

COUGAR CREEK WATER USERS ASSOCIATION, Inc.

BYLAWS

(Amended 2/13/2024)

Article I.

PURPOSE

Section 1.01 Name. The name of this Association is the Cougar Creek Water Users Association, Inc (“CCWUA”). The Association is an Idaho nonprofit corporation (Secretary of State file no. 0000160349).

Section 1.02 Bylaws. These Bylaws (August 2020) were originally established pursuant to Title 30 Section 30 of the Idaho Code (the Idaho Nonprofit Corporation Act), including I.C. 30-30-206, and amendments are pursuant to I.C. 30-30-708 and I.C. 30-30-709.

Section 1.03 Purpose. This nonprofit corporation is established to develop, operate, maintain, manage, repair, replace, and generally administer the domestic water supply and distribution system owned by the CCWUA.

Article II.

MEMBERSHIP

Section 2.01 Membership. The Board of Directors shall determine whom shall be eligible to become a member of CCWUA, and whether it is feasible, economical and/or reasonable to furnish water to the lot owned by the proposed member. One (1) membership shall be issued for each lot served as recorded per Bonner County Cadastral tax roll, regardless of the number of persons being served thereon. Each membership provides the right for water service to the lot for which it is issued, subject to these Bylaws, and any rules and regulations adopted by CCWUA pursuant to these Bylaws, the Articles of Incorporation, and the law of the State of Idaho.

Section 2.02 Transferring Membership. Membership is appurtenant to and runs with the lot to which it is issued and is not assignable except as provided herein. When a member sells or otherwise disposes of a lot served by the CCWUA membership automatically transfers to the new owner who shall become a

member, replacing the original member, subject to all terms, conditions, requirements, rights and obligations set forth in the Articles of Incorporation and these Bylaws. Members are required to notify CCWUA of such transfer, including the name and contact information of the transferee(s). No membership may be transferred except when the lot is transferred.

Section 2.03 Record of Membership and Transfers. Pursuant to Idaho law, including the Idaho Nonprofit Corporation and I.C. 30-30-1101, CCWUA shall maintain a record of all current memberships including transfers of membership. Upon transfer of membership as described in Section 2.02 CCWUA shall record the change and identify on its records the name(s) and contact information for all members.

Section 2.04 Membership Interest Described. CCWUA is a nonprofit Idaho corporation. In the event the corporation is dissolved or otherwise ceases to exist, all assets and property interests will be transferred to a successor nonprofit corporation or other appropriate entity, pursuant to Idaho law and to Article V of the Articles of Incorporation of Cougar Creek Water Users Association, Inc. In such event no member shall be entitled to payment or refund of any kind.

Article III.

WATER SERVICE

Section 3.01 Service Areas. CCWUA provides residential water service to its members in the following Bonner County, Idaho neighborhoods: (i) Dutch Harbour, (ii) Cougar Creek (iii) Airport, (iv) Arnold Drive, (v) Lakeview, and (vi) Tanglefoot; all located in Sections 23, 26 and 27, Township 60N, Range 4W, Boise Meridian, and as set forth on the attached Exhibit A.

Section 3.02 Residential Water System. CCWUA will install, maintain, and operate wells, storage reservoir(s), and distribution facilities, and provide water service from the sources of water supply through main distribution pipelines or similar facilities, to service lines to enable service to the property of each member.

Section 3.03 Delivery Points. Water shall be provided to each member at a delivery point to be determined and designated by CCWUA. Installation, maintenance and

repair of pipelines or other service facilities from the delivery point to the residence of the member shall be the sole responsibility and liability of that member.

Section 3.04 Shut-Off Valves. As the system is upgraded and improved CCWUA reserves the right to purchase and install shut-off valves and/or curb-stop valves controlling water provided at the designated delivery point for each member. Each valve shall be owned, operated and maintained solely by CCUA, and members do not have authorization to access or operate any valves.

