1) vote for each service. Multiple owners have joint rights and obligations.

7.4.2. Class "B" Membership. Class "B" membership shall be that held by the Originating Member, or its successor in interest, as specified in the Bylaws of this Corporation. Each Class "B" member shall be entitled seven (7) votes for each initial water service of the system based upon the storage capacity as set forth in the Bylaws; provided that Class "B" membership shall be converted to Class "A" membership and shall forever cease to exist on the occurrence of whichever of the following is first in time:

7.4.2.1. When that number of Class "A" votes equal or surpasses Class "B" votes; or

7.4.2.2. On the thirtieth (30th) anniversary of the filing of these Articles with the Idaho Secretary of State.

7.4.3. Additional Classes of Membership. This Corporation may add additional classes of membership through the lawful amending of the corporate Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.

7.5. Voting Requirements. Except where otherwise expressly provided in these Articles or the Bylaws, any action by the Corporation, which must have the approval of the Corporation membership before being undertaken, shall require the vote or written assent of the prescribed percentage of the total power (both classes combined) of the Corporation.

7.6. Limitation of Payment to Dissenting Member. Membership in the Corporation is appurtenant to and cannot be segregated from ownership of a lot within the jurisdiction of the Corporation. Except upon dissolution of the Corporation, a dissenting member shall not be entitled to any return of any contribution or other interest in the Corporation.

ARTICLE 8 BOARD OF DIRECTORS

8.1. The affairs of this Corporation shall initially be managed by a board of three (3) directors, but may be converted to a larger number in accordance with the Bylaws. From the date of conversion from a three (3) director board, the election of directors shall be divided into three (3) classes, of nearly equal number, with each class

elected for a staggered three (3) year term. The directors need not be members of the Corporation until conversion of Class "B" memberships to Class "A," after which time all directors must be members of the Corporation.

The number of directors may be increased by amendment of the Bylaws of the Corporation. The names and addresses of the initial directors of the Corporation, until the selection of their successors, are:

<u>NAME</u>	<u>ADDRESS</u>
Brent Sullivan	316 N. 2 nd Ave; Ste. A-2 Sandpoint, ID 83864
James Sullivan	316 N. 2 nd Ave; Ste. A-2 Sandpoint, ID 83864
Jerald Hansen	316 N. 2 nd Ave; Ste. A-2 Sandpoint, ID 83864

ARTICLE 9 DISTRIBUTION ON DISSOLUTION

9.1. Upon dissolution of the Corporation, the board of Directors shall, after paying or making provisions for the payment of all liabilities of the Corporation pursuant to Idaho Code Sections 30-3-114 and 30-3-115, distribute all remaining assets of the Corporation to the members on a pro rata basis based on their patronage or business done with the Corporation. Any such assets not so distributed shall be distributed by the District Court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organizations as the Court shall determine to be consistent with the purposes of the Corporation.

ARTICLE 10 INCORPORATOR

10.1. The name and street address of the Incorporator is:

<u>NAME</u>	<u>ADDRESS</u>
Pete B. Bredeson	1322 W. Kathleen Avenue, Suite 2 Coeur d'Alene, Idaho 83815-8339

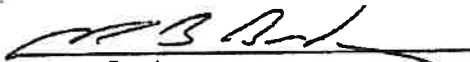
ARTICLE 11
BYLAWS

11.1. Provisions for the regulation of the internal affairs of the Corporation shall be set forth in the Bylaws. The Board of Directors of the Corporation shall be authorized to amend the Corporation's Bylaws at a properly noticed special or regular meeting of the Board of Directors.

ARTICLE 12
AMENDMENT OF ARTICLES

12.1. So long as Class "A" membership and Class "B" membership are still in effect, these Articles shall be amended only by the vote or written assent of at least eighty percent (80%) of a quorum of the voting power of each class of membership. Following the conversion of Class "B" membership to Class "A" membership, these Articles shall be amended only by the vote or written assent of members representing at least eighty percent (80%) of a quorum of the total voting power of the Corporation, provided this shall not be less than the percentage of affirmative votes prescribed for action to be taken under said clause or provision.

For the purposes of forming this Corporation, under the laws of the state of Idaho, I the undersigned, constituting the incorporator of this Corporation have executed these Articles on this 29th day of August, 2006.


Pete B. Bredeson

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SECRETARY OF STATE
STATE OF IDAHO

**RESTATED
ARTICLES OF INCORPORATION
OF
DUFORT WATER ASSOCIATION, INC.**

Recital

- A. The original articles of incorporation were filed on August 29, 2006, filing C 168626.
- B. Pursuant to Article 12 of the original Articles of Incorporation, "these Articles shall be amended only by the vote of written assent of at least eighty percent (80%) of a quorum of the voting power each [Class A and Class B] class of membership."
- C. At a duly called meeting of the Members, held on April 24, 2008, in Sandpoint, Idaho, the Members adopted these Restated Articles of Incorporation by a vote of 9 to 9 of Class A Members, which constitutes 100% in favor of adoption, and 1 to 0 of Class B Members, which constitutes 100% in favor of adoption.

**ARTICLE I
NAME**

The name of this corporation is DUFORT WATER ASSOCIATION, INC. (hereinafter "Association").

**ARTICLE II
NONPROFIT STATUS**

- 2.1 **Nonprofit Corporation.** The Association is a nonprofit corporation governed by the Idaho Nonprofit Corporation Act, Chapter 3, Title 30, Idaho Code (Act).
- 2.2 **Membership Organization.** The Association shall be organized as a membership association with voting Members and management vested in a Board of Directors.

**ARTICLE III
PERIOD OF DURATION**

The period of duration of the Association is perpetual.

**ARTICLE IV
CORPORATE OFFICE AND REGISTERED AGENT**

The address of the Association office is 212 N. First Avenue, Sandpoint ID 83864. The name and address of the registered agent is William M. Berg, Berg & McLaughlin, Chdt, 708 Superior Street, Ste B, Sandpoint ID 83864.

DUFORT WATER ASSOCIATION, INC.
Restated Articles of Incorporation
Page 1 of 6

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EXHIBIT

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ARTICLE V PURPOSES AND POWERS

- 5.1 **Purpose.** The Association's primary purpose is to acquire and maintain a source of drinking water, and to construct and maintain a drinking water storage and delivery system serving real properties within and adjacent to a subdivision known as THE CROSSING, described on an official plat recorded in Book 8 of Plats, Page 124, records of Bonner County, Idaho. As used herein, "adjacent" shall be broadly construed to mean "nearby."
- 5.2 **Powers and Authority.** The Association's Board of Directors shall have the following powers and authority.
- 5.2.1 Perform all of the duties and obligations of the Association in the service of water to the Association's Members;
- 5.2.2 Fix, levy, collect and enforce assessment fees and fines in a fair and equitable fashion and secure the payment of assessments through liens upon real property, as allowed by Idaho law;
- 5.2.3 Pay all expenses and obligations incurred by the Association in the conduct of its business, including, without limitation all licenses, taxes or governmental charges levied or imposed against the Association's property;
- 5.2.4 Acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, exchange, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;
- 5.2.5 Make contracts and incur liabilities, borrow money and mortgage, pledge, deed in trust or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;
- 5.2.6 Dedicate, sell, transfer or grant easements over all or part of any of the Association's property to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members;
- 5.2.7 Participate in mergers and consolidations with other nonprofit corporations organized for the same purposes, or annex additional services to the management of the Association;
- 5.2.8 Convey all, or substantially all, corporate assets to a public entity which would serve water to the Members of this Association;
- 5.2.9 Litigate, mediate, and arbitrate any and/or all corporate rights and obligations. This Association, in addition to other provisions, may provide for the qualification of Members, the terms and conditions of admission, the time, mode, conditions and effect of expulsion or withdrawal from the restoration of membership, admission fees, charges and assessments; and for reimbursement for services rendered to and expenses incurred on behalf of the Association by any Member or officer of the Association, and such other rules and regulations as are not repugnant to the laws of the state of Idaho; and

5.2.10 To exercise all powers granted by law necessary and proper to carry out the foregoing purposes, including, but not limited to, the power to accept donations of money and property, whether real or personal, or any other things of value.

- 5.3 **Limitation of Powers.** Nothing contained herein shall be deemed to authorize or permit the Association to carry on any business for profit, to exercise any power, or to do any act that is prohibited by a corporation formed under the Act, or any amendment thereto.

ARTICLE VI LIMITATIONS AND NONDISCRIMINATION POLICY

- 6.1 **Limitation on Political Activities.** No substantial part of the activities of the Association shall be for the carrying on of propaganda, or otherwise attempting to influence legislation, and the Association shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.
- 6.2 **Nondiscrimination Policy.** The Association, its directors, officers, employees, agents and contractors shall not discriminate in the Association's on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital status.

