


DANIEL J. ENGLISH 17P I 2186539000
KOOTENAI CO. RECORDER Page 1 of 17
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Declaration of Protective Covenants, Conditions and Restrictions

ACCOMMODATION RECORDING
Pioneer Title Company has not examined this document, and assumes no liability as to its validity and its effects upon the title.

**for
ROLLING MEADOWS RANCH
Kootenai County, Idaho**

DANIEL J. ENGLISH 7P I 2116607000
KOOTENAI CO. RECORDER Page 1 of 7
AAA Date 08/16/2007 Time 12:16:12
REC-REQ OF PIONEER TITLE COMPANY
RECORDING FEE: 21.00
2116607000 SC  5

The undersigned, Rolling Meadows General Partnership, (hereafter called the "Declarant" are the owners of certain real property located in Kootenai County, Idaho, and legally described in **Exhibit "A"** attached hereto and made a part hereof, (hereafter referred to as the Subject Property).

The Declarants adopt the following Protective Covenants, Conditions and Restrictions for the Subject Property, and declare that the following shall apply to any interest in the Subject Property. These Protective Covenants, Conditions and Restrictions shall run with the land and shall bind the Declarant and the Declarants' successors-in-interest, purchasers, assigns, heirs and any party acquiring any right, title or interest in or to any part of the Subject Property until this Declaration is terminated.

This Declaration is intended to regulate the development and use of the Subject Property to protect and enhance the value of the Subject Property for the mutual benefit of future owners and occupants. The owners have attempted to draft this Declaration consistent with the ordinances of Kootenai County and the Lakes Highway District, Idaho.

Where inconsistent, the most restrictive provisions between this Declaration and the laws and ordinances of Kootenai County, Idaho shall apply. THIS DOCUMENT DOES NOT AND CANNOT ALTER THE LAWS AND ORDINANCES OF KOOTENAI COUNTY, LAKES HIGHWAY DISTRICT, STATE OF IDAHO.

1. DESCRIPTION OF LAND: The land restricted and protected by this Declaration shall be all real estate and improvements located on the Subject Property described in **Exhibit "A"** attached hereto.

2. RESIDENTIAL USE: The Subject Property and all buildings and improvements constructed thereon are intended for and expressly restricted to single family residential use only under an ownership, rental or leased basis, and for social, recreational or other activities normally incident to residential use; Home occupations conducted entirely within the residence by family members only, and that has no exterior visibility or impact, is permitted provided the home occupation is not open to the public, has no employees and does not generate extra vehicular traffic or on-street parking. No retail, commercial or industrial uses or activities are allowed within Rolling Meadows Ranch.

3. GENERAL BUILDING RESTRICTIONS: Every single level residence constructed on the Subject Property must include at least 1,800 square feet of finished interior living space not including basement or garage space. Every multi-level residence constructed on the Subject Property must include at least 2,600 square feet of finished interior living space not including basement or garage space. Each residence must include a minimum three-car garage attached to the residence. Garages shall all be side load so that garage doors do not face the street. Each residence must have a pitched roof with a minimum slope of 6:12 and covered with tile, metal or asphalt shingles or architectural panels. Wood shake and sheet metal roofing is not permitted. No T -111, sheet metal or other sheet type siding shall be used on any residence. No trailers, manufactured homes, mobile homes or other structures substantially constructed off-site of any kind shall be permitted as a residence on the subject property.

All homes shall have a minimum of 10% masonry on street side of building. Log homes with a minimum 12/12 pitch can have standing seam metal roofs. All comp roofs to be minimum of 30 year. All Zoning Ordinance setbacks apply to the perimeter boundaries of the lot, not the building envelope. Front yard minimum set back shall be 100'

The Architectural Control Committee shall have the authority to reduce the minimum square footage in cases where special and extraordinary features are being included or added to the construction which, in the opinion of the Committee, will increase the value and desirability of the property to a greater extent than the cost of the reduced square footage, and shall have the authority to allow detached garages and auxiliary use buildings provided these buildings match the exterior of the main structure in both material and exterior appearance, when, in the opinion of the Committee, said reduction in size or detached buildings would not be unduly detrimental to the neighborhood or inconsistent with the objectives of these covenants.

4. COMPLETION OF CONSTRUCTION: All construction of any residence must be substantially completed within twelve (12) months from date a building permit is issued. A residence is considered to be substantially completed when all exterior siding, trim, paint and concrete work is finished.