Section 3.05 System Connections. Each member is authorized to have one (1) service connection at the delivery point designated by CCWUA. A fee for each new connection, including cost of materials and labor, shall be determined by the CCWUA Board of Directors and shall include all costs incurred for making a physical connection to the distribution system including pipe, fittings, any necessary borings, and related actions. All construction will be performed solely by CCWUA or a contractor approved by and coordinated with the CCWUA Board of Directors.

Section 3.06 Hydrants. [reserved]

Section 3.07 Water Availability. CCWUA has the sole and exclusive right to determine access to water it provides. In the event the volume of water is insufficient to meet the requests of all members the Board of Directors may require that the volume of water be prorated among the members in a manner, method and means deemed by the Board to be reasonable. CCWUA expressly reserves the right to satisfy the domestic and/or livestock needs of the members before permitting water to be used for garden or other irrigation purposes. CCWUA also reserves the right to prescribe a schedule of days and/or hours when members are permitted to use water for garden or irrigation purposes, including temporarily prohibiting such uses, to protect and preserve domestic and/or livestock needs.

Section 3.08 Membership Fees. Each member shall timely pay all fees charged by CCWUA, as determined by the Board of Directors from time to time. Failure to timely pay such fees may result in termination of service, imposition of late fees,

and/or reconnection fees, as determined by the Board of Directors in its sole and exclusive discretion.

Section 3.09 Additional Residential Connections. Each service connection is permitted to provide water to a single residence. If an additional residence on the same property owned by the member CCWUA reserves the right to charge an additional fee in an amount to be determined by the Board of Directors. If a parcel that is being served by an existing service connection is legally segregated (i.e. subdivided) the owner of the segregated parcel must apply for membership before a new service connection will be approved.

Section 3.10 Commercial Connections. The Board of Directors may designate non-residential service connections as “commercial accounts”, and those connections shall be charged such connection charges and usage fees different from residential accounts, as determined by the Board of Directors in its sole and exclusive discretion. Mobile home parks, tourist courts, and all other commercial enterprises shall be deemed “commercial accounts”.

Section 3.11 Expanded Service Area. CCWUA shall provide service only to delivery points approved by the Board of Directors, or as provided by these Bylaws. Any proposed expansion of the existing service area shall be subject to such terms and conditions imposed by the Board of Directors and also must be approved by a majority of members of CCWUA. Any landowner or developer requesting an expansion of the service area must present a “water plan” to the Board of Directors and execute a Developer Agreement and a Conveyance Agreement. All new users within the expanded service area must pay all costs and expenses associated with extending water service and establishing new delivery points, as well as any other costs described in the “water plan”. Any facilities constructed and/or included in the “water plan” must conform to all standards required by CCWUA.

Article IV.

WELLS

Section 4.01 Well Number One. Well Number One is located on property owned by Tanglefoot, LLC, a Washington Limited Liability Company (UBI 603 463

938). The well and associated water rights are owned Tanglefoot, LLC which has primary rights to water from that well. Subject to water requirements by Tanglefoot, LLC pursuant to its primary rights, CCWUA has unrestricted access to all water from Well Number One in exchange for which it provides water to Tanglefoot, LLC for its buildings and grounds. Tanglefoot, LLC is a member of CCWUA but is not subject to fees or charges.

Section 4.02 Well Number Two. Well Number Two is located on a recorded easement owned by Tanglefoot, LLC. This well is owned, operated and maintained by CCWUA, and all rights to this water are owned solely and exclusively by CCWUA which provides water to Tanglefoot, LLC for its buildings and grounds. Tanglefoot, LLC is a member of CCWUA but is not subject to fees or charges.

Article V.

MEMBERSHIP MEETINGS

Section 5.01 Annual Meeting. The annual meeting of members of CCWUA shall be conducted each year at a convenient place and time determined by the Board of Directors and shall conform to the requirements of the Idaho Nonprofit Corporation Act including I.C. 30-30-501. The president and treasurer shall report on the activities and financial condition of the corporation, and members shall consider and act upon such other matters as may be raised, with proper notice thereof.