ARTICLE VII MEMBERS AND MEMBERSHIP

- 7.1 **Non-Stock Corporation.** Participation in management and ownership of the Association shall be by membership only. The Association shall issue no stock and shall have no shareholders.
- 7.2 **Membership.** The Originating Member (Crossing Development, Inc., an Idaho corporation, or its successor in interest) and the owner(s) in fee of real property served by the Association shall be Members. Upon becoming a Member of the Association, the Member shall remain a Member thereof until such time as his/her service ceases for any reason, at which time his/her membership in the Association shall automatically cease. Membership and transfer of membership shall be further regulated by the Bylaws of the Association.
- 7.3 **Membership Transfer.** Membership in the Association shall not be transferred, pledged or alienated in any way, except upon the transfer of the right to service of water which shall only occur in accordance with the Bylaws of the Association. A prohibited transfer is void. In the event the owner of any a lot or parcel of real property served by the Association fails or refuses to transfer a membership registered such owner's name to a successor in interest to the real property, the Association shall have the right and authority to transfer, and record such transfer upon the records of the Association.
- 7.4 **Classes of Membership.** The Association shall have two (2) classes of voting membership established according to the following provisions:

- 7.4.1 **Class A Membership.** Class A membership shall be held by each individual or entity, including The Crossing HOA, Inc., served by the system, excepting the Originating Member. Each Class A Member shall be entitled to one (1) vote for each service provided. The term "service" means an actual water service connection or an equivalent water service connection as the meaning of equivalency is defined by the Board. If the service is owned by more than one person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote for each service. Multiple owners have joint rights and obligations.
- 7.4.2 **Class B Membership.** Class B membership is that membership held by the Originating Member. The Class B Member shall be entitled to seven (7) votes for each unallocated equivalent water service connection available through the system. The number of unallocated equivalent water service connections shall be calculated by subtracting from 138 the total number of Class A memberships. If the Originating Member creates additional capacity, it shall receive seven (7) votes for each additional unallocated equivalent water service connection created. Upon the occurrence of one of following events, the Originating Member shall lose its Class B membership status and, thereafter, no votes shall be awarded to unallocated equivalent water service connections:
- 7.4.2.1 When that number of Class A votes equals or surpasses the number of Class B votes;
- 7.4.2.2 On the thirtieth (30th) anniversary of the original filing of these Articles with the Idaho Secretary of State.
- 7.5 **Additional Classes of Membership.** This Association may add additional classes of membership through the lawful amending of the corporate Bylaws. Nothing in these Articles shall prohibit the institution of additional classes.
- 7.6 **Voting Requirements.** Except where otherwise expressly provided in these Articles or the Bylaws, any action by the Association, which must have the approval of the Association membership before being undertaken, shall require the vote or written assent of the prescribed percentage of the total power (both classes combined) of the Association.
- 7.7 **Limitation of Payment to Dissenting Member.** Membership in the Association is appurtenant to and cannot be segregated from ownership of a lot or parcel of real property within the jurisdiction of the Association. Except upon dissolution of the Association, a dissenting Member shall not be entitled to any return of any contribution or other interest in the Association.

ARTICLE VIII BOARD OF DIRECTORS

- 8.1 **Directors and Qualifications.** The Members shall elect a Board of Directors consisting of three (3) Directors who shall serve staggered three (3) year terms. The Members may increase the number of Directors. The Directors shall be Members EXCEPT, so long as the Originating Member holds Class B Membership, the Originating Member's nominees need not be Members.
- 8.2 **Initial Directors.** The initial Directors shall be:
James W. Sullivan, 16114 E. Indiana, Suite 115, Spokane Valley, WA 99216
Brett T. Sullivan, 16114 E. Indiana, Suite 115, Spokane Valley, WA 99216
Claudia Dick, 116 N. First Avenue, Sandpoint ID 83864
- 8.3 **Removing Directors.** The Members may remove a Director, at any time and for any reason, upon the vote of sixty percent (60%) of the Members voting at a duly called meeting of the Members.
- 8.4 **Officers.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary and Treasurer. One person may serve as both Secretary and Treasurer. Officers shall be elected by a majority of Directors voting at a duly called meeting of the Directors.
- 8.5 **Removing Officers.** An officer may be removed from office at any time, for any reason, by a majority of the elected Directors. Such removal shall be evidenced by a resolution, executed by a majority of the Directors and delivered to the Secretary and the officer being removed. The officer's authority shall terminate upon delivery of said resolution to the Secretary.
- 8.6 **Action of the Board.** The action of the Board shall be the action of the Association.

ARTICLE IX DISTRIBUTION ON DISSOLUTION

- 9.1 **Requirements for Dissolution.** The Association may be dissolved upon the consent of seventy-five percent (75%) of the Members, each Member signing and acknowledging by law a resolution of dissolution. This provision may not be amended by less than 75% of the Members.
- 9.2 **Distribution of Assets.** Upon dissolution, the assets of the Association, after paying or making provisions for the payment of all liabilities of the Association, shall be divided pro rata among the Members or as otherwise directed by the District Court.
- 9.3 **Statutory Provisions.** Dissolution shall otherwise be accomplished in compliance with Title 30, Chapter 3-110 et. seq.

**ARTICLE X
BYLAWS**

Provisions for the regulation of the internal affairs of the Association shall be set forth in the Bylaws. The Board of Directors of the Association shall be authorized to amend the Association's Bylaws at a properly noticed special or regular meeting of the Board of Directors.

**ARTICLE XI
AMENDMENT OF ARTICLES**

These Articles shall be amended only by the vote or written assent of Members representing no less than sixty percent (60%) of the total voting power of the Association at a duly called meeting of the Members.

ADOPTED BY THE MEMBERS on this 24th day of April, 2008.

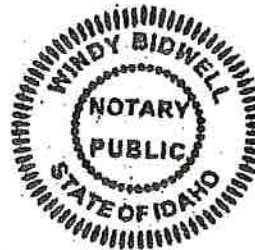
Bret T. Sullivan
Secretary

STATE OF IDAHO
COUNTY OF BONNER

} ss.

On this 24 day of April in the year of 2008 before me, a Notary Public for the state of Idaho, personally appeared Bret T. Sullivan, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Dufort Water Association, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) [Signature]
NOTARY PUBLIC
Residing at: Sandpoint
My commission expires: 3/12/13



RESTATED BYLAWS
OF
DUFORT WATER ASSOCIATION, INC.

ARTICLE I
PRINCIPAL OFFICE

The principal office the Dufort Water Association, Inc. (Association) shall be located in Bonner County, Idaho, in a location determined from time to time by the Board of Directors (Board). The initial office shall be located at 212 N. First Avenue, Sandpoint, ID 83864. The Association shall have such other offices either within or without the State of Idaho, as the Board may designate from time to time.

ARTICLE II
MEMBERSHIP

- 2.1 **Classes of Membership.** The Association shall have two (2) classes of voting membership established according to the following provisions:
- 2.1.1 **Class A Membership.** Class A Membership shall be held by each individual or entity that owns a lot or parcel of real property (Owner), including The Crossing HOA, Inc., served by the system, excepting the Originating Member. Each Class A Member shall be entitled to one (1) vote for each service provided. The term "service" means an actual water service connection or an equivalent water service connection as the meaning of equivalency is defined by the Board. If the service is owned by more than one person, each such person shall be a Member of the Association, but there shall be no more than one (1) vote for each service. Multiple owners have joint rights and obligations.
- 2.1.2 **Class B Membership.** Class B Membership is that membership held by the Originating Member. The Class B Member shall be entitled to seven (7) votes for each unallocated equivalent water service connection available through the system. The number of unallocated equivalent water service connections shall be calculated by subtracting from 138 the total number of Class A memberships. If the Originating Member creates additional capacity, it shall receive seven (7) votes for each additional unallocated equivalent water service connection created. Upon the occurrence of one of following events, the Originating Member shall lose its Class B membership status and, thereafter, no votes shall be awarded to unallocated equivalent water service connections:
- 2.1.2.1 When that number of Class A votes equals or surpasses the number of Class B votes;
- 2.1.2.2 On the thirtieth (30th) anniversary of the original filing of these Articles with the Idaho Secretary of State.

- 2.2 **Member-Designee.** An Owner of real property served by the water system may designate the following as Member-Designee: (a) a co-Owner; (b) the Owner's trustee, conservator, guardian, or attorney-in-fact; (c) an officer of an entity that owns the real property served by the water system; and (d) a lessee of the real property served by the water system. If the Owner registers a Member-Designee with the Secretary, such designation shall remain effective until revoked. The Owner who has made a designation may participate in Association meetings but may not vote so long as such designation remains effective. A designation shall not relieve the Owner of liability for obligations under the Association's governing document. The Owner and Member-Designee shall be jointly and severally liable to the Association.
- 2.3 **Voting Requirements.** Except as otherwise expressly provided in the Articles of Incorporation or these Bylaws, any action by the Association, which must have the approval of the Association membership before being undertaken, shall require the vote or written assent of the prescribed percentage of the total power (both classes combined) of the Association.
- 2.4 **Joint Owner Disputes.** The vote for a lot or parcel being served water by the Association must be cast as a single vote and the vote assigned to a particular lot shall not be fractionalized or split. If joint owners are unable to agree how their vote shall be cast, they shall lose their right to vote on the matter in question.
- 2.5 **Suspension of Voting Rights.** A Member's voting rights in the Association shall be suspended upon the occurrence of any of the following events:
- 2.5.1 **Delinquency.** A Member's fees, fines or other charges are delinquent and notice of such delinquency has been sent to the Member's address of record with the Association;
- 2.5.2 **Termination or Disconnection.** The Member service has been disconnected or terminated or is under a notice of service termination/disconnection;
- 2.5.3 **Failure to Cure Violation.** The Member is under sanction for violation of the Rules and Regulations and/or an outstanding violation has not been cured.
- 2.6 **Reinstatement.** A Member's voting rights shall be reinstated immediately upon cure of the event causing suspension.
- 2.7 **Proof of Membership and Transfer.** Membership in the Association shall not be sold, assigned or transferred except pursuant to these Bylaws and Rules and Regulations of the Association. The right to membership in the Association and the right to water service shall run with the land and shall automatically vest in a successor in interest to the real property served by the water system. A certified copy of a recorded deed vesting current title in an individual or entity shall constitute proof of ownership. The exclusive proof of membership shall be the membership ledger of the Association as kept by the Secretary of the Association. The property Owner shall have the duty to notify the Secretary of ownership changes. The purchaser and seller of real property served by the water system shall remain jointly and severally liable for all unpaid fees and charges until said fees and charges are paid.

in full. After the completed transfer, the purchaser (new Member) is solely liable for all future fees and charges.

