

BYLAWS OF MOUNTAIN SPRINGS WATER CORPORATION

ARTICLE I. IDENTIFICATION, OFFICE, GOVERNING LAW, AND EFFECTIVENESS

- 1.1 **Corporate Identification.** This corporation is known as Mountain Springs Water Corporation (“Corporation”). Its Articles of Incorporation were filed with Idaho Secretary of State on March 24, 1995, amended on September 20, 1995, and restated on May 9, 2024 (“Articles”).
- 1.2 **Office.** The principal office of the Corporation shall be established by the Board of Directors (“Board”) and may be changed from time to time.
- 1.3 **Effectiveness.** These bylaws shall be effective upon adoption.

ARTICLE II. MEMBERSHIP

- 2.1. **Members & Membership Rights.** The Corporation shall not have members.

ARTICLE III. ELECTION AND REMOVAL OF DIRECTORS

- 3.1 **Qualifications.** Directors shall be owners of a lot served by the Corporation. Co-owners of may serve as Directors.
- 3.2 **Time of Election.** Directors shall be elected by the existing Board at the Annual Meeting or as soon thereafter as determined by resolution of the Board, but no later than sixty (60) days subsequent to the original annual meeting date.
- 3.3 **Number of Directors.** Initially, the Directors shall elect no less than three (3) directors, and no more than five (5). The Directors shall elect one (1) Director each year, thereby maintaining staggered terms.

- 3.4 **Manner of Election.** The President shall call for nominations. A Director, or the owner of any lot served, may nominate themselves or another owner. The Directors may vote by a show of hands, but if any Director should request a written, secret ballot, the election shall proceed in that manner for all votes cast. If more than two Director positions are subject to election, the President shall fill the positions with the respective winners of the election, and need not hold separate votes.
- 3.5 **Unexpired Terms.** A Director who leaves office during his or her term shall be replaced by a vote of the Board until the next Annual Meeting. At such Annual Meeting, the Directors shall elect a Director for the balance of the unexpired term.
- 3.6 **Removal.** A majority of Directors may remove a Director from office at any time and for any reason or no reason at all. The Board shall elect a replacement Director but the replacement Director shall not be the Director who was removed from office. The replacement shall serve in office until the next Annual Meeting. The Board may, by a unanimous vote, remove a Director for any reason or no reason at all.

ARTICLE IV. BOARD OF DIRECTORS

- 4.1 **Annual Meeting.** The Board shall hold an annual meeting. The Board may provide, by resolution, the time and place for the holding of additional regular meetings without notice other than such resolution.
- 4.2 **Special Meetings.** Special meetings of the Board may be called by or at the request of the President or two Directors. The person or persons authorized to call special meetings of the Board may fix the place for holding any special meeting of the Board of Directors called by them, so long as such meeting is held in Bonner County, Idaho, or waiver is made.
- 4.3 **Notice.** Notice of any special meeting shall be given at least one day previous thereto by written notice delivered personally, emailed or mailed to each Director at his or address of record with the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage prepaid. Directors may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully convened.
- 4.4 **Quorum.** A majority of the number of Directors then in office shall constitute a quorum for the transaction of business.
- 4.5 **Manner of Acting.** The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.
- 4.6 **Action without a Meeting.** Any action that may be taken by the Board at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed before such action by all of the Directors.

- 4.7 **Expenses and Compensation.** By resolution of the Board, each Director may be reimbursed for necessary expenditures made on behalf of the Corporation. The Board shall not receive compensation.
- 4.8 **Presumption of Assent.** A Director who is present at a meeting of the Board at which action on any Corporation matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.
- 4.12 **Deadlock.** If Directors are deadlocked, the Board shall refer the matter to President to make a tie-breaking vote.

ARTICLE V. OFFICERS, DUTIES, FINANCIAL CONTROLS

- 5.1 **Number.** The officers of the Corporation shall be a President, Vice President, Secretary and Treasurer, and other offices as deemed necessary. A person may hold more than one office except the President shall not serve as Secretary.
- 5.2 **Election and Term of Office.** The officers of the Corporation shall be elected at the Annual Meeting. If the election of officers does not occur at such meeting, the election shall be held as soon thereafter as practicable. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner hereinafter provided.
- 5.3 **Removal.** Any officer or agent may be removed by the Board whenever, in its judgment, the best interests of the Corporation will be served thereby.
- 5.4 **Vacancies.** A vacancy in any office may be filled by the Board for the unexpired portion of the term.
- 5.5 **President.** The President shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Corporation. He shall, when present, preside at all meetings of the Board. The President shall sign any legal instruments on behalf of the Corporation. In addition, and in general, the President shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time.
- 5.6 **Vice President.** In the absence of the President or in event of his death, inability or refusal to act, the Vice President shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board.

- 5.7 **Secretary.** The Secretary shall (a) Keep the minutes of the proceedings of the Board in one or more minute books provided for that purpose; (b) See that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) Be custodian of the corporate records and of the seal of the Corporation, if the Board authorizes the use of a corporation seal; (d) Keep a register of the post office address of each Director; (e) Have charge of the records of the Corporation; (f) Provide copies of the Corporation documents to new residences; and (g) In general perform all duties incident to the office of the Secretary and such other duties as from time to time may be assigned to him by the President or by the Board.
- 5.8 **Treasurer.** The Treasurer shall: (a) Have charge and custody of Corporation financial records; (b) Receive and give receipts for moneys due and payable to the Corporation from any source whatsoever, and deposit all such moneys in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board; and (c) In general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board.
- 5.9 **Contracts.** The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.
- 5.10 **Loans.** No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

ARTICLE VI.

