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IDWR/NORTH

Form 48-2408/48-2409(6) Rev. 7/21

SCHL000501290A
102 South Rosita Bay Rd.

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

NOTICE OF CHANGE IN WATER RIGHT OWNERSHIP

List the numbers of all water rights and/or adjudication claim records to be changed. If you only acquired a portion of the water right or adjudication claim, check "*Yes*" in the "*Split?*" column. If the water right is leased to the Water Supply Bank, check "*Yes*". If you are not sure if the water right is leased to the Water Supply Bank, see #7 of the instructions.

FILL IN AS NEEDED IS SAME AS PREVIOUS

Water Right/Claim No.	Split?	Leased to Water Supply Bank?	Water Right/Claim No.	Split?	Leased to Water Supply Bank?
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐
	Yes ☐	Yes ☐		Yes ☐	Yes ☐

2. Previous Owner's Name: Katherine Fritchie
   Name of current water right holder/claimant

3. New Owner(s)/Claimant(s): Kristina + Clancy Si France
   New owner(s) as listed on the conveyance document Name connector ☐ and ☐ or

   405 El Camino Real #248 — Mailing address
   Menlo Park — City
   CA — State
   94025 — Zip
   603-667-0656 — Telephone
   Kristina.j.france@gmail.com — Email

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

5. Date you acquired the water rights and/or claims listed above: ✓.

6. Do you own the land identified as the water right place of use? Yes ☑ No ☐
   - o If no, attach evidence that written notice of the change of water right ownership has been delivered to the landowner of record.

7. This form must be signed and submitted with the following **REQUIRED** items:
   - ☑ A copy of the conveyance document – warranty deed, quitclaim deed, court decree, contract of sale, etc. The conveyance document must include a legal description of the property or description of the water right(s) if no land is conveyed.
   - ☐ Plat map, survey map or aerial photograph which clearly shows the place of use and point of diversion for each water right and/or claim listed above (if necessary to clarify division of water rights or complex property descriptions).
   - ☐ Filing fee (see instructions for further explanation):
     - o $25 per *undivided* water right.
     - o $100 per *split* water right.
     - ☒ No fee is required for pending adjudication claims. — LETTER SAYS CURRENTLY BEING ADJUDICATED
   - ☐ If water right(s) are leased to the Water Supply Bank AND there are multiple owners, a Lessor Designation form is required.
   - ☐ If water right(s) are leased to the Water Supply Bank, the individual owner or designated lessor must complete, sign and submit an IRS Form W-9.

8. Signature: Kristin France — Signature of new owner/claimant; Title, if applicable; 8-1-25 — Date
   Kristina France — Print name

   Signature: CSF — Signature of new owner/claimant; Title, if applicable; 8-1-25 — Date
   Clancy Si France — Print name

For IDWR Office Use Only:

Receipted by_____ Date_____ Receipt No._____ Receipt Amt._____

Active in the Water Supply Bank? Yes ☐ No ☐ If yes, forward to the State Office for processing W-9 received? Yes ☐ No ☐

Name on W-9_____ Approved by_____ Processed by_____ Date_____

IDAHO DEPARTMENT OF
WATER RESOURCES

Northern Region • 7600 N Mineral Drive, Suite 100 • Coeur D'Alene, ID 83815-7763
Phone: 208-762-2800 • Fax: 208-762-2819 • Email: northerninfo@idwr.idaho.gov • Web: idwr.idaho.gov

Governor Brad Little **Director Mathew Weaver**

July 1, 2025

KRISTINA J FRANCE
405 EL CAMINO REAL SUITE 248
MENLO PARK CA 94025

RE: Ownership of Water Right 97-4085

Dear Claimant(s):

It looks as though you may be the current owner of the cabin on Bonner County Parcel Number(s), SC*HL000S01290A, which is pertinent to the water right(s) referenced above.

When a change of ownership involving a water right occurs, a Notice of Change in Water Right Ownership form is required. I have enclosed a copy of this form for your convenience. Please return it to our office no later than July 25, 2025 as this water right is currently being adjudicated by the court and they need to be able to reach the current owner.

If you choose not to file the Change of Ownership, you will not receive any future mailings from the court regarding the Adjudication of the water rights for your property and they will be decreed in the name of the previous owner, KATHERINE FRITCHIE.

If you have any questions regarding this matter, please call me at 208-762-2800.

Sincerely,

Dawn R. Lenon

Dawn R. Lenon
Technical Records Specialist I
Northern Region

Enclosure(s): Change of Ownership Form
Copy of Proof Report 97-4085

ELECTRONICALLY RECORDED - DO NOT REMOVE THE COUNTY STAMPED FIRST PAGE AS IT IS NOW INCORPORATED AS PART OF THE ORIGINAL DOCUMENT.