ARTICLE III MEETING OF MEMBERS

- 3.1 **Annual Meeting.** The annual meeting of the Members shall be held in Bonner County, Idaho, at a time, place and location determined by the Board. If the Board shall fail to set another time and date, then the meeting shall occur on the second Wednesday of October in each year, at the hour of 7:00 o'clock P.M., at a meeting place to be announced in the call of the meeting. The purpose of the meeting shall be to elect Directors and for the transaction of such other business as may come before the meeting.
- 3.2 **Special Meetings.** Special meetings of the Members may be called by the President, or by not less than twenty-five percent (25%) of the Members of each class while more than one class shall exist, at any time with proper notice.
- 3.3 **Meeting Place.** The President or the moving Members may designate any place in Bonner County, Idaho as a place of meeting for any special meeting.
- 3.4 **Notice of Meeting.** Written notice stating the place, day and hour of an annual or special meeting of Members shall be delivered personally or by mail to each Member entitled to vote at such meeting, not less than fourteen (14) days nor more than twenty-eight (28) days before the date of such meeting, by or at the direction of the President or Secretary, or the officers or persons calling the meeting. In case of a special meeting or when required by statute or these Bylaws, the purposes for which the meeting is called shall be stated in the notice. If mailed, the notice shall be delivered when deposited in the United States mail, postage prepaid, addressed to the Member at his address as it appears on the records of the Association.
- 3.5 **Quorum.** A quorum shall consist of thirty percent (30%) of the total voting power of the membership including proxies submitted or on record with the Secretary. If less than a quorum is represented at such meeting, a majority of the Members entitled to vote may adjourn the meeting from time to time without further notice. The required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.
- 3.6 **Proxies.** At any meeting of Members, a Member entitled to vote may vote by proxy, executed in writing by the Member. Such proxy shall be filed with the secretary of the Association before or at the time of the meeting. The proxy may limit the discretion of the proxy holder.
- 3.7 **Regular Business.** The regular business of the Association may be carried out by a simple majority of voting memberships present in person or by proxy at any annual, regular or special meeting, except as otherwise set forth in these Bylaws. All procedural questions shall be governed by Robert's Rule of Order (latest edition available at meeting).
- 3.8 **Action by Consent of Members.** Any action required or permitted to be taken by the Members may be taken without a meeting if eighty percent (80%) of the total voting power

of the membership collectively consent in writing to such action. Said consent may occur by electronic communication and may later be ratified in writing.

ARTICLE IV GOVERNING BODY

The Board of the Association shall constitute the governing body of this Association.

ARTICLE V BOARD OF DIRECTORS

- 5.1 **Term and Qualification of Directors.** The affairs of the Association shall be managed by a Board consisting of ~~three~~ (3) Directors, but may be converted to a larger number by vote of the Members. Directors shall be Members EXCEPT the Class B Member may nominate Directors who are not Members.
- 5.2 **Election of Directors.** Directors shall be elected at the annual meeting. The Board may appoint a Nominating Committee or may offer its own nominee or slate of nominees. Such Nominating Committee or Board nominees shall be included in the notice of meeting. Nominations may be made from the floor.
- 5.3 **Terms.** Each Director shall be elected for a three (3) year term except initial Directors may be elected for less than ~~three~~ (3) terms. Terms shall be staggered so that at least one (1) Director is elected each year.
- 5.4 **Removal.** A Director may be removed at any time and for any reason upon the vote of sixty (60%) of the Members voting at a duly called meeting of the Members.
- 5.5 **Disqualification.** By a vote of two-thirds (2/3) of the remaining Directors, a Director may be deemed disqualified to hold office. Disqualification is limited to the following causes:
 - 5.5.1 **Conversion.** Conversion of all memberships to Class A, if the Director is not then a Member;
 - 5.5.2 **Absence.** Absence from three (3) consecutive Board meetings without just cause;
 - 5.5.3 **Conflict.** Continuing conflict of interest between outside interests and duties as a Director; or
 - 5.5.4 **Loss of Membership.** Loss of membership by sale, transfer or otherwise.
 - 5.5.5 **Suspension.** Suspension of membership pursuant to Article 2.5.
 - 5.5.6 **Felony Conviction.** Conviction in a federal or state court of a crime that would be classified as a felony in the state of Idaho.
- 5.6 **Vacancies.** A vacancy in any office because of death, resignation, removal, disqualification or otherwise shall be filled by majority vote of the remaining Members of the Board for the unexpired term. If the Board deadlocks, the Members shall elect the Director at a meeting to be called with thirty (30) days of deadlock.

- 5.7 **Quorum.** The presence in person of the majority of the Directors at any meeting of the Board shall constitute a quorum and the vote of the majority of the quorum actually present at any meeting shall constitute an action of the Board.
- 5.8 **Regular Meetings.** Regular meetings of the Board shall be conducted at least annually at a time and a place within Bonner County, Idaho as may be fixed by the Board. Notice of the time and the place of the regular meetings shall be given to each Director personally, by mail, e-mail or by telephone at least three (3) days prior to the day designated for the meeting.
- 5.9 **Special Meetings.** A special meeting of the Board may be called by written notice, signed by the President or by any one-half (1/2) of the Directors other than the President. Notice shall be provided to all Directors. The notice shall include a description and the nature of any special business to be considered by the Board. Special meetings may be held anywhere within Bonner County, Idaho.
- 5.10 **Waiver of Notice.** Before or at any meeting of the Board, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to giving a notice to that Director. Attendance by a Director at any meeting of the Board shall be a waiver of notice to that Director of the time and the place of the meeting except where such attendance is for the limited and expressed purpose of objecting to lack of notice.
- 5.11 **Action by Consent of Directors.** Any action required or permitted to be taken by the Board may be taken without a meeting if all of the Board shall individually or collectively consent in writing to such action. Said consent may occur by electronic communication and may later be ratified in writing.
- 5.12 **Board Meetings Open to Members.** Regular and special meetings of the Board shall be open to all Members, provided that Members who are not on the Board may not participate in any deliberation or any discussion unless expressly so authorized by vote of a majority of the quorum of the Board.
- 5.13 **Executive Session.** The Board may, with the approval of two-thirds (2/3) of a quorum of the Directors, adjourn the meeting and reconvene in Executive Session to discuss and vote upon sensitive matters. The nature of any and all business to be considered in Executive Session shall first be announced in open session. Whether or not a matter is sensitive is left in the sole discretion of the Board.
- 5.14 **Powers and Duties.** The Board shall have the powers and duties necessary for the administration and management of the affairs of the Association to the full extent allowed under the law. The Board, by resolution, shall establish Rules and Regulations concerning the management of the water system and shall attach thereto a schedule of fees and charges for the water system.
- 5.15 **Hearing on Rules.** Prior to the adoption or amendment of a Rule, the Board shall hold a meeting where Members may be heard on the proposed Rule or Amendment. The procedure for rulemaking shall be set forth in the Rules and Regulations.
- 5.16 **Committee Designation.** The Board may, by majority vote of the Directors, designate one (1) or more committees authorizing such committee or committees to act with the authority

of the Board. The delegation of the duty or duties shall be specific, limited in scope, time and type of authority. The composition of the committee shall be determined by the Board.

ARTICLE VI OFFICERS OF THE ASSOCIATION

- 6.1 **Officers and Terms.** The Board shall annually elect its officers. There shall be a President, Vice President, Secretary and Treasurer. One person may serve as both Secretary and Treasurer. Officers shall be elected by a majority of Directors voting at a duly called meeting of the Directors.
- 6.2 **Removing Officers.** An officer may be removed from office at any time, for any reason, by a majority of the elected Directors. Such removal shall be evidenced by a resolution, executed by a majority of the remaining Directors and delivered to the Secretary and the officer so removed. The officer's authority shall terminate upon delivery of said resolution to the Secretary.
- 6.3 **Vacancies.** A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.
- 6.4 **President.** The President shall be the principal executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He/she shall preside at all meetings; shall sign any deeds, mortgages, bonds, contracts or other instruments which the Board has authorized to be executed; and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board.
- 6.5 **Vice President.** The Vice President shall perform the duties of the President in the President's absence or in the event of death, inability or refusal to act, and when so acting shall have all of the powers and be subject to all of the restrictions placed upon the President.
- 6.6 **Treasurer.** The Treasurer shall have charge of and be responsible for all funds and securities of the Association; receive and give receipts for monies paid to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies or other depositories, and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by majority of the Members.
- 6.7 **Secretary.** The Secretary shall keep the minutes of the meetings of the Members in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; be custodian of the Corporate records and of the Seal of the Association, if any, and keep a register of the post office addresses of each Member which shall be furnished to the Secretary by such Member; and in general perform all duties incident to the office of Secretary.
- 6.8 **Compensation.** The officers of the Association may be compensated for their services as determined by the Board in its sole business judgment.

**ARTICLE VII
RECEIPT OF NON-CORPORATE ASSETS**

The Members or the Board on behalf of the Association may accept any contribution, gift, bequest or devise for general purposes or for any special purpose of the Association.

**ARTICLE VIII
MINUTES, RECORDS, AUDITS**

- 8.1 **Minutes.** The Association shall keep correct and complete books and records of account and shall also keep Minutes of the proceedings of its Member, Directors, and committees, and shall keep at its principal office a record giving the names and addresses of the Members entitled to vote. All books and records of the Association may be inspected by any Member or Member's agent or attorney for any proper purpose at any reasonable time.
- 8.2 **Financial Records.** The Association shall keep and maintain competent, auditable financial record and said records shall be available for inspection by any Member as set forth above.
- 8.3 **Audits.** The Board shall cause the financial records to be audited from time to time to insure the Association's funds are being properly managed. Such audit shall be available to the Members.

