

**BYLAWS**  
**OF**  
**PINE 43 WATER ASSOCIATION, INC.**

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**ARTICLE I. NAME AND LOCATION.**

The name of the corporation is PINE 43 WATER ASSOCIATION, INC., hereinafter referred to as the "Association." The principal office of the Association shall be located at 250 S. Beechwood, Suite 120, Boise, Idaho 83709, but meetings of Members and directors may be held at such places within the State of Idaho, as may be designated by the Board of Directors.

**ARTICLE II. DEFINITIONS.**

The following terms shall have the following meanings:

Section 1. "ASSOCIATION" shall mean and refer to Pine 43 Water Association, Inc., a nonprofit corporation organized under the laws of the State of Idaho, its successors and assigns.

Section 2. "DECLARANT" shall mean and refer to C&O Development, Inc. and, subject to the provisions of the Declaration, its assigns.

Section 3. "DECLARATION" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions for the Pine 43 Irrigation Water Supply System recorded in the Office of the County Recorder of Ada County, State of Idaho, as the same may be amended or supplemented from time to time.

Section 4. "IRRIGATION WATER SUPPLY SYSTEM" shall mean all improvements and components of the underground pressurized irrigation system to be owned and operated by the Association, including by not limited to all pumps, pipes, and any other conveyancing apparatus. The Irrigation Water Supply System shall also include any interest in real or personal property, including but not limited to easement and/or license rights for the installation, operation, maintenance, repair or replacement of the said system.

Section 5. "LOT OR PARCEL" shall mean and refer to any portion, parcel or plot of land which is a part of the Properties, including, without limitation any lot shown upon any recorded subdivision map.

Section 6. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration and/or Articles of Incorporation of the Association.

Section 7. "PROPERTIES" shall mean and refer to that certain real property which is described in the Declaration as being subject thereto and such additions thereto as may hereafter be made subject to the Declaration.

#### ARTICLE III. MEETINGS OF MEMBERS.

Section 1. Annual Meetings: The first annual meeting of the Members shall be held within one (1) year from the date of incorporation of the Association. The annual meeting of the Members for the election of directors whose terms have expired and for the transaction of such other business as may properly come before the meeting shall be held as such hour and on such day as shall be determined by the Board of Directors.

Section 2. Special Meetings: Special meetings of the Members may be called at any time by the president or by the Board of Directors, or upon written request of the Members who are entitled to cast one-fourth (1/4) of all of the votes of the membership.

Section 3. Notice of Meetings: Written notice of each meeting of the Members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum: The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Article of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, by vote of a majority of the membership votes entitled to be cast then present or represented thereat, the meeting may be adjourned from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies: At all meetings of Members, each Member having voting rights may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable.

#### ARTICLE IV. BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE.

Section 1. Number: The affairs of this Association shall be managed by a board of between three (3) and five (5) directors, who need not be Members of the Association.

Section 2. Term of Office: Until the first annual meeting of Members, the directors of the Association shall be those individuals named in the Articles of Incorporation or their successors determined in accordance with this Article. At such meeting, and at each annual meeting of Members thereafter, the directors shall be elected by the Members; provided however, that if for any reason any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of Members held for that purpose. All directors shall hold office until their respective successors are elected.

Section 3. Removal: Any director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation: No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without A Meeting: The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

#### ARTICLE V. NOMINATION AND ELECTION OF DIRECTORS.

Section 1. Nomination: Nomination for election to the Board of Directors shall be made from the floor at the annual meeting. Such nominations may be made from among Members or nonmembers.

Section 2. Election: Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

#### ARTICLE VI. MEETINGS OF DIRECTORS.

Section 1. Regular Meetings: Regular meetings of the Board of Directors shall be held at such intervals as the Board may determine, without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings: Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum: A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

#### ARTICLE VII. POWERS AND DUTIES OF BOARD OF DIRECTORS.

Section 1. Powers: In addition to any powers and duties set forth in the Declaration and the Association's Articles of Incorporation, the Board of Directors shall have power to:

- A. Adopt and publish rules and regulations governing the use of water from the Irrigation Water Supply System, including but not limited to use schedules and limitations in the amount of water available for use on each Lot or Parcel, and to establish penalties for the infraction thereof;
- B. Suspend the voting rights of a member and cease delivery of irrigation water to such member's Lot or Parcel during any period in which such member shall be in default in the payment of any assessment levied by the Association;
- C. Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation or the Declaration;
- D. Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- E. Employ managers, independent contractors or such other employees as the board deems necessary and to prescribe their duties.

Section 2. Duties: In addition to any duties set forth in the Declaration and the Association's Articles of Incorporation, it shall be the duty of the Board of Directors to:

- A. Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote.
- B. Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed.
- C. As more fully provided in the Declaration to:
  - 1. Fix the amount of the annual assessment against each Member at least thirty (30) days in advance of each annual assessment period;
  - 2. Send written notice of each assessment to every Member subject thereto at least thirty (30) days in advance of each annual assessment period; and
  - 3. Take such action as the Board deems reasonable to collect unpaid assessments.
- D. Procure and maintain liability and hazard insurance on property owned by the Association.
- E. Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate.

- F. Cause the Irrigation Water Supply System to be operated and maintained as more fully provided for in the Declaration.
- G. Perform or cause to be performed all other duties imposed upon the Association or the Board by the provisions of the Declaration.

#### ARTICLE VIII. OFFICERS AND THEIR DUTIES.

Section 1. Enumeration of Offices: The officers of this Association shall be a president who shall at all times be a Member of the Board of Directors, a secretary and a treasurer, and such other officers as the Board may from time to time create by resolution.

Section 2. Election of Officers: The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term: The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign or shall be removed or otherwise disqualified to serve.