411 3888-TD
111 7550-S

STATE OF IDAHO DEED

DEED NO. D14402
102 S Rosalia Bay Road, Coolin, ID 83821

THIS STATE DEED ("Deed") is made this 22 day of November, 2024, by the **STATE OF IDAHO, STATE BOARD OF LAND COMMISSIONERS**, whose mailing address is P.O. Box 83720, Boise, Idaho 83720-0050 ("**Grantor**"), and **KANIKSU LAKE HOUSE, LLC**, whose mailing address is 504 S Coeur d'Alene #5, Spokane WA 99201 ("**Grantee**").

WITNESSETH: That Grantor, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, does hereby bargain, sell, convey and release unto Grantee all of Grantor's right, title and interest in and to the following described real property, with a street address of 102 S Rosalia Bay Road, Coolin, ID 83821 (the "**Property**") situated in Bonner County, State of Idaho, to-wit:

LOT 11, BLOCK 1, OF STATE SUBDIVISION - HUNT CREEK, ACCORDING TO THE PLAT THEREOF, RECORDED IN BOOK 10 OF PLATS, PAGE 159, RECORDS OF BONNER COUNTY, IDAHO.

TOGETHER WITH:

1. All mineral rights pursuant to Idaho Code § 47-711(1).

2. The tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

3. "State of Idaho Declaration of Access Easement, State Subdivision - Hunt Creek, No. ES100004", upon the terms, conditions and provisions contained therein, recorded in the records of Bonner County, Idaho, as Instrument No. 865401.

4. "State of Idaho Declaration of Driveway and Utility Easement, State Subdivision - Hunt Creek, No. ES100075", upon the terms, conditions and provisions contained therein, recorded in the records of Bonner County, Idaho, as Instrument No. 865274; and rerecorded as Instrument No. 865572; and clarified and corrected by Instrument No. 877419.

5. The granting of an easement for ingress and egress over, across and along all existing roads as described in that certain "Amended State of Idaho Easement No. 4744", recorded in the records of Bonner County, Idaho, as Instrument No. 861624.

IN WITNESS WHEREOF, the State Board of Land Commissioners has executed this instrument as set forth below.

STATE BOARD OF LAND COMMISSIONERS

President of the State Board of Land Commissioners
and Governor of the State of Idaho

Countersigned:

Secretary of the State of Idaho

Director of the Idaho Department of Lands

STATE OF IDAHO)
)ss.
COUNTY OF ADA)

On this 14th day of November 2024, before me, a Notary Public in and for said State, personally appeared BRAD LITTLE, as the President of the State Board of Land Commissioners and Governor of the State of Idaho, that executed the within instrument, and acknowledged to me that he executed the same as said President and Governor, and that the State Board of Land Commissioners and the State of Idaho executed the same.

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

T. FELTER
Com. No. 62083
NOTARY
PUBLIC
Expires: 12/31/2025
STATE OF IDAHO
(Seal)

Notary Public for State of Idaho
My Commission Expires: 12/31/25

OPERATING AGREEMENT

OF

KANIKSU LAKE HOUSE LLC

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OPERATING AGREEMENT
OF
KANIKSU LAKE HOUSE LLC

The undersigned members (each a "**Member**" and collectively, the "**Members**") of Kaniksu Lake House LLC, an Idaho limited liability company (the "**Company**"), desiring to adopt an operating agreement pursuant to the Idaho Uniform Limited Liability Company Act (the "**Act**"), hereby agree as follows effective as of August 17, 2023 (the "**Effective Date**"):

ARTICLE 1 - FORMATION

Certificate of Organization

. The Certificate of Organization for the Company was filed with the Idaho Secretary of State on the Effective Date (as may be amended by the Manager from time to time, the "**Certificate**").

Principal Place of Business

. The principal place of business of the Company shall be 405 El Camino Real, Ste. 248, Menlo Park, California 94025, or such other location or locations as the Manager may establish from time to time.

Registered Agent

. The Company's initial registered agent shall be Givens Pursley Corporate Services LLC, whose address is 601 W. Bannock St., Boise, Idaho 83702. The Manager may change the registered agent from time to time.

Business Purpose

. The primary purpose of the Company shall be to engage in any lawful business permitted by the Act or the laws of the State of Idaho.