5. LANDSCAPING: No tree may be removed from a lot that is 6" or greater in diameter, unless said tree is within the building enveloped or the driveway with out written permission from the Architectual Control Committee (ACC). Within twelve (12) months from date a building permits issued for construction of a residence on a lot in the Subject Property, all areas in the front and side yards, except driveways or parking areas, must be landscaped with lawn grass, decorative rock, bark, shrubs or other attractive ground cover. Each lot shall have a minimum of 2 oak or maple trees bearing fall red leaf color and minimum of 2 ½" caliper planted in front yard, with mature canopies of at least 25 feet.

5 a. INDIGENOUS WILDLIFE PROTECTION ZONE: The rear 25' of each lot shall be set aside as a wild life corridor maintaining the natural vegetation, standing timber including dead snag to provide cover, food, nesting sites, perching sites, this zone will be measured from the rear property line or from any special easement at the rear of the lots.

6. EXTERIOR APPEARANCE: Each Lot and the exterior appearance of improvements and landscaping thereon shall be maintained in a clean, neat and orderly condition and in good repair at all times. No clothes lines, television or radio antennae shall be visible from the street. All rubbish, trash, cut vegetation, and garbage shall be regularly removed from all Lots and shall not be allowed to accumulate. Burying of waste shall not be permitted. All trash containers must be screened from view except on the day of pickup. Bright colored tarpaulins shall not be considered acceptable screening. Lawns, shrubs, trees and other landscaping plants shall be watered, fertilized and trimmed as necessary to maintain a healthy and attractive appearance. All exterior lighting shall be screened or directed downward to avoid casting light on to neighboring lots.

7. RECREATIONAL OR NON-OPERATING VEHICLE PARKING: All recreational vehicles, any non operating vehicles, automobiles being restored, automobiles in need of mechanical repair, off road vehicles, motor homes, boats, campers, camper shells and any other vehicle parked for longer than 5 days, shall only be parked in the owner's garage, a suitable outbuilding, behind sight obscuring fencing in the rear yard, or off the Subject Property.

8. OUTBUILDINGS: Any storage sheds or other outbuildings placed on the Subject Property must be constructed and painted to the same appearance as the residence, and located in the rear yard behind the residence. Pole Barns are acceptable in rear yards.

9. TEMPORARY STRUCTURES: No trailer, mobile home, manufactured home, tent, motor home, shack or other temporary structure of any kind may be placed on the Subject Property for temporary or permanent human habitation.

10. ANIMALS: No animals of any kind may be kept, raised or bred on the Subject Property for commercial purposes. All barking dogs must be moved indoors. No animals shall be allowed to run loose outside of the owner's property and must be confined by leash or secured fencing.

11. DUMPING RESTRICTIONS: All trash, yard waste, construction, debris and other refuse material must be removed and properly disposed off the Subject Property within thirty days. No hazardous material or waste, including motor oil, antifreeze, paints, solvents or fuels may be dumped on the Subject Property. Trash removal is the obligation of individual Lot owners unless the Association contracts for curbside trash pickup within ROLLING MEADOWS RANCH.

12. OBNOXIOUS CONDUCT: No noxious or offensive activity shall be conducted on any part of the Subject Property, nor shall anything be done therein that may be or become an annoyance or nuisance to other owners. All vehicle repair activities shall be conducted inside the owner's garage or back yard.

13. FIREWORKS: Due to extreme fire danger, the discharge or ignition of any fireworks within ROLLING MEADOWS RANCH is strictly prohibited. Any owner using fireworks within ROLLING MEADOWS RANCH shall be held fully liable for any and all damage caused thereby.

14. SPEED LIMIT: The maximum speed limit within ROLLING MEADOWS RANCH is 25 miles per hour or less depending upon the weather and road conditions.

15. LOGGING AND MINING: Commercial timber removal, mining, quarrying or other surface exploratory excavation is prohibited within ROLLING MEADOWS RANCH. The Declarant reserves unto its assigns all subsurface gas, oil and other hydrocarbon mineral rights within ROLLING MEADOWS RANCH and the right to remove same so long as such removal is carried out without surface disturbance within ROLLING MEADOWS RANCH.