**ARTICLE IX
FISCAL YEAR**

The fiscal year of the Association shall be the calendar year.

**ARTICLE X
BUDGET, ASSESSMENTS, CHARGES, DISCONNECTION**

- 10.1 **Preparation and Adoption of Budget.** Not less than thirty (30) days before the end of the fiscal year, the Board shall prepare a budget for the Association for the coming year. In preparing its budget, the Board shall estimate the expenses of the Association to be paid during the year, make suitable provision for accumulation of reserves, and shall take into account any surplus or deficit carried over from the preceding year and any expected income to the Association. If, during the year, the budget proves to be inadequate for any reason, including nonpayment of any assessment, the Board may prepare a supplemental budget for the remainder of the year. The budget shall be approved by the Members at a duly called meeting of the Members.
- 10.2 **Purpose of Fees and Charges.** The fees and charges levied by the Association shall be used for the costs of maintaining operating, repairing, replacing and building the water system, including wells, pumps, lines, valves, storage tanks and other facilities and equipment associated with the water system, and for other reasonable needs of the system and the Association as deemed appropriate by the Board. Each such fee or charge of the water system together with any collection costs, including but not limited to any interest, costs or

attorney's fees, shall also be a personal obligation of the person who is the owner or party whose name is on the assessment rolls for the particular lot or parcel receiving water service from the Association. Fees and charges of the water system may be secured by a lien against the non-paying Member's lot or parcel and any and all fees and charges of the water system shall be a constructive real covenant affecting title to said lot or parcel. No Member is exempt from any liability because of waiver of use, enjoyment or by abandonment of any premises or lot, unless specifically set forth herein.

- 10.3 **Exception to Charges.** The Sagle Fire District and The Crossing, HOA, Inc. shall not pay water service or connection fees. The Originating Member, Crossing Development, Inc. or its successor in interest, shall not pay any fees related to unallocated water service connections. The Originating Member shall not pay connection fees, but shall pay for water service associated with an allocated connection, if any. The Board may, in its discretion, grant waivers of connection fees.
- 10.4 **Transfer of Lot by Sale or Foreclosure.** The sale or transfer of any lot or parcel shall not affect the fees and charges for water service or any lien placed on the property for unpaid fees and charges of the water system. However, the sale or transfer of any lot or parcel pursuant to mortgage foreclosure shall extinguish the lien of such fees and charges as to payments which become due prior to such sale or transfer (except for a lien recorded prior to the mortgage). No sale or transfer shall relieve such lot or parcel from liability for any fees or charges thereafter becoming due or from the lien thereof. Where the mortgagee of the first mortgage of record obtains title to a lot or parcel as a result of foreclosure of any such first mortgage, such mortgagee shall not be liable for the unpaid fees or charges of the Association chargeable to such lot or parcel which accrued prior to the acquisition of title or possession by such mortgagee. In a voluntary conveyance of a lot or parcel, the grantee of the same shall be jointly and severally liable with the grantor for all unpaid fees and charges of the Association against the latter for his/her/its share of the fees and charges up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefore.
- 10.5 **Late Fee for Failure to Pay.** The Board, in its discretion, may establish a schedule of late fees and penalty in the Rules and Regulations.
- 10.6 **Fines and Sanctions.** The Board, in its discretion, may establish a schedule of fines and sanctions for violations of the Rules and Regulations.
- 10.7 **Water Service Disconnection.** The Board shall have the right and duty to disconnect and terminate water service to a Member for violations of the Rules and Regulations including failure to pay fees, charges, or fines. Termination of service shall not constitute a waiver of the Association's right to collect unpaid fees. Water service shall not be disconnected, except as otherwise set forth in the Rules and Regulations, without prior notice to the property Owner and Member. Notice requirements shall be set forth in the Rules and Regulations.
- 10.8 **Property Lien.** When a notice of default and demand to cure have been recorded, such fees, charges and late fees shall constitute a lien on the subject real property prior and superior to all other liens except (1) all taxes, bonds, assessments and other levies which, by law, would

be superior thereto, and (2) the lien or charge of any first mortgage of record (meaning any recorded mortgage or deed of trust with first priority over other mortgages or deeds or trust) made in good faith and for value. Such lien may be enforced by foreclosure of the subject lot in accordance with Idaho law.

ARTICLE XI ENFORCEMENT OF BYLAWS

This Association shall be responsible for the enforcement of these Bylaws. The definition, duties and rights specified in the Bylaws shall guide the management of the Association. Nothing contained herein shall be interpreted to prohibit the Board from delegating a portion of or all of the duties set forth herein to any properly authorized person or agency.

ARTICLE XII SEAL

The Association may, but shall not be required to maintain a corporate stamp or seal.

ARTICLE XIII WAIVER OF NOTICE

Whenever any notice is required to be given under the statutes of the state of Idaho or under the provisions of the Articles of Incorporation or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the legal equivalent to the giving of such notice.

ARTICLE XIV DEADLOCK

If the Directors are equally divided and cannot agree on any issue, the Board may refer the matter to the Members for resolution. If the Members are equally divided on an issue, the Members may refer the matter to Board for resolution. If both the Board and the Members are deadlocked, or the Members cannot agree to refer the matter to Board, then the President shall cause the matter to be decided by an arbitrator of the President's choosing. Said arbitrator shall be qualified in the state of Idaho. If one or more Directors object to the President's selection, the appointment shall be made by the Administrative District Judge of the First Judicial District of the State of Idaho, whose decision shall be final. The decision of the arbitrator shall be final and not appealable.

ARTICLE XV INDEMNIFICATION

Each Director, Officer, or Committee Member shall be indemnified by the Association against all expenses and liabilities, including attorney's fees, reasonably incurred by or

imposed in connection with any proceeding to which he or she may be a party, or in which the person may become involved, by reason of holding or having held such position, or any settlement thereof, whether or not he or she holds such position at the time such expenses or liabilities are incurred, except to the extent such expenses and liabilities are covered by any type of insurance and except in such cases wherein such person is adjudged guilty of willful misfeasance in the performance of his or her duties; provided, however, that in the event of a settlement, the indemnification shall apply only when the Board approves such settlement and reimbursement as being for the best interests of the Association.

ARTICLE XVI AMENDMENTS TO BYLAWS

These Bylaws may be amended or restated at any regular meeting or at any special meeting of a quorum of the Members thereof, called for such purpose, by the affirmative vote of sixty percent (60%) of the total voting power of the membership present at such meeting.

IN WITNESS WHEREOF, the undersigned certifies that the above Restated Bylaws were duly and lawfully adopted by the Members of the Association on the 24th day April, 2008, and said restated Bylaws shall supersede any and all previously adopted Bylaws.

Brett T. Sullivan
Secretary

STATE OF IDAHO
COUNTY OF BONNER

)
) ss.

On this ____ day of _____, in the year of 200____, before me, a Notary Public for the state of Idaho, personally appeared Brett T. Sullivan, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Dufort Water Association, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) _____

NOTARY PUBLIC

Residing at: _____

My commission expires: _____

DUFORT WATER ASSOCIATION, INC.

Bylaws

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**RULES AND REGULATIONS
OF
DUFORT WATER ASSOCIATION, INC.**

After notice and hearing, and pursuant to Article 5.13 of the Bylaws, the Board of Directors (Board) of the Dufort Water Association, Inc. (Association) hereby adopts the following Rules and Regulations (Rules).

**ARTICLE I.
WATER SYSTEM USE, CONTROL AND FEES**

1.1 Water Usage Classifications.

- 1.1.1 **Residential Use.** Residential use is a regular use that is reasonably necessary to support a single family unit including, by way of illustration, drinking water, cooking, bathing, laundry, sanitary uses and reasonable landscape irrigation.
- 1.1.2 **Commercial Use.** Commercial use is a regular use that is not classed as a Residential Use.
- 1.1.3 **Temporary Use, Bulk Water.** An Owner or his agent may apply to the Association for a temporary use for a designated purpose, including bulk water service. The Board shall set the terms of such temporary use by written agreement. An agreement between the Board and an Owner shall not be construed as precedential. The Board reserves the unilateral right to set terms of use, including an individual fee schedule, or to deny a temporary use altogether.
- 1.1.4 **Fire Flow Use.** Water provided to and through the fire hydrant system (Fire Flow) for the purpose of fire fighting and testing is a special use that shall not be separately metered or charged. However, the Board may, at its discretion, meter such use from time to time for the purpose of verifying usage. Fire Flow provided for other uses, such as construction, irrigation, or wash down, shall be separately metered and charged out as a temporary use, bulk use, or as otherwise determined by the Board.

1.2 Fees, Rates and Charges.

- 1.2.1 **Connection Fee (Tap-on).** Each Owner agrees to pay a non-refundable connection fee (tap-on fee), usage charges and other fees and charges as adopted by the Board. The tap-on fee shall be due and payable upon the

assignment a previously unallocated water system connection by the Association to a property Owner.