Agreement

. The Members executing this Operating Agreement of Kaniksu Lake House LLC (this "**Operating Agreement**") hereby agree to the terms and conditions hereof, as it may from time to time be amended according to its terms. To the extent any provision of this Operating Agreement is prohibited or ineffective under the Act, this Operating Agreement shall be considered amended to the smallest degree possible in order to make this Operating Agreement effective under the Act. In the event the Act is subsequently amended or interpreted in such a way to make valid any provision of this Operating Agreement that was formerly invalid, such provision shall be considered to be valid from the effective date of such interpretation or amendment. The initial Members, so long as they wholly own the Company as husband and wife and as community property, shall be the only Members and intend that both they and the Company treat the Company as a "disregarded entity" for federal tax purposes.

ARTICLE 2 - MEMBERS, CONTRIBUTIONS, AND INTERESTS

Initial Members, Membership Interests, and Contributions

. The names of the initial Members of the Company are Clancy France and Kristina France, each of whom have an address of 405 El Camino Real, Ste. 248, Menlo Park, California 94025. As of the

Effective Date, Clancy France and Kristina France each own 50% of all the Membership Interests of the Company. As used in this Operating Agreement, the term "**Membership Interest**" shall include the economic and management interests of the Members in the Company unless otherwise specifically stated herein. The Members' respective capital contributions to the Company are shown on the books and records of the Company.

Limitation of Liability

. Each Member's liability shall be limited as set forth in this Operating Agreement, the Act and other applicable law. A Member will not be personally liable, merely as a Member, for any debts or losses of the Company beyond the Member's respective capital contributions. The failure of the Company to observe any formalities or requirements relating to the exercise of its powers or management of its business or affairs shall not be grounds for imposing personal liability on the Members for liabilities of the Company.

Other Business of Members

. Except as may be otherwise provided in agreements among the Members and the Company, any Member may engage independently or with others in other business and investment ventures of every nature and description and shall have no obligation to account to the Company for such business or investments or for business or investment opportunities.

Additional Members

. Additional Members shall not be admitted except upon unanimous consent of the Members. Each additional Member must execute this Operating Agreement and agree to be bound by the terms hereof, or such additional Member shall be treated as an Assignee (as defined in Section 6.6). Unless otherwise agreed in writing by all the existing Members, the admission of additional Members shall dilute the Membership Interests of the existing Members in the total amount of the Membership Interest to be issued to the additional Member on a prorata basis according to the respective Membership Interests of the existing Members.

Interest on Capital Contributions

. Except as otherwise specifically provided in this Operating Agreement, no interest shall be paid on capital contributions.

Rights of Indemnification

. The Company or its receiver or trustee, shall indemnify, defend, hold harmless, and pay all judgments and claims against each Member for all costs, losses, liabilities and damages paid or accrued by such Member by reason of any act performed or omitted to be performed by such Member, in connection with the business of the Company, to the fullest extent provided or allowed by the Act and the laws of the State of Idaho, including attorney fees and costs incurred by such Member. However, no Member shall be indemnified from any liability for fraud, bad faith, willful misconduct, or gross negligence.

Title to Company Property

. All property owned by the Company, whether real or personal, tangible or intangible (collectively, the "Assets"), including without limitation, money, and any legal or equitable interest in such property, shall

. Except as otherwise specifically provided herein or prohibited by law, the Manager shall make any and all elections for federal and state income tax purposes, including, without limitation, any election, if permitted by applicable law to: (i) adjust the basis of Company property pursuant to Code § 754, § 734(b) and § 743(b), or comparable provisions of state or local law, in connection with transfers of Membership Interests and Company distributions; (ii) extend the statute of limitations for assessment of tax deficiencies against Members with respect to adjustments to the Company's federal, state or local tax returns; and (iii) represent the Company before taxing authorities or courts of competent jurisdiction in tax matters affecting the Company.

Time Devoted to Business

. The Manager shall devote such time to the business of the Company as the Manager in the Manager's discretion deems necessary for the efficient operation of the Company's business. The Manager may engage independently or with others in other business and investment ventures of every nature and description and shall have no obligation to account to the Company for such business or investments or for business or investment opportunities.

Manager's Standard of Care

The Manager owes to the Company and the other members the fiduciary duties of loyalty and care as set forth below.

3.6.1 Duty of Loyalty. The Manager's duty of loyalty to the Company and the other members is limited to the following:

(i) to account to the Company and hold as trustee for it any property, profit, or benefit derived by the Manager in the conduct and winding up of the Company business or derived from a use by the member of Company property;

(ii) from the appropriation of a Company opportunity (this duty shall only be violated if the opportunity is within the business purpose of the Company as identified in Section 1.4); and

(iii) to refrain from dealing with the Company in the conduct or winding up of the Company business as or on behalf of a party having an interest adverse to the Company.

Notwithstanding the foregoing, it shall not be a violation of the Manager's duty of loyalty merely because (i) the Manager's conduct furthers the Manager's own interest or the interest of any particular member; or (ii) the Manager engages in any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with the Company so long as the terms and conditions of such transaction, on an overall basis, are believed at the time of approval to be fair and reasonable to the Company, and provided that all of the members approval of the transaction.