16. FENCING: No lot shall have Vinyl or Chain Link Fencing in the front yard.

17. ARCHITECTURAL CONTROL: No construction, alteration or demolition of any building, home, fence, wall, landscaping or other structure shall be commenced upon the Subject Property until plans and specification detailing the proposed work have been submitted to and approved in writing by the ACC composed of three (3) or more representatives appointed by the Declarant. In the event the Declarant or its designated committee fails to approve or disapprove such plans and specifications within thirty (30) days after submittal, said plans and specifications shall be deemed approved. The ACC shall have the absolute right and authority to approve plans and specifications that do not meet the building restrictions of these CCRs when, in the option of the committee, such approval is appropriate. No member the committee, shall have any liability for any act or failure to act with respect the approval or non-approval of any plans or specifications submitted.

17 a. SUBMISSION OF PLANS: All plans and specifications required to be submitted to the ACC shall be submitted either in person or by mail to the address of the ACC induplicate. The written submission shall contain the name and address of the Owner submitting the plans and specifications, identity of the lot involved, and the information contained in Exhibit "B" as generally outlined below:

1. The location of the structure upon the Lot;
2. The elevation of the structure with reference to the existing and the existing and finished lot grades;
3. The general design;
4. The interior layout;
5. The exterior finish materials and color, including roof materials; and
6. Other information which may be required in order to determine whether the structure conforms to the standards articulated in this Declaration and the standards employed by the ACC in evaluating development proposals;
7. Submit to: Architectural Control Committee

Kim Riley
Dan Sims
Ronnie Warmington

@ PO Box 1570
Post Falls, ID 83877

18. OBLIGATION TO MAINTAIN AND REPAIR: Each individual lot owner shall, at the owner's sole cost and expense, maintain and repair the owner's Lot and all improvements thereon in order to protect the value of the Subject Property.

19. ENFORCEMENT - ATTORNEY S FEES: These Protective Covenants, Conditions and Restrictions may be enforced by any person with any right, title or interest in the Subject Property. The failure of any person to comply with the provisions of this Declaration shall give rise to a cause of action in favor of any aggrieved property owner for the recovery of damages, for injunctive relief: or both. If legal action is brought to interpret or enforce compliance with the provisions of this Declaration, the prevailing party shall be entitled to judgment against the other party for all reasonable expenses, court costs and attorney fees in the actual amount.

20. DURATION AND AMENDMENT: These Protective Covenants, Conditions and Restrictions shall remain in force for an initial period often (10) years from the date of recording in the records of Kootenai County, Idaho. These Protective Covenants, Conditions and Restrictions shall be automatically renewed for successive periods of ten (10) years each unless the owners of seventy five percent (75%) of the lots comprising the Subject Property sign and record an instrument terminating or amending these covenants in whole or in part. At any time during the initial period or any successive period, these Protective Covenants, Conditions, and Restrictions may be terminated, altered or amended by a written instrument, signed and recorded by the owners of seventy-five percent (75%) of the lots comprising the Subject Property. Notwithstanding the foregoing, the obligation of the Association to maintain and repair the water system and storm water system shown on the plat of ROLLING MEADOWS RANCH shall be a continuing obligation of the Association and the owner of each Lot that can not be altered, amended or terminated.

21. SEVERABILITY: If any part or provision of these Protective Covenants, Conditions and Restrictions is declared invalid by a Court, all remaining parts and provisions shall remain in full force and effect.

22. SECURED PARTY PROTECTION: A breach or enforcement of any covenant, condition or restriction contained herein, shall not defeat or render invalid any mortgage, deed of trust or other security instrument now or hereafter executed upon the Subject Property or any portion thereof. However, if any portion of the Subject Property is sold under a foreclosure of any mortgage, deed of trust or other security instrument, any purchaser at such sale and its successors and assigns shall hold any and all property purchased subject to all the provisions of this Declaration.

23. NO WARRANTY/GUARANTEE: The Declarant does not, by the execution of this document, warranty or guaranty enforcement or binding effect of these Declarations, nor do the Owners warrant that all existing use of the Subject Property is in compliance with this Declaration. Each purchaser of any lot in the Subject Property does hereby agree to individually accept all responsibility for enforcement of these Protective Covenants, Conditions and Restrictions, and to release the Owners from any lack of enforcement or nonconformity of any structure or use of Subject Property.