- 1.2.2 **Water Usage.** Usage fees shall commence upon the earlier of (a) transfer of ownership of a previously assigned water service connection; (b) actual connection; or twenty-four (24) months after the assignment of a previously unallocated water service connection. Usage charges and other fees and charges are payable on a regular basis at times to be established by the Board.
- 1.2.3 **Transfer Fee.** The Association shall charge a fee when the service is transferred from one Owner to a new Owner. Transfer to a corporation or partnership shall be deemed a change of Ownership and the transfer fee shall apply. The fee shall not apply in the following circumstances: (a) transfer of Membership from the Owner to a Member-designee; (b) change of billing name and/or address; (c) the addition of an Owner in fee of the real property served (i.e. addition of spouse on title); or (d) transfer from an Owner, in his individual capacity, to a revocable trust in which the Owner is the current trust beneficiary.
- 1.2.4 **Fee Schedule.** A current schedule of fees, rates and charges is attached hereto as Exhibit A, and such schedule may be changed from time to time upon notice to the Members.
- 1.3 **Tap-On Location.** Potable water for residential, non-commercial and commercial uses will be furnished by the Association, and will be available for tap-on at a location specified and approved by the Association. The Association will cooperate with the Owner, when possible, to establish the tap-on connection at a mutually convenient location at or near the property boundary. The Board shall have final authority to locate the tap-on connection.
- 1.4 **Unauthorized Tap-On.** An unauthorized tap-on by an Owner is grounds for immediate termination of service with or without prior notice as provided herein. In addition to the remedies set forth herein, and in the Bylaws, the Board may, at its sole discretion, file a civil or criminal complaint against the violator.
- 1.5 **Meters.** Each property owner taking service, or as otherwise agreed, shall have an operating water meter. The Owner shall purchase the meter from the Association. The Owner shall install the water meter to the Association's specifications. Upon final inspection and approval by the Association, the Association shall take ownership of the meter and shall, thereafter, be responsible for its maintenance and replacement. No meter shall be moved without the prior written consent of the Board. An Owner is liable for all damages related to the Owner's activity that may damage a meter. An Owner shall not move or otherwise tamper with a meter and any unauthorized movement or tampering of any sort shall be grounds for immediate termination of service without notice. Should a meter fail to accurately register water use in any billing cycle, billing for the water used within that cycle shall be calculated to be equal to the lesser of (a) the water usage for the same month of the preceding year, or (b) the average

monthly water usage for the three (3) consecutive months that contain the single month of highest usage during the preceding twelve (12) month period.

- 1.6 **Cross Connection Control.** All new water connections shall be made in compliance with the cross connection control program and subject to review by certified cross control specialists. The Owner agrees to eliminate before the initiation of service all past or present cross-connections in the Member's system which could lead to a violation of the cross connection control protocol set forth by the State of Idaho and administered by the Idaho Department of Environmental Quality (IDEQ).
- 1.7 **Service Lines, Assemblies and Devices.** Service lines and other associated facilities from the tap-on location to point of water usage shall be constructed and maintained at the sole expense and risk of the Owner. Construction criteria for service lines, back flow prevention assemblies or devices, shut-off valves, pressure reducer valves, and other necessary equipment shall be provided by the Board pursuant to standards prepared by a certified operator for the Association and must be followed. Service may be immediately terminated without notice until installation of service lines, back flow prevention assemblies or devices, shut-off valves, pressure reducer valves, and other necessary equipment meet the criteria established by the Board. Installation of such equipment shall be at the sole expense and risk of the Owner and each Owner shall indemnify and hold harmless the Association for any loss or damage related to such installation. The Owner shall be responsible for any damages to real property, equipment, personal property, or persons, caused by, or related to, any activity associated with tap-on to the water system.
- 1.8 **Repairs.** The Association shall remedy defects in the system main lines (to the tap-on location), the pumps, water meters, wells, reservoir, pump house and other improvements to the well lot. The Owner is responsible for repairs and maintenance of all service lines, valves, and equipment from the tap-on location to the point of ultimate usage.
- 1.9 **Leaks on Owner's Premises.** Owners shall immediately repair all line breaks or leaks in service lines or plumbing to preclude water waste or damage to property. Failure to immediately repair such leaks may result in immediate termination of service without notice until such repairs are completed. Additionally, the Board, in its sole and absolute discretion, has the right to have such leaks repaired at the sole expense and liability of the Owner, without prior notice to the Owner. Costs incurred by the Association for such repairs may be, at the sole discretion of the Board, collected from the Owner in the same manner as fees and charges are collected in accordance with the Bylaws. Each Owner is liable for any loss/damage caused to the Association or third parties by leaks on the Owner's lot.
- 1.10 **Access to Property.** The Association has the right to enter the Owner's property for the purpose of monitoring, maintaining, constructing, repairing, or any other activity related to the water system, with twenty-four (24) hours prior notice to the Owner posted on the door of the residence. If no one resides on the property, no prior notice is required. Obstruction or denial of access to any portion of the

property serviced by water system shall be grounds for termination of service with notice or, at the discretion of the Board, the installation at the service connection, at the Owner's expense, a Reduced Pressure Backflow Prevention Assembly or Air Gap Backflow Prevention Assembly.

- 1.11 **Inspection.** An Owner or his contractor shall not backfill or otherwise cover a service connection without the approval of an Idaho state plumbing inspector and the Association's Licensed Operator.

ARTICLE II. STANDARDS AND INSPECTION

- 2.1 **Public Drinking Water Standards.** The Board adopts by reference the standards contained in IDAPA §§ 58.01.08.050, .100, .250-.552, inclusive, as such standards apply to the Association's system design, facilities, installation requirement, maintenance, inspection, and testing.
- 2.2 **Local Standards and Specifications.** Local construction criteria are attached as **Exhibit B**. The Board may adopt additional standards and specifications from time to time.
- 2.3 **License Operator.** The Board shall engage the services of a Licensed Operator who is certified in the state of Idaho to inspect and maintain the Association's system.
- 2.4 **Interpretation of Standards.** The Board shall rely on the opinion of the Association's Licensed Operator for the interpretation and application of standards. The Licensed Operator shall, in turn, rely upon and apply appropriate Idaho state standards.
- 2.5 **Inspection Requirement.** Upon completion, an Idaho state plumbing inspector, and the Licensed Operator, shall inspect and approve the installation of individual meters and privately owned facilities connected to the water system. The standards of such inspection shall comply with the Idaho Public Drinking Water Standards.
- 2.6 **Local Inspection Procedures and Standards.** [Reserved]

ARTICLE III. ENFORCEMENT OF RULES AND TERMINATION OF SERVICE

- 3.1 **Enforcement Authority.** The authority to enforce these Rules shall rest exclusively in the Board. The Board may fashion reasonable enforcement provisions as it deems fit and shall codify such provisions in this article. Adoption and amendment of enforcement provisions shall not require a hearing before the Members but the Board shall give notice of such adoption or amendment. Unless otherwise provided, enforcement provisions shall become effective fourteen (14) days after notice is mailed to Members.
- 3.2 **Fines and Sanctions.** [Reserved]

- 3.3 **Termination/Restriction of Service.** The Association has the right, without liability, to restrict service or terminate service for violation of these Rules. Such violation includes, but is not limited to, the failure to pay assessments, fines, or usage fees for water. Except as otherwise set forth herein, the Board shall give an Owner twenty (20) days prior written notice before restricting or terminating water service. Notice of termination or restriction shall be conspicuously posted on the property and delivered by certified mail, return receipt requested, to the Owner's address of record with the Association. The Board may grant a one-time, sixty (60) day extension upon the Owner's written notice of intent to cure the violation. Upon granting such extension, the Board shall send notice, by first class mail, of the date certain when the termination or restriction shall be effective absent a cure of the violation.
- 3.4 **Reconnection of Service.** To reconnect service after termination or restriction, the Owner shall file with the Board a written request for removal of restrictions or reinstitution of service. The decision to remove restrictions or reconnect service shall rest in the sole and absolute discretion of the Board. The Board may make reconnection contingent upon the Owner entering into a special service agreement on any reasonable terms to which the parties can agree, and/or impose reasonable special fees, and/or require payment of unpaid fees, charges, assessments, fines, and/or require the Owner to comply with a reasonable order related to the provision of service.
- 3.5 **No Liability for Interruption of Service.** The Association and/or Board shall not be liable for any actual or consequential damages arising from, or related to the intentional or unintentional interruption of water services, regardless of the cause of the interruption. Each Owner, and its successors and assigns agree to indemnify and hold harmless the Association, its Board, employees, contractors and agents from any and all liability related to service interruption.
- 3.6 **No Waiver of Enforcement Authority.** No failure to enforce or delay the enforcement of these Rules, or an omission in the exercise of any right or remedy by the Association and/or the Board shall impair such a right of enforcement or remedy, or be construed as a waiver of the Association's authority under these Rules. The receipt and acceptance by the Association of delinquent fees or payments shall not constitute a waiver of any other default; it shall constitute only a waiver of timely payment for the particular payment involved.

ARTICLE IV. NEW AND AMENDED RULES

- 4.1 **Authority to Propose Rule.** An Owner, Member, or the Licensed Operator, may propose a Rule or Rule amendment.
- 4.2 **Rulemaking.**
- 4.2.1 **Written Proposal.** A proposed new Rule or Rule amendment shall be in written form and presented to the Board together with a written statement supporting the change.