Duty of Care.

The Manager's duty of care in the discharge of the Manager's duties to the Company and the members is limited to refraining from engaging in grossly negligent or reckless conduct, intentional misconduct, or a knowing violation of law. In discharging its duties, the Manager shall be fully protected in relying in good faith upon the records required to be maintained under the Act and upon such information, opinions, reports or statements by any other members, or agents, or other Persons as to matters the Manager reasonably believes are within such other Person's professional or expert competence and who has been

selected with reasonable care by or on behalf of the Company, including, without limitation, information, opinions, reports or statements as to the value and amount of the Assets, liabilities, profits or losses of the Company or any other facts pertinent to the existence and amount of Assets from which distributions to members might properly be paid.

Exculpation

. If done in good faith to promote the best interests of the Company, any act or omission of the Manager in the management of the Company, the effect of which may cause or result in loss or damage to the Company or any Member, shall not subject the Manager to any liability to the Members.

ARTICLE 4 - RECORDS AND ACCOUNTS

Books of Account

. The Company's books and records, a register showing the names, addresses and Membership Interests of the members, and this Operating Agreement shall be maintained at the Company's principal office. The Company shall also keep books and records of the Company's operations that are appropriate and adequate for the Company's business and for the carrying out of this Operating Agreement. Each member shall have access thereto at all reasonable times.

Maintenance of Capital Accounts

. If applicable (it being recognized that the following do not apply with respect to either a single member entity or a Community Property Entity (as hereinafter defined) treated as a "disregarded entity"), the Company shall establish and maintain an account recording the capital of each Member ("**Capital Account**").

4.2.1 Capital Accounts. An individual Capital Account shall be maintained for each Member. Each such Capital Account shall be (i) credited with all capital contributions by such Member and the Member's distributive share of all income and gain (including any income exempt from federal income tax); and (ii) charged with the amount of all distributions to such Member and the Member's distributive share of losses and deductions. Capital Accounts shall be maintained in accordance with federal income tax accounting principles as set forth in Treas. Reg. 1.704-l(b)(2)(iv) or any successor provision.

4.2.2 Compliance with Section 704. The provisions of this Article 4 as they relate to the maintenance of Capital Accounts are intended, and shall be construed, and, if necessary, to cause the allocations of profits, losses, income, gain and credit pursuant to Article 5 to have substantial economic effect under the Regulations promulgated under §§ 704(b) and 704(c) of the Code, in light of the distributions made pursuant to Articles 5 and 7 and the capital contributions made pursuant to Article 2.

Distribution of Assets

. If the Company at any time distributes any of its Assets, as defined in Section 2.7, in-kind to any Member, the Capital Account of each Member shall be adjusted to account for that Member's allocable share (as determined under Article 5 below) of the Net Profits or Net Losses that would have been realized by the Company had it sold the Assets that were distributed at their respective fair market values immediately prior to their distribution.

Sale or Exchange of Interest

. In the event of a sale or exchange of some or all of a Member's Membership Interests in the Company, the Capital Account of the transferring Member shall become the Capital Account of the transferee of such interest, to the extent it relates to the portion of the Membership Interest transferred.

Reports

. The Members shall close the Company's books of account promptly after the close of each calendar year, and shall prepare and send to each Member a statement of the Member's distributive share of income and expense for federal income tax reporting purposes. A copy of the Company's tax return and the Member's K-1 tax form shall suffice as a statement of the Member's distributive share.

ARTICLE 5 - ALLOCATIONS AND DISTRIBUTIONS

Community Property LLC

. If and for so long as the Company is an entity that is wholly owned by a husband and wife as community property under the laws of a state, a foreign country, or a possession of the United States (a "**Community Property Entity**"), both the Company and the husband and wife as community property owners, intend that the Company be treated as a "disregarded entity" for state and federal tax purposes, and all items of income, gain, loss, deduction and credit shall be allocated to the Members in accordance the applicable provisions of the Code.

Multiple Member LLC

. During any period in which the Company has more than one Member and Section 5.1 does not apply, the Company intends to be treated for federal and state tax purposes as a partnership under Subchapter K of the Code. In such event, all items of income, gain, loss, deduction and credit, including items described in Code § 702(c), items of income or gain exempt from federal taxes, and expenditures described in Code §705(a)(2)(B), shall be determined on an annual basis and allocated to the Members in proportion to their respective Membership Interest.