24. DRAINAGE SWALES: The drainage swales and drainage structures located within the plat of The Rolling Meadows Subdivision, whether in front of platted Lots or across platted lots as indicated on the plat, are appurtenant encumbrances for the benefit of each lot in the subdivision and the Lakes Highway District. It shall be the responsibility of each lot owner to maintain the drainage swale and/or drainage structure located on their respective lots, and to keep their operation free from obstruction by debris or foreign materials. Each Lot owner may not change or alter a drainage swale and/or drainage structure without the written approval of the Lakes Highway District and Kootenai County. The Homeowners Association is required to maintain the landscaping within the median on the entrance. Lakes Highway District shall be considered to be a third party beneficiary to this covenant. This covenant is a non-revocable item and may not be altered or removed without the written approval of the Lakes Highway District and Kootenai County.

25. EASEMENTS: Each lot shall have a 5' easement for utilities along each side lot line and a 10' easement along the front lot line.

There is a 10' easement across the rear of lots 10.11,12,13 & 14 Block 2 and along the 165.09 dim of lot 9 for access to the State Land. This easement is for all residents of Rolling Meadows Ranch.

26. DRIVEWAY CUTS. Each individual lot owner shall be required to gain approval from Kootenai Electric Cooperative and the Lakes Highway District prior to installation of driveway in order to protect the underground utilities.

27. CONSTRUCTIVE NOTICE AND ACCEPTANCE: Upon recording of this declaration, every person or entity who now or hereafter owns, occupies or acquires any right, title or interest in or to any portion of the Subject Property has conclusively consented and agree to every provision of this Declaration.

28. ASSOCIATION OF OWNERS

1. Form of Association: The Association shall be a non profit corporation formed under the laws of the State of Idaho.
2. Articles and Bylaws: The Articles and Bylaws of the Association shall bind all Owners and are by this reference an integral part of this Declaration. A copy of the Associations Articles of Incorporation is attached hereto as Exhibit "B" and a copy of its Bylaws is attached as Exhibit "C" and is available through the Board. The Articles and Bylaws may be amended in accordance with the terms of each and the laws of Idaho.
3. Qualification for Membership Voting Right. Each fee Owner of a lot (including Developer) shall be a member of the Association. Ownership of a lot shall be the sole qualification for membership in the Association. The voting rights of the memberships are specified in the Bylaws of the Association.

29. ENTIRE COVENANT: This Declaration contains all protective covenants, conditions and restrictions affecting the Subject Property. There are no verbal or other agreements or statements that alter the terms of this Declaration.

30. INTERPRETATION: This Declaration shall be interpreted in accordance with Idaho law and shall be strictly interpreted to enforce the purpose of the Declaration. All ambiguities shall be interpreted in favor of the Developer.

DATED this 14th day of August, 2007

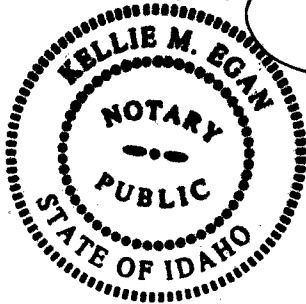
Ronnie Warmington
Rolling Meadows Ranches GP

K. B. Riley
Rolling Meadows Ranches GP

STATE OF IDAHO)
) ss
)

County of Kootenai

On this 14 day of August, 2007, before me, the undersigned, a Notary in and for the State of Idaho, personally appeared Ronnie Warmington & Kim B. Riley, known or identified to me to be the person whose name are subscribed to the within instrument, and acknowledged to me that they executed the same. WITNESS my signature and official seal.



[Signature]
Notary for the State of Idaho
Residing at Hayden

My commission expires: 11-12-2011

Schedule A

COMMITMENT

Pioneer Title Company of Kootenai County
100 Wallace Avenue
Coeur d'Alene, ID 83814
(208) 664-8254/Fax (208) 664-9479
Escrow Officer:
Title Officer: Liz Nelson

Order No. 124023

EXHIBIT A

The Northeast Quarter of Section 1, Township 53 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

LESS: the East Half of the East Half of Government Lot 2, Section 1, Township 53 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

ALSO LESS: Government Lot 1, Section 1, Township 53 North, Range 3 West, Boise Meridian, Kootenai County, Idaho.