Section 5.02 Annual Meeting Notice. Notice of the Annual Meeting shall be given to each member at least thirty (30) days in advance, but not more than sixty (60) days prior to the meeting, and shall be provided in writing, by telephone, e-mail or by such other means as are appropriate and effective. As provided in I.C. 30-30-511, the only matters that can be considered at the Annual Meeting are those matters described in the meeting notice, unless one-third (1/3) of all members constituting a quorum agree.

Section 5.03 Special Membership Meetings. A special meeting of the members may be called by the Board of Directors, or a number of members representing at least ten percent (10%) of the members entitled to vote. Notice shall be as described in Section 5.02 and must include a description of the matter(s) to be

addressed.

Section 5.04 Waiver of Notice. A member may waive notice of the Annual Meeting by providing written waiver, signed by the member and delivered to an officer of the corporation. Attendance at the Annual Meeting waives any objection to defective notice unless at the beginning of the meeting the member objects to holding the meeting or transacting business.

Section 5.05 Voting Entitlement. Each member, as described in Section 2.01 herein, is entitled to one vote regardless of the number of persons being served on the lot.

Article VI.

ELECTIONS AND VOTING

Section 6.01 Rights of Members. Every member of the CCWUA has the same equal rights, and obligations, with respect to voting in any election in which the member is entitled to vote.

Section 6.02 Quorum. As provided in I.C. 30-30-511 a quorum of members consists of at least 10 percent (10%) of the votes entitled to be cast. Any election that lacks a quorum is invalid.

Section 6.03 Proxy Voting. Voting may be in person, by proxy. Any proxy must be written and signed by the member, and no proxy is valid for more than eleven (11) months.

Section 6.04 Voting Requirements. If a quorum is present, the affirmative vote of a majority of those voting, either in person or by proxy, constitutes an act of the members. Voting shall be in person, by proxy, or by mailed ballot. However, the Board of Directors has discretion to allow voting electronically (i.e. email), and in such an event the Board will promulgate processes and protocols for electronic voting and the Secretary will notify the members the requirements for submitting electronic ballots.

Section 6.05 Elections. Any election in which the members of the corporation are

entitled to voted will be determined by a majority of those voting, unless a greater percentage is required by law.

Section 6.06 Voting by Legal Entity. If a corporation, LLC, or other legal entity is a member of the corporation, that entity may designate a person to be its representative or agent for the purpose of voting.

Article VII.

BOARD OF DIRECTORS

Section 7.01 Number, Term and Election of Directors. There shall be no more than seven (7) members of the Board of Directors, four (4) of whom shall be selected as officers in the manner described herein, as provided in Article VII of the Articles of Incorporation. Each Director shall be a member of CCWUA, or a designated representative of a legal entity that is a member. Each director shall be elected to a term of three (3) years and may be reelected without limitation. Directors shall be elected at the annual meeting of the members of CCWUA, and the terms of the directors shall be staggered so that no more than three (3) directors are elected at each such meeting. The Officers of the CCWUA shall be selected by the Directors as described in Article IX below.

Section 7.02 Qualification of Directors. Pursuant to Idaho law, and the Idaho Nonprofit Corporation Act, including I.C. 30-30-602, each Director must be an individual, and a member of the corporation. If a corporation, LLC, or other legal entity is a member of the corporation, that entity may designate a person to be its representative or agent for the purpose of serving on the Board of Directors.

Section 7.03 Removal of Directors. A Director may be removed by a majority of members attending an Annual Meeting or Special Meeting called for that purpose, provided the meeting is properly called as described herein and at which a quorum exists.

Section 7.04 Vacancies. Vacancy on the Board of Directors occurring before the expiration of a term of office, shall be filled by a vote of the majority of the remaining Directors. Each person so elected shall serve as Director until the next Annual Meeting of members, at which time a Director shall be elected to serve the

remainder of the unexpired term.