Distributions

. From time to time, the Manager shall determine in its reasonable judgment to what extent, if any, there is Cash Available for Distribution. To the extent that Cash Available for Distribution exists, the Company shall make distributions to the Members in proportion to their Capital Accounts. The distributions shall be in cash or property or partly in both, as determined by the Company. "**Cash Available for Distribution**" shall mean:

(a) the sum of (i) all cash received by the Company from the operations of the Company (including, without limitation, net proceeds of sale or refinancing), and, (ii) as determined by the Manager, all cash of the Company no longer needed for reserves and retentions previously established; and

(b) minus the sum of (i) all cash expenditures of the Company, including, but not limited to, payments of principal and interest on indebtedness (whether or not the payments are made to a Member or a Member's Affiliate), (ii) expenses for repairs, maintenance, reserves, capital improvements and replacements, (iii) all other cash expenditures related to the operations of the Company, including, but not limited to, all fees, if any, payable to any Member, or any Member's Affiliate, under the terms of this Operating Agreement; and (iv) such reserves and retentions as the Members determine to be necessary or desirable in connection with Company operations (including

adequate capital to pay taxes, insurance payments, debt payments and capital expenses), its then existing Assets and any anticipated expenses of the Company or loan payments by the Company.

Distributions in Kind

. Non-cash Assets, if any, shall be distributed in a manner that reflects how cash proceeds from the sale of such Assets for fair market value would have been distributed (after any unrealized gain or loss attributable to such non-cash Assets has been allocated among the Members in accordance with this Article 5).

Withholding; Amounts Withheld Treated as Distributions

. The Company is authorized to withhold from distributions or payments, to Members and to pay over to the appropriate federal, state or local governmental authority any amounts required to be withheld pursuant to the Code or provisions of applicable state or local law. All amounts withheld pursuant to the preceding sentence in connection with any payment, distribution or allocation to any Member shall be treated as amounts distributed to such Member pursuant to this Article 5 for all purposes of this Operating Agreement.

Mandatory Distributions

. Notwithstanding any other provision of this Operating Agreement to the contrary, the Company shall make pro rata distributions to each Member at least equal to the estimated federal and state income taxes attributable to their pro rata share of the Company's net long-term and Code §1231 capital gains and non-separately computed income under applicable provisions of the Code. This estimated tax liability, which shall be computed by the accountant who regularly prepares the Company's tax returns, shall be computed with respect to all Members equally, but based upon using the highest incremental tax rate of the Member with the highest rate, and shall be applicable to individuals on capital gains and other taxable income for the tax year in question. Unless a Majority of the Members otherwise agree, these minimum mandatory distributions shall be declared and paid annually no later than April 15th of each year. Any pro rata distributions made during the taxable year in question to Members in excess of the minimum mandatory distributions required by this Section can be taken into account in determining the extent of any future minimum mandatory distributions for that particular taxable year.

Income Tax Liability

. If the Company may be liable for the payment of any tax as a result of a Member's failure to file a tax return or to pay a tax liability, the non-filing Member shall be liable personally to the Company for any such tax, plus penalties and interest. The Company may pay such liability out of funds allocated to the non-filing Member's Capital Account or from Distributable Cash otherwise payable to the non-filing Member.

ARTICLE 6 - TRANSFERS OF MEMBERSHIP INTERESTS

Restrictions on Disposition

. No Member shall sell, contribute, gift, encumber, hypothecate, exchange or otherwise dispose of (collectively, "**Transfer**") all or any portion of such Member's Membership Interest without the express, prior unanimous written consent of the remaining Members. Each Member hereby acknowledges the reasonableness of the restrictions on disposition imposed by this Operating Agreement in view of the