TOGETHER WITH:

That parcel of land on which the well water system is situated, approximately 120 feet square, in Government Lot 2, Section 1, Township 53 North, Range 53 North, Range 3 West, Boise Meridian, Kootenai County, Idaho, more particularly described as follows:

COMMENCING at the Northeast 1/16 corner of said Section 1, monumented with iron rod, 5/8 inch diameter with an aluminum cap marked PLS 6374, according to Corner Perpetuation and Filing Record Form on file under Instrument No. 1675023, bears, South 00°51'21" West, a distance of 1333.94 feet as shown on record of survey on file in Book 21 at Page 306 under Instrument No. 1738204; thence

Along the South boundary line of said Government Lot 2, South 89°54'41" West, a distance of 30.00 feet to the POINT OF BEGINNING; thence

Continuing along the South boundary line of said Government Lot 2, South 89°54'41" West, a distance of 120.02 feet; thence

Leaving the South line of said Government Lot 2, North 00°51'21" East, a distance of 120.02 feet; thence

North 89°54'41" East, a distance of 120.02 feet; thence

South 00°51'21" West, a distance of 120.02 feet to POINT OF BEGINNING.



ARTICLES OF INCORPORATION

(Non-Profit)

(Instructions on back of application)

The undersigned, in order to form a Non-Profit Corporation under the provisions of Title 30, Chapter 3, Idaho Code, submits the following articles of incorporation to the Secretary of State.

2007 APR 16 AM 10:22
SECRETARY OF STATE
STATE OF IDAHO

Article 1: The name of the corporation shall be:

Rolling Meadows Homeowner's Association, Inc.

Article 2: The purpose for which the corporation is organized is:

Real Estate Homeowners Association

Article 3: The street address of the registered office is: 55 Cedar Street, Suite 205, Post

and the registered agent at such address is: Falls, ID 83854
Ronnie K. Warmington

Article 4: The board of directors shall consist of no fewer than three (3) people. The names and addresses of the initial directors are:

Ronnie K. Warmington, P.O. Box 1570, Post Falls, ID 83854

Daniel T. Sims, P.O. Box 1570, Post Falls, ID 83854

Kim B. Riley, P.O. Box 1570, Post Falls, ID 83854

Article 5: The name(s) and address(es) of the incorporator(s):

Ronnie K. Warmington, P.O. Box 1570, Post Falls, ID 83854

Daniel T. Sims, P.O. Box 1570, Post Falls, ID 83854

Kim B. Riley, P.O. Box 1570, Post Falls, ID 83854

Article 6: The mailing address of the corporation shall be:

P.O. Box 1570, Post Falls, ID 83854

Article 7: The corporation (does does not) have voting members.

Article 8: Upon dissolution the assets shall be distributed:

equally to the members existing at time of dissolution.

Signatures of all incorporators:

Ronnie K. Warmington TypedName: RonnieKWarmington

Daniel T. Sims TypedName: Daniel T. Sims

Kim B. Riley TypedName: Kim B. Riley

TypedName: _____

Customer Acct #: _____
(if using pre-paid account)

Secretary of State use only

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IDAHO SECRETARY OF STATE
04/16/2007 05:00
CK: 7007 CT: 26341 BH: 1047274
1 @ 30.00 = 30.00 INC MONY # 2

C172652

EXHIBIT C

BY – LAWS
OF
ROLLING MEADOWS HOMEOWNER'S ASSOCIATION INC.
JUNE 20, 2006

ARTICLE I

General Purposes

The purposes for which this association is formed, and the powers which it may exercise, are set forth in the Articles of Incorporation of this association.

ARTICLE II

Name and Location

Section 1. The name of this association is
ROLLING MEADOWS HOMEOWNER'S ASSOCIATION INC.

Section 2. The principal place of business of this association shall be in Kootenai County, Idaho. The principal office of the corporation shall be located at Athol, Idaho.

ARTICLE III

Fiscal Year

The fiscal year of the Association shall begin the first day of July of each year.

ARTICLE IV

Members

Section 1. Each owner of a property in any residential sub-division which is served by the water system, or systems, of the corporation shall be a member in the corporation. Such membership shall at all times be identified with the owner of the property, or improved properties, and no membership shall be subject to or conditioned upon approval of the Board of Directors or other members. Membership in this corporation is not transferable or assignable except as provided for herein.

Section 2. When a member sells or disposes of any lot served by the Association, the membership for said lot shall be automatically transferred to the person(s) becoming the owner(s) of the lot to be used only as herein and in the Articles of Incorporation provided. All transfers shall be subject to an account transfer fee as determined from time to time by the Board of Directors. The corporation shall not be required to transfer any membership until all fees, including but not limited to, original hookup and monthly service fees are paid in full.

Section 3. The Secretary-Treasurer shall keep a record of the change of ownership of all lots within the boundaries of the Association for the purpose of maintaining billing accounts and membership accountability.