Section 7.05 Disqualification. A Director that becomes disqualified as a member, or the legal entity the Director represents is disqualified as a member, that Director is also immediately disqualified to serve as member of the Board of Directors. The disqualified Director shall be replaced as described herein.

Section 7.06 Regular Board Meetings. The Board shall meet regularly at such time and place as the Board determines.

Section 7.07 Special Board Meetings. Special meetings of the Board may be called by resolution adopted at a regularly scheduled meeting, or by written notice by the President of CCWUA, or by any two (2) Directors. Notice of such Special Board Meeting shall be given at least two (2) days prior to the special meeting date, except in the case of emergency in which case notice shall be reasonable, considering the totality of the circumstances. Notice shall include a brief description of the matter(s) to be considered by the Board.

Section 7.08 Participation at Board Meetings. Any Director may participate in a regular or special meeting, and my conduct such a meeting, through the use of any method of communication that allows all Directors to simultaneously hear each other during the entire course of that meeting. A Director participating in a meeting is deemed to be present and attendance waives any objection to defective notice unless at the beginning of the meeting the Director objects to holding the meeting or transacting business.

Section 7.09 Director Proxy Voting Not Permitted. A Director may not vote by proxy or by absentee ballot at any regular or special meeting.

Section 7.10 Quorum. A majority of the Directors shall constitute a quorum at any regular or special meeting. The vote of a majority of those Directors constituting a quorum shall constitute a vote of the Board, unless prohibited by these Bylaws or by law.

Section 7.11 Open Meetings. Regular and special meetings of the Board shall be

open to all CCWUA members. Participation by anyone not a Director shall be limited by reasonable rules adopted by the Board and announced at the meeting.

Section 7.12 Executive Session. A majority of the quorum of Directors may adjourn the meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the CCWUA is involved or may become involved, and matters of a similar nature. The purpose of the executive session shall be announced before adjournment and that purpose shall be recorded in the minutes. Minutes shall not be taken during the executive session, although the results of any vote or action taken in executive session shall be reported, to the extent necessary and appropriate.

Section 7.13 Committees of the Board. The Board may appoint committees as deemed appropriate for carrying out the described purposes for which the committee is formed. Each such committee shall conform to the Idaho Nonprofit Corporation and I.C. 30-30-617 and shall have two (2) or more Directors that serve at the pleasure of the Board.

Section 7.14 Minutes. The Board shall keep, or cause to be kept, complete and accurate minutes of its Regular and Special meetings

Section 7.15 Compensation. Directors shall receive no compensation for service as a Director. However, reimbursement for costs is permitted. Directors may be compensated for activities deemed to be outside the normal duties as a Director, and the amount of such compensation shall be determined by the Board.

Section 7.16 Conflict of Interest. Pursuant to the Idaho Nonprofit Corporation Act and I.C. 30-30-619 a Director has a conflict of interest in a transaction with the corporation in which the Director has a direct or indirect interest. This restriction shall not apply if the material facts of the transaction and the Director's interest are fully disclosed to or otherwise known to the Board, and the transaction is authorized, approved or ratified.

Section 7.17 Loans. No Director shall receive any loan from the corporation.

Section 7.18 Action Without Meeting. Pursuant to the Idaho Nonprofit Corporation Act and I.C. 30-30-613 the Board of Directors may take action without meeting if written consents are signed by a majority of the Board, and such consents are filed in the minutes.

Article VIII.

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.01 Generally. The Board of Directors of CCWUA (“Board”) shall have the powers and duties necessary for administration of the affairs of the corporation, as well as those powers and duties as set forth in the Articles of Incorporation and in the Idaho Nonprofit Corporation Act. Without limitation of those powers and duties, the Board shall be vested with and responsible for the actions described in this Article VII.