- 4.2.2 **Reasonableness Test.** Within ninety (90) days of receipt, the Board shall determine whether there is a reasonable basis for the proposed Rule. A Rule is "reasonable" if, more likely than not, its adoption will materially contribute to (a) lawful and/or efficient operation of the water system; (b) cost containment; or (c) environmental safety. The contribution is "material" if the Rule has more than a negligible effect. If the Board finds the proposed Rule unreasonable, it shall promptly give written notice to the proposer and state why the Board has found the proposed Rule unreasonable.
- 4.2.3 **Appeal.** An Owner or Member may appeal to the Members, at an annual or special meeting, the Board's decision as to the proposed Rule's reasonableness. The Members may find the proposal "reasonable" or "unreasonable." The Members may NOT draft or adopt a proposed Rule. If the Members find the proposed Rule "reasonable," the Board shall follow the procedure herein for Rule adoption.
- 4.2.4 **Draft Rule.** Within thirty (30) days of finding the proposed Rule "reasonable," the Board shall draft the Rule in final form for presentation to the Members.
- 4.2.5 **Notice and Hearing.** A copy of the draft Rule shall be promptly sent to each Owner and Member in accordance with the same formalities as required for notice of a special meeting of the Members. A hearing shall be scheduled no less than fourteen (14) days, nor more than thirty (30) days, from the date the notice is placed in the mail.
- 4.2.6 **Hearing and Decision.** At the hearing, all Owners and Members shall be granted an opportunity to address the Board. The Board may limit the time accorded each speaker. The Board may direct the Licensed Operator to answer questions and render an opinion on the draft Rule. After the hearing has been closed to further comment, the Board shall consider the draft Rule and, by majority vote, adopt, amend or reject the Rule. If the Board amends the Rule, the hearing shall be re-opened for additional comment on the amended Rule. The Board should make every reasonable effort to render a final decision immediately following the hearing. If, however, the ability to render an immediate decision is impracticable, the Board may continue the matter to a date and time certain, such date to be no more than thirty (30) days hence. The Board's decision as to the adoption or rejection of a Rule is final and may not be appealed to the Members.
- 4.3 **Determination of Fines.** Upon the adoption of any Rule, the Board may adopt an appropriate fine or other sanction to enforce the Rule. The Board may, but shall not be required to hold a hearing prior to the adoption of such fine or sanction.
- 4.4 **Documentation of New Rule.** The Board shall send copies of any newly adopted Rule to each Owner and Member within thirty (30) days of its adoption. The Board shall compile all Rules of the Association and keep an updated copy

thereof at the same location where other official records and books of the Association are kept

- 4.5 **Effective Date.** Unless otherwise stated in the Rule, a Rule's effective date shall be the date of its adoption. The Board may, at its discretion, delay the effective date for up to one year. Retroactive application of a Rule shall be deemed void unless the retroactivity was expressly set forth in the draft Rule considered by the Members and Owners.

ARTICLE V. ADMINISTRATIVE PROVISIONS

- 5.1 **Remedies in Law and Equity.** The failure of any Owner to comply with the provisions of the Rules shall give rise to a cause of action in favor of the Association and any aggrieved Owner for the recovery of damages, or for injunctive relief, or both.
- 5.2 **Court and Attorney Fees.** In any action as to the enforcement or interpretation of these Rules, the prevailing party shall be entitled to its costs and reasonable attorney fees.
- 5.3 **Captions and Titles.** The captions and titles are for convenience and reference only. They shall not define, limit or construe the contents of any provision.
- 5.4 **Governing Law and Severability.** These Rules are established under, and shall be governed by the laws of the state of Idaho. Any Rule prohibited by law or unenforceable shall not affect the remaining Rules.

ARTICLE VI. DEFINITIONS

- 6.1 "Assignment of water service connection" means the allocation of a water service connection to a property owner other than the Originating Member.
- 6.2 "Association" means the Dufort Water Association, Inc.
- 6.3 "Hook-on" (see "Tap-on").
- 6.4 "Licensed Operator" means the person or entity employed or otherwise engaged by the Association for the purpose of monitoring, maintaining, testing and inspecting the water system and connections thereto.
- 6.5 "Member" means a member of the Dufort Water Association, Inc. A "Member" may be an Owner, or the Owner's designee.
- 6.6 "Originating Member" means Crossing Development, Inc., an Idaho corporation, that constructed the water system and has special rights under the Association's Articles of Incorporation.
- 6.7 "Owner" means the owner in fee of property served by the Association.
- 6.8 "Regular use" means a water use provided through a "Tap-on."

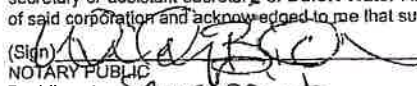
- 6.9 "Rule" is a mandatory regulation, guideline or standard. The word "Rule" incorporates and is interchangeable with the word "regulation."
- 6.10 "Tap-on" means the point of connection between the user's water line and the Association's main water line. It also means the same as, and may be used interchangeable with the term "hook on." The terms may also be used to describe the act of making the connection or "tap-on."
- 6.11 "Unallocated Water Service Connection" means an equivalent connection that has not been assigned to a lot or parcel of real property.

IN WITNESS WHEREOF, the undersigned certifies that the above stated Rules were duly and lawfully adopted by the Board of the Association on April 24, 2008.


Brett T. Sullivan
Secretary

STATE OF IDAHO)
COUNTY OF BONNER) SS.

On this 24 day of April, in the year of 2008, before me, a Notary Public for the state of Idaho, personally appeared Brett T. Sullivan, known or identified to me to be the president, or vice-president, or secretary or assistant secretary, of Dufort Water Association, Inc. that executed the within instrument on behalf of said corporation and acknowledged to me that such corporation executed the same.

(Sign) 
NOTARY PUBLIC

Residing at: Sawdust
My commission expires: 31-2-13



EXHIBIT A

SCHEDULE OF RATES AND CHARGES

Dufort Water Association, Inc

Connection Fees:

Standard Residential <i>(less than 2" water line)</i>	\$ 5,500.00
2"+ Water Line	\$ 18,000.00
3"+ Water Line	\$ 30,000.00

Inspections by Licensed Operator \$ 200.00 / inspection

Standby Fee \$ 30.00 / month

Member Transfer Fee \$ 100.00

Service Termination Fee \$ 50.00

Service Reconnection Fee \$ 50.00

Residential Water Usage

Basic Fee <i>(includes 0 - 12,000 gallons)</i>	\$ 48.00/month
12,001 - 30,000 gallons	\$0.005 /gallon
30,001 + gallons	\$0.006/gallon

Commercial Water Usage Same as Residential Water Usage Rate

Bulk Water Usage \$0.010/gallon

Terms:

- Usage fees are billed monthly and are payable within 30 days.
- A late charge of 10% of the amount due shall be charged for any payments that are not received within 30 days of the due date.
- Interest on past due is 1.5% per month.
- Service charge may be added for operator to provide Bulk Water.

EXHIBIT B

WATER SYSTEM CONSTRUCTION CRITERIA

Dufort Water Association, Inc

1. Owner/Member shall cause to be done the necessary engineering, preparation of plans and specifications for the construction of a water line of adequate size to connect to the Association's mains.
2. Water lines shall be constructed in accordance with the standards of, and subject to, the provisions as set forth by the State of Idaho.
3. Owner/Member or his agent shall obtain a permit for the water service line from the Idaho Plumbing Bureau, and any applicable permits required from any other governmental agency.
4. Owner/Member shall purchase from the Association and cause to be installed a water meter equipped with a remote reading device that will allow the reading of the meter by Association personnel from outside of the Owner's premises.
5. The meter shall be installed on or before the date Owner's service line is connected to the water main, with installation being made by a person certified as a plumbing contractor by the Idaho Plumbing Board.
6. Installation of meter and connection of the service to the water main shall be inspected and approved by the Licensed Operator prior to backfill. As-built plans shall be submitted to the Licensed Operator at least five (5) days prior to the time of water turn on.
7. Owner/Member and Licensed Operator shall schedule tap-on at a time of mutual convenience. It is recommended that tap-on occur between March 1st and October 31st.

Dufort Water Association, Inc.
Income & Expense Monthly & YTD
8/1/2022 - 8/31/2022

8/1/2022 - 8/31/2022

Ycer To Dale

Income

Assessments		
4001 - Operating Assessment	\$0.00	\$22,140.00
4003 - Restaurant & Clubhouse Assessment	\$0.00	\$1,920.00
4010 - Hookup Fees	\$0.00	\$15,000.00
Total Assessments	\$0.00	\$39,060.00
Other Income		
4202 - Late Fee/Non-Payment Fee	\$114.00	\$273.00
4205 - Reserve Interest	\$1.08	\$8.62
Total Other Income	\$115.08	\$281.62
Pass thru Costs		
4301 - Transfer Set-up Fee to Management	\$0.00	\$200.00
4302 - Delinquent Letter	\$105.00	\$105.00
Total Pass thru Costs	\$105.00	\$305.00
Total Income	\$220.08	\$39,646.62

Expense

Pass thru expense		
5001 - Transfer Set-up Fee to Management	\$0.00	\$200.00
Total Pass thru expense	\$0.00	\$200.00
Professional		
5101 - Association Management Fee	\$225.00	\$1,800.00
5108 - CPA/Audits	\$0.00	\$310.00
5113 - Legal General Fees	\$81.25	\$121.25
Total Professional	\$306.25	\$2,231.25
Office Expense		
5201 - Postage	\$0.00	\$62.78
5202 - Copies	\$0.00	\$167.25
5204 - Bank & Service Fee	\$0.00	\$4.81
5206 - Storage of Records	\$0.00	\$4.50
5207 - Recording & Permit Fees	\$0.00	\$240.27
5215 - HOA Computers	\$0.00	\$119.00
Total Office Expense	\$0.00	\$598.61
Insurance Expense		
5301 - Liability/Property	\$706.00	\$706.00

Dufort Water Association, Inc.
Income & Expense Monthly & YTD
8/1/2022 - 8/31/2022

Total Insurance Expense	\$706.00	\$706.00
Water System		
6550 - Water System Operator	\$675.00	\$6,075.00
6551 - Water Testing	\$25.00	\$275.00
6552 - Other Services by Water Operator	\$308.25	\$1,600.33
6553 - Repair & Maintenance	\$143.05	\$11,867.61
6559 - Electricity	\$630.49	\$3,997.94
6570 - Maintenance Building	\$0.00	\$1,010.50
Total Water System	\$1,781.79	\$24,826.38
Utilities		
6502 - Electricity	\$0.00	\$0.00
Total Utilities	\$0.00	\$0.00
Taxes		
6702 - State Taxes	\$0.00	\$10.00
Total Taxes	\$0.00	\$10.00
Total Expense	\$2,794.04	\$28,572.24
Operating Net Income	(\$2,573.96)	\$11,074.38
Net Income	(\$2,573.96)	\$11,074.38

DUFORT WATER ASSOCIATION, INC.