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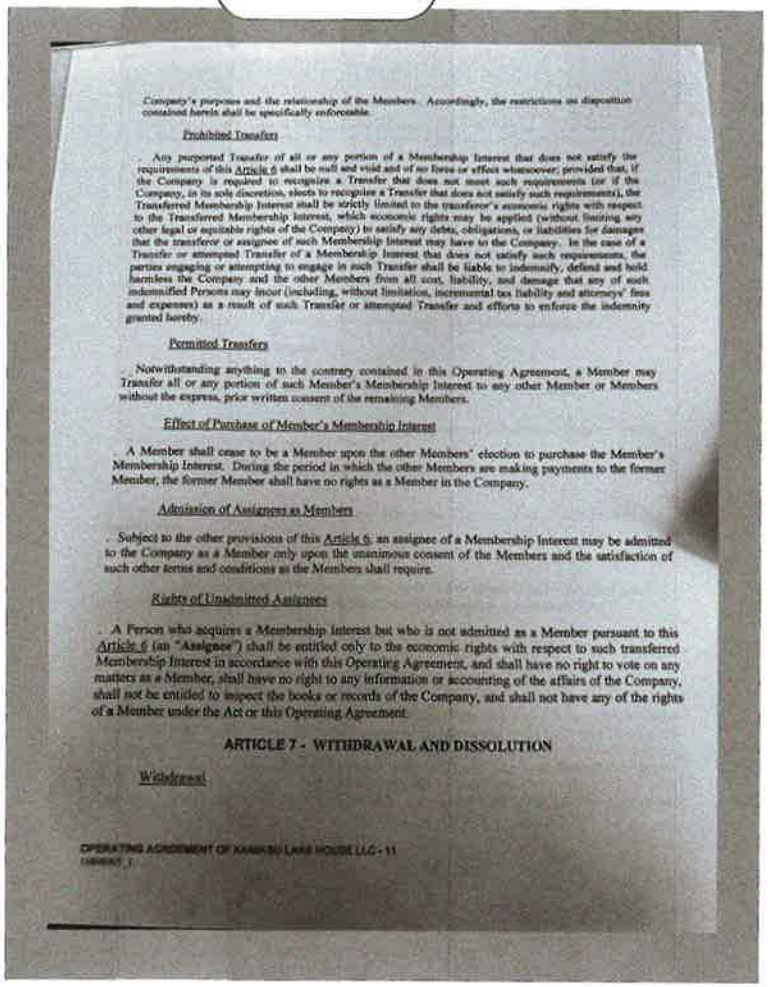

Company's purposes and the relationship of the Members. Accordingly, the restrictions on disposition contained herein shall be specifically enforceable.

Prohibited Transfers

. Any purported Transfer of all or any portion of a Membership Interest that does not satisfy the requirements of this Article 6 shall be null and void and of no force or effect whatsoever; provided that, if the Company is required to recognize a Transfer that does not meet such requirements (or if the Company, in its sole discretion, elects to recognize a Transfer that does not satisfy such requirements), the Transferred Membership Interest shall be strictly limited to the transferor's economic rights with respect to the Transferred Membership Interest, which economic rights may be applied (without limiting any other legal or equitable rights of the Company) to satisfy any debts, obligations, or liabilities for damages that the transferor or assignee of such Membership Interest may have to the Company. In the case of a Transfer or attempted Transfer of a Membership Interest that does not satisfy such requirements, the parties engaging or attempting to engage in such Transfer shall be liable to indemnify, defend and hold harmless the Company and the other Members from all cost, liability, and damage that any of such indemnified Persons may incur (including, without limitation, incremental tax liability and attorneys' fees and expenses) as a result of such Transfer or attempted Transfer and efforts to enforce the indemnity granted hereby.

Permitted Transfers

. Notwithstanding anything to the contrary contained in this Operating Agreement, a Member may Transfer all or any portion of such Member's Membership Interest to any other Member or Members without the express, prior written consent of the remaining Members.

Effect of Purchase of Member's Membership Interest

. A Member shall cease to be a Member upon the other Members' election to purchase the Member's Membership Interest. During the period in which the other Members are making payments to the former Member, the former Member shall have no rights as a Member in the Company.

Admission of Assignees as Members

. Subject to the other provisions of this Article 6, an assignee of a Membership Interest may be admitted to the Company as a Member only upon the unanimous consent of the Members and the satisfaction of such other terms and conditions as the Members shall require.

Rights of Unadmitted Assignees

. A Person who acquires a Membership Interest but who is not admitted as a Member pursuant to this Article 6 (an "**Assignee**") shall be entitled only to the economic rights with respect to such transferred Membership Interest in accordance with this Operating Agreement, and shall have no right to vote on any matters as a Member, shall have no right to any information or accounting of the affairs of the Company, shall not be entitled to inspect the books or records of the Company, and shall not have any of the rights of a Member under the Act or this Operating Agreement.

ARTICLE 7 - WITHDRAWAL AND DISSOLUTION

Withdrawal

. Each Member agrees not to withdraw from the Company without the consent of all other Members. A voluntary withdrawal in violation of this Section 7.1 shall be effective after three (3) months written notice delivered to the other Members, but shall constitute a breach of this Operating Agreement for which the Company and other Members shall have all remedies provided under applicable law.

Events of Dissolution

. Except as otherwise provided in this Operating Agreement, the Company shall dissolve upon the earlier of: (a) sale of all or substantially all of the Company's Assets; or (b) approval of dissolution by the unanimous vote of the Members; or (c) the entry by an authorized district court with jurisdiction over the applicable matter of an order dissolving the Company on the grounds provided for under the Act.