Section 8.02 Reasonable Reliance. Pursuant to the Idaho Nonprofit Act and I.C. 30-30-618 in discharging corporation duties a Director is entitled to rely upon information, opinions, reports or statements, including financial statements and similar data, that is provided by other Directors, corporation officers, legal counsel, public accountants, and any other person or entity that the Director reasonably believes is reliable and competent regarding the matters presented.

Section 8.03 Membership. The Board shall pass upon qualification of corporation members and cause to be issued appropriate documents confirming membership. The Board shall maintain records identifying owners, including cancelations and transfers.

Section 8.04 Officers, Agents & Employees. The Board shall select, appoint, supervise and remove officers, agents and employees of CCWUA, determine compensation, establish terms and conditions as deemed reasonable by the Board, and proscribe powers and duties consistent with these Bylaws and the Idaho Nonprofit Corporation Act.

Section 8.05 Authority to Incur Indebtedness. The Board shall have authority to borrow money and incur indebtedness, not to exceed Ten-thousand dollars

(\$10,000.00) without prior approval of a majority of the members. In this regard the Board shall at all times act within the means allowed by the Idaho Nonprofit Corporation Act and may cause to be executed and delivered in the name of CCWUA promissory notes, bonds or other evidences of debt (including security therefor).

Section 8.06 Rules & Regulations. Within the scope of the Idaho Code and applicable state administrative regulations the Board shall have authority to consider, adopt, revise and enforce such rules, regulations and related policies relating to connection procedures, inspections of lines and equipment, and all other matters within the jurisdiction of CCWUA, including prescribing penalties as it deems appropriate.

Section 8.07 Rates & Charges. The Board shall have authority to fix, revise, and collect such charges and fees for providing water service to CCWUA members, including establishing time for payment and manner of collecting the same. The Board shall have authority to (a) levy assessments against members and enforce the same, including cancelation of membership and/or refusing to furnish water, and (b) to always maintain sufficient income to pay operating, repair and maintenance expenses, and (c) to establish a reserve fund and/or surplus fund to pay CCWUA expenses including payment of any indebtedness.

Section 8.08 Bonds. [reserved]

Section 8.09 Finances. The Board shall have the sole authority to select banks and/or financial institutions to act as depositories of CCWUA funds, and determine the manner, methods, and means of receiving, depositing, and expending such funds. The Board shall also have authority to determine, from time to time, the person(s) with authorization to sign checks and legal documents on behalf of the corporation and/or the Board.

Section 8.10 Insurance. The Board shall have authority to contract for casualty, liability, E&O, and other insurance in such form and in such amounts as it deems appropriate, and as allowed or required by Idaho law.

Section 8.11 Reporting. The Board shall prepare and file all reports required by the State of Idaho, state administrative agencies, and other governmental units having jurisdiction over CCWUA.

Section 8.12 Compensation: No Director shall receive compensation rendered on behalf of the corporation either individually or through a contractor or vendor in which the Director has a substantial financial interest. This limitation does not apply to work performed by a Director during an emergency, or other situation that is best served by a Director's involvement, or for reimbursement of actual sums spent on behalf of the corporation, to the extent such expenditures are approved by the Board.

Section 8.12 Books & Records. The Board shall keep, or cause to be kept, complete and accurate books and records of the receipts and expenditures of CCWUA funds in accord with good accounting procedures and practices, specifying and itemizing expenditures for maintenance and repairs, and to prepare budgets and financial statements as deemed appropriate by the Board, as provided by these Bylaws, and as required by Idaho law.

Article IX. **OFFICERS**

Section 9.01 Selection of Officers. At its first meeting after the Annual Meeting of the members, the member of the Board of Directors shall select the officers by election, or in such manner as it deems appropriate, within the provisions set forth in this Article IX.

Section 9.02 Enumeration; Term. The officers of CCWUA shall be President, Vice President, Secretary, Treasurer, and such other officers as the Board may, from time to time, create by resolution or as required by the Articles of Incorporation, and the Idaho Nonprofit Corporation Act including I.C. 30-30-621. Each officer shall serve until the next election of the Board of Directors, or until that officer is replaced.