Sentry Management, Inc.
1110 W Park Place, Suite 101
Coeur d'Alene, ID 83814
(208) 676-8626 - Office (208) 676-8603 - Fax

August 2022 Financial Reports

Monday, September 26, 2022

Attn: Board of Directors

Attached are the following financial reports ending August 31, 2022

Mountain West Bank

Operating \$126,558.99

Pacific Premier Bank

Operating \$74,196.85
\$200,755.84

Monthly financial reports (attached) as follows:

Balance Sheet	
Income & Expense Report	August & YTD
Budget Performance	August & YTD
Accounts Receivable	
Prepaid Assessments	
Accounts Payable	
Vendor Transaction List	
Sentry Incidentals	Paid August

Operating Expenses Paid in August 2022

Country Mutual Insurance Co.	\$706.00	Liability insurance
Debit	\$143.05	2 Transactions at 2 vendors
Northern Lights, Inc.	\$630.49	Monthly electricity
Sentry Management, Inc.	\$225.00	Monthly set fee
Sentry Management, Inc.	\$114.12	July incidentals
Water Systems Management	\$1,362.08	Monthly system operator
Total Operating Expenses Paid August 2022	\$3,180.74	

Prepared by Robyn Haaland
Reviewed by Sara Masters

Dufort Water Association, Inc.
Balance Sheet
Period Through: 8/31/2022

Assets			
Cash-Operating			
1001 - MWB - Operating Account	\$126,558.99		
1005 - PPB Operating Account	\$73,871.85		
Cash-Operating Total		\$200,430.84	
Owner Receivables			
1100 - Accounts Receivable - Owners	\$2,284.50		
Owner Receivables Total		\$2,284.50	
Assets Total			\$202,715.34
Liabilities and Equity			
Accounts Payable			
2000 - Accounts Payable - Vendors	\$1,089.50		
Accounts Payable Total		\$1,089.50	
Prepaid Fees			
2040 - Prepaid Assessments	\$90.00		
Prepaid Fees Total		\$90.00	
Retained Earnings		\$190,461.46	
Net Income		\$11,074.38	
Liabilities & Equity Total			\$202,715.34

Income & Expense Monthly & YTD

Dufort Water Association, Inc.
Income & Expense Monthly & YTD
8/1/2022 - 8/31/2022

	8/1/2022 - 8/31/2022	Year To Date
<u>Income</u>		
Assessments		
4001 - Operating Assessment	\$0.00	\$22,140.00
4003 - Restaurant & Clubhouse Assessment	\$0.00	\$1,920.00
4010 - Hookup Fees	\$0.00	\$15,000.00
Total Assessments	\$0.00	\$39,060.00
Other Income		
4202 - Late Fee/Non-Payment Fee	\$114.00	\$273.00
4205 - Reserve Interest	\$1.08	\$8.62
Total Other Income	\$115.08	\$281.62
Pass thru Costs		
4301 - Transfer Set-up Fee to Management	\$0.00	\$200.00
4302 - Delinquent Letter	\$105.00	\$105.00
Total Pass thru Costs	\$105.00	\$305.00
Total Income	\$220.08	\$39,646.62
<u>Expense</u>		
Pass thru expense		
5001 - Transfer Set-up Fee to Management	\$0.00	\$200.00
Total Pass thru expense	\$0.00	\$200.00
Professional		
5101 - Association Management Fee	\$225.00	\$1,800.00
5108 - CPA/Audits	\$0.00	\$310.00
5113 - Legal General Fees	\$81.25	\$121.25
Total Professional	\$306.25	\$2,231.25
Office Expense		
5201 - Postage	\$0.00	\$62.78
5202 - Copies	\$0.00	\$167.25
5204 - Bank & Service Fee	\$0.00	\$4.81
5206 - Storage of Records	\$0.00	\$4.50
5207 - Recording & Permit Fees	\$0.00	\$240.27
5215 - HOA Computers	\$0.00	\$119.00
Total Office Expense	\$0.00	\$598.61
Insurance Expense		
5301 - Liability/Property	\$706.00	\$706.00

Income & Expense Monthly & YTD

Dufort Water Association, Inc.
Income & Expense Monthly & YTD
8/1/2022 - 8/31/2022

Total Insurance Expense	\$706.00	\$706.00
Water System		
6550 - Water System Operator	\$675.00	\$6,075.00
6551 - Water Testing	\$25.00	\$275.00
6552 - Other Services by Water Operator	\$308.25	\$1,600.33
6553 - Repair & Maintenance	\$143.05	\$11,867.61
6559 - Electricity	\$630.49	\$3,997.94
6570 - Maintenance Building	\$0.00	\$1,010.50
Total Water System	\$1,781.79	\$24,826.38
Utilities		
6502 - Electricity	\$0.00	\$0.00
Total Utilities	\$0.00	\$0.00
Taxes		
6702 - State Taxes	\$0.00	\$10.00
Total Taxes	\$0.00	\$10.00
Total Expense	\$2,794.04	\$28,572.24
Operating Net Income	(\$2,573.96)	\$11,074.38
Net Income	(\$2,573.96)	\$11,074.38

Dufort Water Association, Inc.

WATER

	2022 ACTUAL THROUGH AUGUST	PROPOSED 2023 BUDGET		REMAINING RESERVE BALANCE
4001 - Operating Assessment	22,140.00	\$30,240.00	54 Existing; 4 new anticipated @ 6 mos/each	\$ 200,755.84 8/31/2022
4003 - Restaurant & Clubhouse Assessment	1,920.00	\$2,100.00		\$ 20,000.00 Expected Expenses Sept - Dec
4010 - Hookup Fees	15,000.00	\$10,000.00	4 New Homes hooked up	\$ 180,755.84
4202 - Late Fee/Non-Payment Fee	273.00	\$0.00		
4205 - Reserve Interest	7.54	\$10.00		
4301 - Transfer Set-up Fee to Management	200.00	\$0.00		
4302 - Delinquent Letter	105.00	\$105.00		
INCOME	39,645.54	\$42,455.00		
5001 - Transfer Set-up Fee to Management	200.00	\$0.00		
5101 - Association Management Fee	1,800.00	\$2,300.00		
5108 - CPA/Audits	310.00	\$310.00		
5113 - Legal General Fees	121.25	\$5,000.00	H2O Quality/Quantity Rights	
5201 - Postage	62.78	\$100.00		
5202 - Copies	167.25	\$250.00		
5204 - Bank & Service Fee	4.81	\$5.00		
5206 - Storage of Records	4.50	\$10.00		
5207 - Recording & Permit Fees	240.27	\$100.00		
5215 - HOA Computers	119.00	\$0.00		
5301 - Liability/Property	706.00	\$900.00		
6550 - Water System Operator	6,075.00	\$8,500.00		
6551 - Water Testing	275.00	\$600.00		
6552 - Other Services by Water Operator	1,600.33	\$2,200.00		
6553 - Repair & Maintenance	11,860.61	\$8,000.00	Mother Board	
6554 - Fire Hydrant Testing - Annual	-	\$1,000.00		
6559 - Electricity	3,997.94	\$6,000.00		
6702 - State Taxes	10.00	\$10.00		
8202 - Water Pipe Replacement	-	\$1,000.00		
EXPENSES	27,554.74	\$36,285.00		
NET	12,090.80	\$6,170.00		
CAPITAL EXPENSE - RESERVE BUDGET				
6570 - Maintenance Building	\$	180,755.84		
8201 - Plant Motherboard Replacement	-	\$12,000.00	Trenching & Water Hookup	
NET		\$8,000.00	\$7000 deposit paid	
		\$166,925.84		

DUFORT WATER ASSOCIATION, INC.

c/o Sentry Management Inc.
1110 W. Park Place, Suite 101, Coeur d'Alene, ID 83814
(208) 676-8626 - direct | (208) 676-8603 - fax

September 19, 2022

Willow Bay Marina & RV Resort, LLC
c/o Ron Amundson
PO Box 9263
Seattle, WA 98109

RE: Clubhouse

Second Delinquent Assessment Notice

Dear Willow Bay Marina & RV Resort, LLC:

According to Dufort Water Association, Inc. records, as legal owner of the property noted above, your account is past due, which may include assessments, late fees, finance charges, and/or administrative fees. This account is at least ninety (90) days in arrears.

For your reference, the past due policy for the Association is printed on the reverse of this letter. Pursuant to the Dufort Water Association, Inc. CC&Rs, the Board of Directors may record a claim of lien against the property of any member who fails to keep their account(s) current.

As of this date, your past due amount includes:

Late Fee/Non Payment Fee - \$81.00

Admin Fee for Prep Delinquent - \$70.00

Restaurant/Clubhouse Assessmen - \$540.00

Please review your statement and bring your account current immediately to prevent further action by the Association. Your statement includes a coupon with instructions on where to send payment. Should you have any questions regarding this notice, please contact our office at (208) 676-8626.

Unless you dispute the validity of the debt described above within thirty (30) days of the receipt of this notice, Dufort Water Association, Inc. will assume this debt to be valid.

On behalf of the Board of Directors,

Accounts Receivable Department

Sentry Management Inc.

Cc: Board of Directors – Dufort Water Association, Inc.