Liquidation

. Upon the Company's dissolution, the Manager or, if the Manager is unwilling to serve, a Person selected by a Majority of the Members shall act as a liquidator to windup the Company (the "**Liquidator**"). The Liquidator shall have full power and authority to sell, assign and encumber any or all of the Company's Assets and to wind-up and liquidate the Company's affairs in an orderly and prudent manner. The Liquidator shall distribute the proceeds from liquidation in accordance with Section 7.4.

Distribution Upon Dissolution

. If at the date of dissolution, the Company is taxed as a partnership under Subchapter K of the Code, then upon dissolution and liquidation of the Company as provided in this Article 7, the proceeds therefrom shall be applied and distributed in the following order:

7.4.1 First, to pay secured debts to third parties and Members (excluding any debts to be assumed pursuant to an asset sale, if any); then

7.4.2 Second, in the case of the sale of substantially all of the Company's Assets, to pay the costs of such sale; then

7.4.3 Third, to pay unsecured debts of the Company owed to creditors other than Members; then

7.4.4 Fourth, to pay unsecured debts of the Company owed to Members; then

7.4.5 Fifth, to Members who have made cash or agreed value capital contributions to the Company to the extent of such unreturned cash or agreed value capital contributions; then

7.4.6 The balance, if any, to Members in proportion to their respective Membership Interests.

Distributions in Kind

. The Liquidator may distribute to the Members Assets in kind. Each such non-cash asset shall be valued at its fair market value at the time of distribution as reasonably determined by the Liquidator. If at the date of dissolution, the Company is taxed as a partnership under Subchapter K of the Code, then any unrealized appreciation or depreciation with respect to such Asset shall be allocated among the Members (in accordance with the provisions of Article 5 assuming that the Asset was sold for the appraised value) and taken into consideration in determining the balance in the Members' Capital Accounts as of the date

of liquidation. Distribution of any such Asset in kind to a Member shall be considered a distribution of an amount equal to the Asset's fair market value for purposes of Section 7.6.

Statement of Termination

. When all debts, liabilities and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining property and Assets have been distributed to the Members, the Liquidator shall file or cause to be filed a statement of termination, in accordance with Idaho Code § 30-25-702(b)(2)(F) or any successor statute relating thereto. Upon filing the statement of termination, the existence of the Company shall cease, except as otherwise provided in the Act.

Deficit Capital Account Restoration Obligation

. In no event shall any Member be obligated to restore a deficit balance in the Member's Capital Account upon liquidation.

ARTICLE 8 - AMENDMENTS

This Operating Agreement may only be amended upon the unanimous written consent of the Members. No future understandings or agreements whether written, oral, implied, or course of conduct shall amend, add to, subtract from, change, or modify this Operating Agreement, except for amendments in accordance with this Article. Accordingly, all Members waive their right to and are estopped from claiming anything to the contrary.

ARTICLE 9 - MISCELLANEOUS

Additional Documents

. Each Member shall execute such additional documents and take such actions as are reasonably requested by the Company in order to complete or confirm the transactions contemplated by this Operating Agreement.

Headings

. Headings in this Operating Agreement are for convenience only and shall not affect its meaning.

Severability

. The invalidity or unenforceability of any provision of this Operating Agreement shall not affect the validity or enforceability of the remaining provisions.

Third-Party Beneficiaries

. The provisions of this Operating Agreement are intended solely for the benefit of the Members and shall create no rights or obligations enforceable by any third party, including creditors of the Company, except as otherwise provided by applicable law.

No Partnership Intended for Nontax Purposes

. The Members have formed the Company under the Act, and expressly do not intend hereby to form a partnership under either the Idaho Uniform Partnership Act nor the Idaho Uniform Limited Partnership Act. The Members do not intend to be partners one to another, or partners as to any third party.

Binding Effect

. Except as otherwise provided in this Operating Agreement, every covenant, term, and provision of this Operating Agreement shall be binding upon and inure to the benefit of the Members and their respective heirs, legatees, legal representatives, successors, transferees, and assigns.

Construction

. Every covenant, term, and provisions of this Operating Agreement shall be construed simply according to its fair meaning and not strictly for or against any Member. The terms of this Operating Agreement are intended to embody the economic relationship among the Members and shall not be subject to modification by, or be conformed with, any actions by the Internal Revenue Service except as this Operating Agreement may be explicitly so amended and except as may relate specifically to the filing of tax returns.

Time

. Time is of the essence with respect to this Operating Agreement.

Governing Law

. The laws of the State of Idaho shall govern the validity of this Operating Agreement, the construction of its terms, and the interpretation of the rights and duties of the Members.

Waiver of Action for Partition; No Bill for Partnership Accounting

. Each of the Members irrevocably waives any right that the Member may have to maintain any action for partition with respect to any of the Company property. To the fullest extent permitted by law, each Member covenants not to file a bill for a limited liability company accounting.