Section 9.03 Resignation; Removal. Pursuant to the Idaho Nonprofit Corporation

Act and I.C. 30-30-624 any officer may resign at any time by providing written notice to the corporation the Board, the President or the Secretary. Resignation shall be effective on the date indicated in the notice. The Board does have discretion to select a replacement before the effective date of the resignation. Any officer may be removed by majority vote by the Board at any time, with or without cause.

Section 9.04 Vacancies. A vacancy in any office described in this Article IX may be filled by appointment by the Board. The officer appointed to such vacancy shall serve the remainder of the term of the officer being replaced.

Section 9.05 Multiple Offices. As provided in I.C. 30-30-621 any two (2) or more offices described in Section 9.02 may be held by the same person, except the offices of President and Secretary.

Section 9.06 Duties. The duties of the officers shall be as follows:

- (a) President. The President shall be an elected member of the Board of Directors. The President shall preside at all meetings of the Board, see that orders and resolutions of the Board are carried out, and shall sign all written instruments, agreements and orders by the Board, and shall exercise and discharge such other duties as may be required by the Board.
- (b) Vice President. The Vice President shall be an elected member of the Board of Directors. The Vice President shall act in the place of the President in case of the President's absence, or the President's inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.
- (c) Secretary. The Secretary shall be selected by the Board of Directors is not required to be an elected member of the Board. The Secretary is responsible for issuing notice of meetings of the Board and of the meetings of CCWUA members. The Secretary shall record or cause to be recorded all meetings and proceedings of the Board, keeping appropriate and current records identifying all members of CCWUA including their addresses and other contact information, and shall exercise and discharge such other duties as

may be required by the Board.

- (d) Treasurer. The Treasurer shall be selected by the Board of Directors and is not required to be an elected member of the Board. The Treasurer shall receive and deposit in appropriate financial institutions, all monies and funds of CCWUA, and make such disbursements upon receipt of vouchers upon direction by the Board and as provided in these Bylaws, pursuant to authority described in the Idaho Nonprofit Corporation Act. The Treasurer shall keep proper books of account and prepare or have prepared, financial reports as required by state law, by these Bylaws, or as required by state agencies with jurisdiction over CCWUA.

Section 9.07 Delegation. The Board has authority to delegate such duties and/or obligations of the Secretary and of the Treasurer to responsible employees, agents, or approved entities for faithful performance of those duties and obligations, pursuant to these Bylaws, Idaho law including the Idaho Nonprofit Corporation Act.

Section 9.08 Standards of Conduct. Pursuant to the Idaho Nonprofit Act and I.C. 30-30-623 any officer with discretionary authority shall discharge all duties with good faith, with the care of an ordinarily prudent person in a similar situation, and in a manner consistent with the best interests of the corporation and its members.

Section 9.09 Reasonable Reliance. Pursuant to the Idaho Nonprofit Act and I.C. 30-30-623 in discharging corporation duties an officer is entitled to rely upon information, opinions, reports or statements, including financial statements and similar data, that is provided by other corporation officers, legal counsel, public accountants, and any other person or entity that the officer reasonably believes is reliable and competent regarding the matters presented.

Section 9.10 Bonds. The Board shall have authority to require a financial security bond from any officer, employee, agent, or a person or entity to which duties and/or obligations has been delegated.

BUDGETS, FINANCIAL STATEMENTS, BOOKS AND RECORDS

Section 9.11 Fiscal Year. The fiscal year of CCWUA shall be January 1 through December 31.

Section 9.12 Fees & Charges. Prior to the beginning of each fiscal year the Board of Directors shall determine the annual fee to be charged each member for access to service, regardless of actual usage. The Board shall also determine the amount of fees and charges for actual use of water and/or other services, in addition the annual minimum fee.

Section 9.13 Budgets; Financial Statements. Financial statements and operating budgets for CCWUA shall be prepared no less than annually, and shall be published and made available to all members upon request. Such financial reports and related information shall conform to requirements of Idaho law, administrative agencies with jurisdiction over the corporation, and in compliance with the Idaho Nonprofit Corporation Act.