Association homeowner certificates will be issued to members when initial water services are provided. Included with the certificate will be a membership initiation charge which is determined from time to time by the Board of Directors. Homeowner certificates may be re-issued with a new serial number upon request by any established member at no additional charge.

ARTICLE V

Meetings

Section 1. ANNUAL MEETING. The annual meeting of the members shall be held during the month of September, in Athol, Kootenai County, Idaho, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the election of directors is not held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the members, as soon thereafter as is convenient.

Section 2. SPECIAL MEETINGS. Special meetings of the members of the Association may be called at any time by the President or upon resolution of the Board of Directors, or upon written petition to the President or the Board, signed by ten per cent (10%) of the members of the Association. The purpose of every special meeting shall be stated in the notice thereof, and no business shall be transacted thereat except such as is specified in the notice.

Section 3. NOTICES. Notice of meetings of members of the Association must be by mail to each member of record, directed to the address shown upon the books of the Association, at least twenty (20) days prior to the meeting. Such notice shall state the nature, time, place, and purpose of the meeting.

Section 4. QUORUM. Ten percent (10%) of the membership present or represented by proxy at any meeting of the members shall constitute a quorum at any meeting of the Association for the transaction of business.

Section 5. PROXIES. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member. No proxy shall be valid after eleven (11) months from the date of its execution. All proxies are revocable by the member who executed it.

ARTICLE VI

Directors and Officers

Section 1. The Board of Directors of this Association shall consist of three (3) members, all of whom shall be members of the Association and residents of the State of Idaho. At each annual

meeting thereafter the members shall elect for a term of three (3) years the number of Directors whose terms of office have expired.

Section 2. ELECTIONS. The Board of Directors shall, at the next regular scheduled board meeting, elect a President and a Vice-President from among themselves, and a Secretary-Treasurer, each of whom shall hold office until the next annual meeting and until the election and qualification of his successor unless sooner removed by death, resignation or for cause.

Section 3. VACANCY. Any vacancy in the Board of Directors, other than from the expiration of a term of office, shall be filled by appointment by the remaining members of the Board until the next annual meeting of the members of the Association. The disqualification of the Director as a member of the Association shall operate to disqualify him as a Director and to create a vacancy in the office of the Directors.

Section 4. MEETINGS. The Board of Directors may provide, by resolution, the time and place for holding additional regular meetings without other notice than such resolution. A majority of the Board of Directors shall constitute a quorum at any regular or special meeting of the Board. Special meetings of the Board of Directors may be called by or at the request of the President or any two (2) directors.

Section 5. NOTICE. Notice of any special meeting of the Board of Directors shall be given at least three (3) days before the meeting to each director at his last known address, by written notice, delivered personally or sent by mail or telegram to each director. Directors may waive notice of any meeting. The attendance of the director at any meeting shall constitute a waiver of notice of such meeting, except where director attends a meeting for the express purpose of objecting to the transaction of any business, because the meeting was not lawfully called or convened. The business to be transacted at a meeting shall be specified in the notice of the meeting.

Section 6. ACTION BY DIRECTORS WITHOUT A MEETING. Any action required by law to be taken at a meeting of directors or the corporation, or any action which may be taken at a meeting of the directors of the corporation, may be taken without meeting, if a consent in writing, setting forth the action so taken shall be signed by all directors. Such consent shall have the same effect as a unanimous vote.

Section 7. COMPENSATION. Compensation of Secretary-Treasurer and/or Licensed Operator may be fixed at any regular or special meeting of the Board of Directors. Directors shall receive no compensation for their services as such.

Section 8. REMOVAL. Any director of the Association may be removed from office for cause, by vote of not less than two-thirds (2/3) of the members of the Association present at any annual or at any special meeting called for the purpose.

Section 9. LOANS TO DIRECTORS. The corporation shall not lend money to or use its credit to assist directors.

Section 10. COMMITTEES OF DIRECTORS. The Board of Directors, by resolution adopted by a majority of the directors in office, may designate one or more committees, each of which shall consist of two or more directors, to have and exercise the authority of the Board of

Directors in the management of the corporation. Said committees will not operate to relieve the Board of Directors, or any individual director, of any responsibility imposed on it or him by law.

Section 11. **OTHER COMMITTEES.** Other committees may be designated by a resolution adopted by a majority of the directors present at a meeting at which a quorum is present. Members of each such committee shall be members of the corporation, and the President of the corporation shall appoint the members thereof. Any member thereof may be removed by the person or persons authorized to appoint such member whenever in their judgment the best interests of the corporation shall be served by such removal.