Counterpart Execution

. This Operating Agreement may be executed in any number of counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Operating Agreement via facsimile or electronic mail shall be as effective as delivery of an executed original.

Specific Performance

. Each Member agrees with the other Members that the Members would be irreparably damaged if any of the provisions of this Operating Agreement are not performed in accordance with their specific terms and that monetary damages would not provide an adequate remedy in such event. Accordingly, it is agreed that, in addition to any other remedy to which the non-breaching Members may be entitled, at law or in equity, the non-breaching Members shall be entitled to injunctive relief to prevent breaches of the provisions of this Operating Agreement and specifically to enforce the terms and provisions hereof in any action instituted in any court of the United States or any state thereof having subject matter jurisdiction thereof.

Notice

. All notices, demands, requests and other communications required or permitted hereunder shall be in writing and shall be deemed delivered on the earlier of (i) three (3) days after the date of posting of registered or certified mail, addressed to the addressee at its address set forth herein or at such other address as such party may have specified theretofore by notice delivered in accordance with this Section, (ii) attempted delivery or refusal to accept delivery if sent by courier or other personal delivery service, or (iii) actual receipt by the addressee regardless of the method of giving notice. The addresses in this Operating Agreement, as amended from time to time, shall be used for purposes of giving notice to Members.

Rights and Remedies Cumulative

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

Waivers

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

Attorney Fees

. In the event any action is instituted to enforce or determine the parties' rights or duties arising out of the terms of this Operating Agreement, the prevailing party shall recover reasonable attorney fees and costs through all levels of any action incurred in such proceeding.

Definitions

. For purposes of this Operating Agreement (as defined below), unless the context clearly indicates otherwise, the following terms shall have the following meanings:

9.17.1 Affiliate. An "**Affiliate**" includes (i) a member of the immediate family of the Member, (ii) corporations, partnerships, limited liability companies and other entities in which a Member has an interest (whether or not the interest is a controlling interest), (iii) trusts of which the Member is a beneficiary, and (iv) shareholders, partners, members, beneficiaries or other Persons or Entities with an ownership interest, beneficial interest, or other interest in the Member.

9.17.2 Code. "**Code**" shall mean the Internal Revenue Code of 1986, as amended, or any successor statute.

9.17.3 Entity. An "**Entity**" shall mean any general partnership, limited partnership, limited liability partnership, limited liability company, trust, estate, association, corporation or other legal entity.

9.17.4 Majority of the Members. "**Majority of the Members**" shall mean Members holding more than fifty percent (50%) of the Membership Interests.

9.17.5 Net Losses. "**Net Losses**" shall mean the losses of the Company determined in accordance with generally accepted accounting principles under the method of accounting adopted by the

Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

9.17.6 Net Profits. "**Net Profits**" shall mean the income and gains of the Company determined in accordance with generally accepted accounting principles under the method of accounting adopted by the Company and as reported separately or in the aggregate, as appropriate, on the tax return of the Company filed for federal income tax purposes.

9.17.7 Person. "**Person**" means any individual or Entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such "Person" where the context so permits.

IN WITNESS WHEREOF, this Operating Agreement is executed by the Members effective as of the Effective Date.

MEMBERS:

Clancy France

Kristina France

Accepted and Agreed:

MANAGER:

Travelers Rest, LLC,
a Wyoming limited liability company

By:
Name: Clancy France
Its: Manager

By:
Name: Kristina France
Its: Manager

IDAHO DEPARTMENT OF WATER RESOURCES 7/1/2025

Proof Report

Adjudication Claim 97-4085

Owner Type	**Name and Address**
Current Owner	KATHERINE FRITCHIE 364 S COEUR DALENE ST SPOKANE, WA 99201-5863 (509) 389-2335

Priority Date: 7/1/1945
Basis: Beneficial Use
Status: Active

Source	**Tributary**
HORTON CREEK	PRIEST LAKE

Beneficial Use	**From**	**To**	**Diversion Rate**	**Volume**
DOMESTIC	1 /1	12/31	0.040 CFS	
		Total Diversion	0.040 CFS	

Source and Point(s) of Diversion:

HORTON CREEK	SENE	Sec. 3, Twp 60N, Rge 04W, BONNER County
HORTON CREEK	NWSE	Sec. 3, Twp 60N, Rge 04W, BONNER County

Place Of Use:
DOMESTIC within BONNER County

			NE				NW				SW				SE				
Twp	*Rng*	*Sec*	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
60N	*04W*	3													X L5	X L5		X L8	

Conditions of Approval:

Combined Use Limits:
N/A

SubCase:
N/A

Water Supply Bank:

N/A

97-4085