Dufort Water Association, Inc.
 c/o Sentry Management, Inc.
 1110 W. Park Place, Ste 101
 Coeur d'Alene, ID 83814
 208-676-8626

Due Date	Account Number
Upon Receipt	1112008301

Willow Bay Marina & RV Resort, LLC
 C/O Ron Amundson
 PO Box 9263
 Seattle, WA 98109

RE: Clubhouse

Statement

Date	Description	Ref#	Charges	Payment	Balance
Primary					
6/1/2022	Annual Clubhouse Assessment (Jan-Dec 2022)		\$540.00		\$540.00
7/15/2022	Late/Non Payment Fee		\$27.00		\$567.00
8/15/2022	Late/Non Payment Fee		\$27.00		\$594.00
8/15/2022	Late Letter Fee		\$35.00		\$629.00
9/15/2022	Late Letter Fee		\$35.00		\$664.00
9/15/2022	Late/Non Payment Fee		\$27.00		\$691.00
9/19/2022	Current Account Balance				\$691.00

PAST DUE

HB642 Disclosure of Fees with Sale Per Idaho Statute §55-116 and §55-1528 - The following fees are collected with ownership transfer:
 Transfer Fee to the Management Company of \$100.00. Refinance fee to Management Company, Preparation of documents: \$25.00

Important
 Please be sure to reference your new 10 digit account number on your check.
 Return your payment with the coupon provided below.

Willow Bay Marina & RV Resort, LLC
 C/O Ron Amundson
 PO Box 9263
 Seattle, WA 98109

Use 10 Digit Acct# Below on Payment
 1112008301

Make Check Payable To:
 Dufort Water Association, Inc.

Please Remit Coupon And Statement To:

Dufort Water Association, Inc.
 c/o Sentry Management Inc.
 PO Box 174390
 Denver, CO 80217-4390

Amount Due: \$691.00

Date Due: Upon Receipt

Check #:

Amount Paid:

pd
 9/30/22
 # 1013

1110 001136 0000001112008301 WILLOWBAYMAR 069100 4

Due Date	Account Number
Upon Receipt	1112008301

RE: Clubhouse

Received Billing 9/19/22

Date	Description	Ref#	Charges	Payment	Balance
Primary					
1/1/2022	Previous Balance				\$0.00
6/1/2022	Annual Clubhouse Assessment (Jan-Dec 2022)		\$540.00		\$540.00
7/15/2022	Late/Non Payment Fee		\$27.00		\$567.00
	PAST DUE				
7/16/2022	Current Account Balance				\$567.00

Use 10 Digit Acct# Below on Payment
1112008301

Amount Paid: _____

1110 001136 0000001112008301 WILLOWBAYMAR 056700 5

Davison, Copple, Copple & Copple, LLP
Attorneys at Law

Direct Contact:

Terry C. Copple
Direct: (208) 472-4551

E-Mail: tc@davisoncopple.com
www.davisoncopple.com

199 North Capitol Boulevard, #600
Post Office Box 1583
Boise, Idaho 83701

Telephone: (208) 342-3658
Facsimile: (208) 386-9428

November 17, 2022

SENT VIA EMAIL & REGULAR U.S. MAIL

Dufort Water Association, Inc.
Attn: Gerard Dougherty, Treasurer
39 Dawson Avenue, #90
Priest River, Idaho 83856
gmd@dllawyers.com

Erik P. Smith
Lake City Law Group PLLC
435 W. Hanley Ave., Ste. 101
Coeur d'Alene, Idaho 83815
esmith@lclattorneys.com

The Crossing HOA, Inc.
Attn: Patty Cole, Secretary
39 Dawson Avenue, #90
Priest River, Idaho 83856
pattyleecole@gmail.com

Dufort Water Association, Inc.
c/o Sentry Management Inc.
Attn: Sara Masters
1110 W. Park Place, Suite 101
Coeur d'Alene, Idaho 83814
smasters@sentrymgt.com

Dufort Water Association, Inc.
Attn: Burt Quick, President
39 Dawson Avenue, #90
Priest River, Idaho 83856
president@idahocrossinghoa.org

Re: *Willow Bay Marina and RV Resort, LLC*

Dear Ladies and Gentlemen:

This letter is a follow up to our letters to the Dufort Water Association, Inc., dated October 18, 2022, and October 20, 2022.

We have reviewed your recent response with our client and we understand that Dufort Water Association, Inc. ("Dufort Water") has the identical Board of Directors of The Crossing HOA, Inc. ("HOA"). We further understand that the HOA is in great need of funds as the result of running at an \$80,000.00 deficit. We further understand that Dufort Water as a result of water assessments paid by its members as well as our client has a \$100,000.00 reserve fund for the repairs and future replacements necessary for the wells and water system of Dufort Water.

It has come to our attention that the HOA, through its control of Dufort Water, has elected not to provide notice of Dufort Water meetings to our client even though it is a full member of Dufort Water. We also understand that the HOA, acting through its control of the Board of Dufort Water, is attempting to revise the organizational documents of Dufort Water in order to deny our client its status as a full member of Dufort Water. Also pending is the intention of the HOA, acting through its control of the Board of Dufort Water, to take the water rights of Dufort Water away from it and put those water rights into the name of the HOA. This has become obvious from recent filings made by the HOA with

the Idaho Department of Resources purporting to transfer the water rights of Dufort Water over to the HOA without compensation or independent representation under the guise that it has acquired the water rights as a result of an acquisition from Hanson Investments, L.L.C., all of which transfer have been denied by Hanson Investments, L.L.C. Finally, it has been the express intention of the HOA, through its control of the Board of Directors of Dufort Water, to merge Dufort Water into the HOA and thereby acquire all of the assets and \$100,000.00 cash surplus held by Dufort Water to use for its own purposes.

In light of all of the foregoing matters, our client hereby demands that Dufort Water immediately do the following:

1. Confirm in writing that our client, Willow Bay Marina and RV Resort, LLC, is presently and will remain a full voting member of Dufort Water in accordance with the organizational documents of Dufort Water for all multiple properties with multiple votes owned by our client; and
2. Provide to our client at the address of Willow Bay Marina & RV Resort, LLC, c/o Ron Amundson, P.O. Box 9263, Seattle, Washington 98109, all proper written notices of any meetings of the membership or the Board of Directors of Dufort Water, as well as copies of any correspondence, notices, and emails to the water membership from Dufort Water that may occur in the future; and
3. Cease and desist from attempting to modify, alter or change the Articles of Incorporation, Bylaws or other organizational documents of Dufort Water to deny Willow Bay Marina RV Resort, LLC or any other member of their voting rights which are now vested and constitute property rights that cannot be taken away by Dufort Water; and
4. To the extent, if any, any funds or property of Dufort Water has been transferred or conveyed to the HOA from Dufort Water, then please consider this letter as a demand for such property to be returned back to Dufort Water; and
5. Dufort Water immediately repudiate the effort of the HOA to convert and take the water rights of Dufort Water away from it as is purporting to take place by a Notice of Claim for Water Right and the Notice of Change in Water Right Ownership filed with the Idaho Department of Water Resources by the HOA. Such purported transactions are void and of no force and effect because Dufort Water has not transferred any of its water rights to the HOA and is prohibited by its organizational documents and law from divesting itself of its property interest in its vested property rights; and
6. Dufort Water shall immediately file its own Notice of Claim of Water Right in its own name and take all further appropriate steps to protect its water rights under Idaho law to its water system; and
7. Immediately confirm in writing that Dufort Water Board of Directors has ceased attempting to merge Dufort Water with the HOA in order to acquire the assets and cash funds of Dufort Water; and

8. The Board of Directors of Dufort Water immediately resign as members of the Board of Directors, as well as all officers appointed by the Board who may also be officers of the HOA based upon the conflict of interest and multiple breaches of fiduciary duties owed to Dufort Water as a result of the acts and omissions in attempting to remove the assets of Dufort Water and convert them to the assets of the HOA in violation of the rights of Willow Bay Marina RV Resort, LLC and the other members of Dufort Water. As a result, Dufort Water should hold a new election of board members to take place as soon as is administratively possible; and
9. We request on behalf of our client that we receive copies of any and all meeting notices and minutes of all Dufort Water members' meetings for 2019, 2020, 2021, and 2022, and all other records of any actions approved by the members for such period of time. This request is made pursuant to Idaho Code § 30-30-1102. Also, please provide copies of all membership lists for such years which request is made pursuant to Idaho Code § 30-30-1104. The membership lists are requested to verify the qualification of the members identified in the requested minutes. The membership list will not be used to solicit money or property, shall not be used for any commercial purposes, and will not be sold to or purchased by any person. The reasonable charges for copying the records and forwarding to this office on behalf of our client shall be paid by our client.

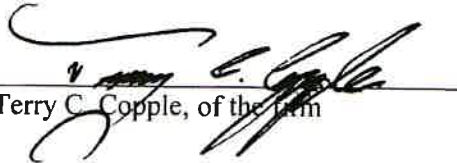
Please consider this demand as a claim for the protection and enforcement of the rights of our client, Willow Bay Marina RV Resort, LLC, as well as a demand on the Board to take such actions as demanded herein and if not taken by the Board and its officers then this letter shall constitute a notice of the future enforcement by a derivative action to compel the Board of Directors and its officers to protect the rights and property of Dufort Water.

In the event that such actions are not taken, then our client has instructed us to proceed with such additional steps and actions as may be deemed necessary by our client to protect its rights and the assets of Dufort Water from being converted. Further, in the event that it is necessary that litigation be instituted, then our client will, in addition to all of its other rights and remedies, seek an injunction from the District Court to prevent the oppressive actions currently being taken to take and convert as well as destroy the rights of our client in Dufort Water.

Very truly yours,

DAVISON, COPPLE, COPPLE & COPPLE, LLP

By: _____


Terry C. Copple, of the firm