ARTICLE VII

Duties of Directors

Section 1. The Board of Directors, subject to restrictions of law, the Articles of Incorporation, or these By-Laws, shall exercise all of the powers of the Association, and, without prejudice to or limitation upon their general powers, it is hereby expressly provided that the Board of Directors shall have, and are hereby given, full power and authority (to be exercised by resolution adopted by a majority vote of all members) in respect to the matters and as hereinafter set forth:

A. To select and appoint all agents or employees of the Association, or remove any agents or employees of the Association for just cause, prescribe such duties and designate such powers as may not be inconsistent with these By-Laws, fix their compensation and pay for faithful services.

B. To borrow from any source, money, goods or services, and to make and issue notes and other negotiable and transferable instruments, mortgages, deeds of trust and trust agreements, and to do every act and thing necessary to effectuate the same.

C. To prescribe, adopt and amend, from time to time, such equitable uniform rules and regulations as, in their discretion, may be deemed essential or convenient for the conduct of the business and affairs of the Association and the guidance and control of its officers and employees, and to prescribe adequate penalties for the breach thereof.

D. To order an annual reviewed financial statement for the Association by a certified public accountant or licensed public accountant, and when there is a chance of Director Treasurer position. The report shall be submitted to the members of the Association at their annual meeting.

E. To fix the charges to be paid by each member for services rendered by the Association to him, the time of payment, and the manner of collection.

F. To require all officers, agents and employees charged with responsibility for the custody of any of the funds of the Association to give adequate bonds, the cost thereof to be paid by the Association, and it shall be mandatory upon the Director to so require.

G. To select one or more banks to act as depositories of the funds of the Association and to determine the manner of receiving, depositing and disbursing the funds of the Association and the form of checks and the person or persons by whom the same shall be signed, with the power to

change such banks and the person or persons signing such checks and the form thereof at will. Any depository used by the Association must be federally insured.

H. To levy assessments against the members of the Association and to enforce the collection of such assessments and to provide for the collection for all water delivered to, or to be delivered, at such rate and on such basis as they deem proper, but always sufficient to pay all operating, maintaining expenses, reserve to pay indebtedness, interest and a reasonable sum as surplus fund, and to enforce the rule by refusing to furnish water or by other proper means.

I. To maintain and adhere to Policies and Procedures Manual for the Association's administration of the water association.

ARTICLE VIII

Duties of Officers

Section 1. Duties of the President: The President shall preside over all meetings of the Association and the Board of Directors, call special meetings of the Association and of the Board of Directors, perform all acts and duties usually performed by an executive and presiding officer, and sign all membership certificates and such other papers of the Association as he may be authorized or directed to sign by the Board of Directors. The President shall perform such other duties as may be prescribed by the Board of Directors.

Section 2. Duties of the Vice-President: In the absence or disability of the President, the Vice-President shall perform the duties of the President; provided, however, that in case of death, resignation or disability of the President, the Board of Directors declares the office vacant and elects his successor.

Section 3. Duties of the Secretary-Treasurer: The Secretary-Treasurer shall keep a complete record of all meetings of the Association and of the Board of Directors and shall have general charge and supervision of the books and records of the Association. He shall sign all membership certificates with the President and such other papers pertaining to the Association as he may be authorized or directed to do so by the Board of Directors. He shall serve all notices required by law and by these By-Laws and shall make a full report of all matters and business pertaining to his office to the members at the annual meeting. He shall countersign all certificates issued, and keep a proper membership certificate record, showing the name of each member of the Association, and date of issuance, surrender, cancellation, or forfeiture.

He shall make all reports required by law and shall perform such other duties as may be required of him by the Association, or the Board of Directors. Upon the election of his successor, the Secretary-Treasurer shall turn over all books and other property belonging to the Association that he may have in his possession. He shall also perform such duties with respect to the finances of the Association as may be prescribed by the Board of Directors. The Secretary-Treasurer shall cause all membership certificates to be recorded and cause cancellation certificates to be recorded whenever a membership is canceled for any cause.