Section 4. Special Appointments: The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may from time to time determine.

Section 5. Resignation and Removal: Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make effective.

Section 6. 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.

Section 7. Multiple Offices: Any two or more offices may be held by the same person except the offices of president and secretary.

Section 8. Duties: The duties of the officers are as follows:

- A. President: The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all promissory notes.
- B. Vice President: The vice president, if one is elected, shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

- C. Secretary: The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing names of Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.
- D. Treasurer: The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members.

#### ARTICLE IX. COMMITTEES

The Board of Directors shall appoint such committees as deemed appropriate in carrying out its purpose.

#### ARTICLE X. BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

#### ARTICLE XI. ASSESSMENTS

As more fully provided in the Articles of Incorporation and Declaration, each Member is obligated to pay to the Association the assessments provided for in the Declaration. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date shall bear interest at the rate of eighteen percent (18%) per annum. The Association may bring an action at law against the Member obligated to pay the same, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Member may waive or otherwise escape liability for the assessments provided for herein by non-use of the Irrigation Water Supply System.

#### ARTICLE XII. CORPORATE SEAL

The Association may have a seal as determined by the Board of Directors.

#### ARTICLE XIII. AMENDMENTS

The Bylaws of the Association may be altered, amended, or new Bylaws adopted at (i) any regular meeting or at any special meeting of the Board of Directors, or (ii) any regular meeting or at any special meeting of the Members thereof, called for that purpose, by the affirmative vote of two-thirds (2/3) of the votes of the membership; provided, however, that notwithstanding the foregoing, Declarant may amend these Bylaws from time to time for the

purpose of adopting any amendment which may reasonably be requested by any proposed mortgagee or by any institutional holder intending to purchase a mortgage, in order to assure such mortgagee or institutional holder that its interests are adequately protected, or in order to comply with the requirements or regulations of any governmental or quasi-governmental entity or institution holding or insuring a mortgage.

In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

#### ARTICLE XIV. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

Section 1. Directors and Executive Officers: The corporation shall indemnify its directors and officers to the full extent permitted by the Idaho Nonprofit Corporation Act (the "Act"), as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the corporation to provide broader indemnification rights than the Act permitted the corporation to provide prior to such amendment); provided, however, that the corporation may limit the extent of such indemnification by individual contracts with its directors and officers; and, provided further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person or any proceeding by such person against the corporation or its directors, officers, employees or other agents unless (i) such indemnification is expressly required to be made by law; (ii) the proceeding was authorized by the Board of Directors of the corporation, or (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Act.

Section 2. Other Officers, Employees and Other Agents: The corporation shall have the power to indemnify its employees and other agents as set forth in the Idaho Nonprofit Corporation Act.

Section 3. Good Faith: For purposes of any determination under this Article XIV, a director or officer shall be deemed to have acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, to have had no reasonable cause to believe that this conduct was unlawful, if his action is based on the records or books of account of the corporation or another enterprise, or on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by (i) the officers of the corporation or another enterprise whom the director or officer reasonably believes to be reliable and competent in the matters present, or (ii) legal counsel, a public accountant or other person as to matters which the director or officer believes to be within such person's professional or expert competence. The term "other enterprise" as used in this Section 3 shall mean any other corporation or any partnership, joint venture, trust or other enterprise, including any employee benefit plan, of which such person is or was serving at the request of the corporation as a director, officer, employer or other agent. The provisions of this Section 3 shall not be deemed to be exclusive and/or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth by the Act.

Section 4. Expenses: The corporation shall advance, prior to the final disposition of any proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of any undertaking by or on behalf of such person to repay such amount if it should be determined ultimately that such person is not entitled to be indemnified under this Article XIV or otherwise.

Section 5. Enforcement: Without the necessity of entering into an express contract, all rights to indemnification and advances under this Article XIV shall be deemed to be contractual rights and to be effective to the same extent as if provided for in a contract between the corporation and the director or officer who serves in such capacity at any time while this Article XIV and other relevant provisions of the Act and other applicable law, if any, are in effect. Any right to indemnification or advances granted by this Article XIV to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. It shall be a defense to any such action that the claimant has not met the standards of conduct which make it permissible under the Act for the corporation to indemnify the claimant for the amount claimed; but the burden of proving such defense shall be on the corporation. Neither the failure of the corporation (including its Board of Directors, its independent legal counsel, or its Members) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Act, nor an actual determination by the corporation (including its Board of Directors, its independent legal counsel or its Members) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct.

Section 6. Non-Exclusivity of Rights: The rights conferred on any person by this Article XIV shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaw, agreement, vote of Members or disinterested directors or otherwise, both as to action in this official capacity and as to action in any other capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, as provided by law.

Section 7. Survival of Rights: The rights conferred on any person by this Article XIV shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs and personal representatives of such a person.

Section 8. Amendments: Any repeal or modification of this Article XIV shall only be prospective and shall not affect the rights under this Article XIV in effect at the time of the alleged occurrence of any act or omission to act that is the cause of any proceeding against any director, officer, employee or agent of the corporation.

Section 9. Savings Clause: If this Article XIV or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall

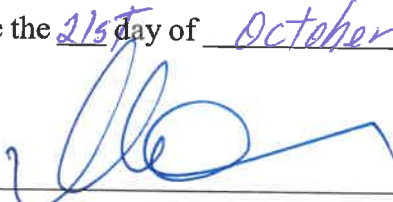


nevertheless indemnify each director or officer to the full extent permitted by any applicable portion of this Article XIV that shall not have been invalidated, or by any other applicable law.

ARTICLE XV. MISCELLANEOUS

Unless otherwise determined by the Association's Board of Directors, the fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

The foregoing Bylaws shall be effective the 21<sup>st</sup> day of October 2019.

  
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Secretary