Section 9.14 Inspection of Books and Records. Pursuant to Idaho Law, including I.C. 30-30-112, all books and records of CCWUA shall be make available for inspection by any member of the corporation at the office of the corporation (or at such place designated by the Board), at any reasonable time and for a purpose reasonably related to the interest of the requesting party. Copies may be made at the sole cost of the requesting party.

Section 9.15 Limitations on Use of Membership List. Pursuant to Idaho Law, including I.C. 30-30-1104, no person may use the list of members for any purpose not related to legitimate business of the corporation, without express written consent by the Board of Directors. Specifically, the list of members may not be used to solicit money or property unrelated to corporation activities, or for any commercial purpose, or to be sold to or purchased by a third party or entity.

Article X.

AMENDMENT OF BYLAWS

Section 10.01 Board Authority. Pursuant to the Idaho Nonprofit Corporation Act, including I.C. 30-30-709 these Bylaws may be amended at any time and in any manner, by resolution approved by a majority of the Board of Directors. Provided, however, that any such amendment shall be consistent with the Articles of Incorporation and with Idaho law including but not limited to the Idaho Nonprofit Corporation Act.

Section 10.02 Member Authority. Pursuant to the Idaho Nonprofit Corporation Act, including I.C. 30-30-709, a majority of the members of the corporation may vote to amend these Bylaws at any Regular or Special Meeting of the members. Provided, however, that any such amendment shall be consistent with the Articles of Incorporation and with Idaho law including but not limited to the Idaho Nonprofit Corporation Act.

Section 10.03 Limitation. Bylaws may not be amended in a way that causes a fundamental change in the structures and policies of the corporation, or in violation of law.

Article XI.

MISCELLANEOUS PROVISIONS

Section 11.01 Indemnity. To the maximum extent permitted by Idaho law, each Director and each Officer shall be indemnified by the corporation against all expenses and liabilities, including attorneys fees, reasonably incurred or imposed by judgment or settlement in connection with a proceeding in which he/she is a party, or may become involved, by reason of being an Officer or Director of the corporation. However, indemnification shall not be available in cases of fraud, gross negligence, or bad faith in performance of corporation duties.

Section 11.02 Report of Indemnification. As required by the Idaho Nonprofit Corporation Act, and I.C. 30-30-1106, the corporation shall report to the members in advance of the next Regular or Special Meeting of the members whenever it indemnifies any Director or officer in connection with a proceeding by the corporation, or with respect to the rights of the corporation.

Section 11.03 Usage. Unless some other meaning and/or intent is apparent from the context, the plurals shall include the singular, and vice versa, and masculine, feminine and gender neutral words shall be used interchangeably

Section 11.04 Severability. In the event any provision of these Bylaws is found to be unenforceable, the remaining provisions shall remain in full force and effect.

Section 11.05 Notices. Any notice required or permitted to be made under these Bylaws may be delivered in such a manner as to give actual notice, either personally, by telephone, by regular mail, by email, or fax transmission. If delivery is other than direct personal contact it shall be deemed to have been given forty-eight (48) hours after the final act necessary to complete delivery (e.g. depositing in the USPS mail facility, sending email, or completed fax transmission.)

Section 11.06 Dissolution; Merger. Pursuant to Idaho law and the Idaho Nonprofit Corporation Act, a majority of the members of the corporation may vote to dissolve the corporation, or to merge with another entity, provided such action does not violate the provisions and requirements of all applicable state statutes.

ADOPTION OF BYLAWS

We the undersigned, being the Directors of the Cougar Creek Water Users Association, Inc., hereby assent to the foregoing Bylaws and hereby adopt these as the Bylaws of the corporation.

EXECUTED this 13th day of February, 2024

Approve by counter part Board email and entered into the minutes of January 2024 Board meeting.