ARTICLE IX

Reserves and Surplus Funds

Section 1. It is not anticipated that there will be any net income. If there should be any, then at the end of the fiscal year, after paying the expenses of the Association for operation and otherwise and after setting aside reserves for depreciation on all building, equipment and office fixtures and such other reserves as the Board of Directors may deem proper and after providing for payments on interest and principal of obligations and amortized debts of the Association, and after providing for the purchase of proper supplies and equipment, the net earnings shall be accumulated in a surplus fund for the purpose of replacing, enlarging, extending and repairing the system and property of the Association and for such other purposes as the Board of Directors may determine to be for the best interests of the Association.

Reserves to be established and maintained by the Board of Directors will include but are not limited to the following:

A. A cash operating reserve of a minimum of six (6) months average monthly water fee income. Monthly average income to be determined annually at the end of each fiscal year using the last twelve (12) monthly income fees; and

B. An equipment maintenance reserve of ten percent (10%) of the total valuation of the physical assets of the Association, based upon the estimated valuation performed by and presented by a certified engineering firm. This valuation is to be updated every five (5) years beginning 1990.

Section 2. Should any net earning remain, after all reserves are satisfactorily met, it shall be used to reduce each member's water charge thereafter until all such surplus is exhausted.

ARTICLE X

Amendments

Section 1. These By-Laws may be repealed or amended by a vote of two-thirds (2/3) of the members present at any special meeting of the Association, called for that purpose, except that the members shall not have the power to change the purposes of the Association so as to decrease its rights and powers under the laws of the State, or to waive any requirements, of bond or other provisions for the safety and security of the property and funds of the Association, or to deprive any member of rights and privileges then existing, or so to amend the By-Laws as to effect a fundamental change in the policies of the Association. Notice of any amendment to be made at a special meeting of the members must be given at least twenty (20) days before such meeting and must set forth the amendments to be considered.

ARTICLE XI

Sale or Dissolution

Section 1. DISSOLUTION. Members reserve the right to dissolve the Association by a vote of two-thirds (2/3) majority of the registered members of the Association. Said vote must be by written ballot utilizing the following procedures:

A. A special meeting will be called by the Board of Directors for the purpose of selling or the dissolution of the Emerald Estates Water Association, only after it has received a bonafied written offer to purchase said Association. The purpose of the first special meeting is to inform the membership of the proposal, the procedures that will be followed, and to establish the date of the second special meeting.

B. A written ballot, prepared by the Secretary-Treasurer, to be mailed to each registered member using a first class United States postage rate.

C. Ballots are to be returned on or before the date of the special meeting by the active membership to the Association Secretary-Treasurer. The Secretary-Treasurer is to report the results of the voting at the second special meeting. The Secretary-Treasurer is to retain all ballots as permanent records of the Association. The Secretary-Treasurer's summary of the voting is to be a part of the minutes of the special meeting.

D. Upon dissolution, in event said organization is dissolved, all assets remaining after payment of obligations and debts, shall be distributed to all current members of record.

ARTICLE XII

Cross Connection

Section 1. The Association, as well as the Association members are required to meet all state requirements for cross connection. The President will guide the Association in making certain that all members comply according to Idaho State Code IDAPA 58.01.08 for Cross Connection Requirements.

State of Idaho Cross Connection Requirements

IDAHO AMINISTRATIVE CODE IDAPA 58.01.08
Department of Environmental Quality Public Drinking Water systems

- A) An inspection once a year of all facilities listed in subsection 900.02 (Table 2) to locate cross connections and determine required suitable protection.
- B) Required installation and operation of adequate backflow prevention devices. A list of minimum recommended devices for various facilities is provided in sub section 900.02 (Table 2).

- C) Annual inspections by American water Works Association-certified tester, or equal, of all installed backflow prevention devices to insure operability.
- D) Discontinuance of service to any facility where suitable backflow protection has not been provided for a cross connection.
- E) If double check valves and/or reduced pressure principle backflow prevention devices are used, they must pass a performance test conducted by the University of Southern California Foundation for Cross Connection Control and Hydraulic Research or meet American Water Works Association C-510 or C-511 standard or another equal test approved by the Department.
- F) If atmospheric vacuum breakers and pressure vacuum breakers are used, they shall be marked approved by the International Association of Plumbing and Mechanical Officials (IAPMO) or by the American Society of Sanitation Engineers (ASSE).
- G) Resilient seated shutoff valves shall be used after the effective date of these rules when double check valves, reduced pressure backflow prevention devices, and pressure vacuum breakers are installed.

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AS AN ACCOMODATION. IT HAS NOT
BEEN EXAMINED AS TO ITS EXECUTION
OR AS TO ITS EFFECT UPON THE TITLE.**