POWERS OF THE BOARD OF DIRECTORS

- 6.1 **All Authorized Acts.** The Board may apply any and all power, authority and discretion given a corporate board under the laws of the state of Idaho, as long as such statutory authority is not otherwise inconsistent with the provisions of this instrument or the other governing documents of the Corporation.
- 6.2 **Appoint Agents and Attorneys.** The Board may employ agents and attorneys as necessary or desirable for the proper administration of the Corporation or for any litigation, controversy or uncertainty which may arise in connection with the Corporation.
- 6.3 **Engage in Legal Proceedings.** Prosecute, defend or participate in any legal action as principal or otherwise. This power shall include, without limitation, actions for attachment, execution, eviction, foreclosure, indemnity, arrest, and any other proceeding for legal, equitable or injunctive relief.
- 6.4 **Engage or Dismiss Employees.** Engage and dismiss employees, all upon such terms as the Board shall think fit for the efficient administration of the Corporation.

- 6.5 **Insure the Corporation.** Obtain such insurance as the Board determines is necessary to protect the Corporation against liability with respect to third persons.
- 6.6 **Manage Financial Accounts.** Open, maintain and close bank, brokerage, or similar accounts. The authority with respect to all such accounts shall include the authority to make deposits, transfers, and withdrawals.
- 6.7 **Manage Personal Property.** Purchase, receive, take possession of, lease, sell, assign, endorse, exchange, and release any interest in personal property.
- 6.8 **Manage Real Estate Transactions.** Purchase, take possession of, lease, sell, convey, exchange, mortgage, and release any interest in real property.
- 6.9 **Manage Securities.** Purchase, sell, assign, collect, redeem, transfer, or exercise any voting or other rights for stocks, bonds, mutual funds, brokerage accounts, other securities and any kind of US government bond including Series E, Series EE, Series H and Series I bonds.
- 6.10 **Pay and Settle Claims.** Pay, contest, or settle any claim by or against the Corporation by compromise, arbitration or otherwise and to release, in whole or in part, any claim belonging to the Corporation.
- 6.11 **Pay Taxes.** Perform any and all necessary acts with respect to federal and state taxation. This power includes, but is not limited to the following authority: (a) to prepare, execute, and file any tax return or document required by any federal or state government or taxing authority; (b) to represent the Corporation before any office of the Internal Revenue Service with respect to all Internal Revenue tax matters for any past or future tax periods, including audits, conferences and litigation; (c) to receive confidential information respecting the Corporation; (d) to receive, endorse and collect checks in payment of any refund of Internal Revenue tax, penalties, or interest, and execute waivers (including offers of waivers) of restrictions on assessment or collection of deficiencies in tax and waivers of notice of disallowance of a claim for credit or refund; (e) to execute consents extending the statutory period for assessment or collection of taxes; (f) to execute any agreements under the Internal Revenue Code; (g) and to delegate authority or substitute another representative for such tax matters.
- 6.12 **Receive Money.** Request, demand, recover, collect, endorse, and receive all moneys, debts, accounts, gifts, bequests, dividends, annuities, rents, and payments due the Corporation.
- 6.13 **Repair Property.** Make ordinary or extraordinary repairs, alterations or improvements in buildings or other Corporation property including but not limited to demolition.
- 6.14 **Sign for the Corporation.** Sign, acknowledge and deliver written instruments as may be necessary or desirable in the exercise of the powers granted herein.

ARTICLE VII. CHARGES & ASSESSMENTS

- 7.1 **Budget Preparation and Procedures.** The Board shall comply with the following budget provisions and procedures:
- 3.5.1. **Operating Budget.** The operating budget shall contain a reasonable itemization of annual operating costs, and may contain a contingency or savings line item.
 - 3.5.2. **Adoption.** The budget shall be deemed adopted and ratified at the Annual Meeting. The adoption shall be deemed valid even if a quorum is not present. If the budget is rejected, assessments based on the previous budget shall continue until a new budget is adopted and ratified.
 - 3.5.3. **Connection Fee.** The Board shall set the connection fee applicable to new serviced lots based on the proposed operating budget, each year.
 - 3.5.4. **Water Usage Fee.** The Board shall calculate the usage fees based on the proposed operating budget, each year.
 - 3.5.5. **Special Assessments.** The Board may vote to make special assessments to cover emergency costs, as necessary.
- 7.2 **Purpose of Assessments.** The assessments levied by the Corporation shall be used exclusively for the purpose of carrying out the general duties and powers of the Corporation, including without limitation, operation, maintenance, repair, reconstruction, restoration, replacement, or alteration of the Property; hiring and retaining employees, agents, and contractors; and purchasing equipment, materials, and services. In addition, the Corporation may include in any assessment the cost of (a) general liability insurance; (b) insuring its directors and officers; (c) insuring its property against loss; (d) the costs of enforcement of these Bylaws and reasonable attorney fees; (e) property and other taxes levied against the Corporation; and (f) such reasonable reserves as the Board deems necessary.
- 7.3 **Remedies for Non-Payment.** The Corporation shall have all rights and remedies in law and equity to collect delinquent assessments, and to assess and collect late fees, dues, fines, and interest not paid within thirty (30) days of its due date.
- The Corporation may terminate a delinquent lot's service, as set forth in Section 2.4. The Corporation may suspend a delinquent lot's water service with 90 days' written notice.

ARTICLE VIII. NONDISCRIMINATION POLICY

The Corporation shall comply with the nondiscrimination provisions of § 42-3601 et. seq, United States Code, known as the Fair Housing Act, as amended from time to time. The Corporation shall not discriminate against any person in the terms, conditions, or privileges of sale or rental of a dwelling, or in the provision of services or facilities in connection therewith, because of race, color, religion, sex, familial status, or national

origin, or other legally protected characteristic applicable to the Fair Housing Act or the provision of mortgages or mortgage guarantees.

ARTICLE IX. INDEMNITY

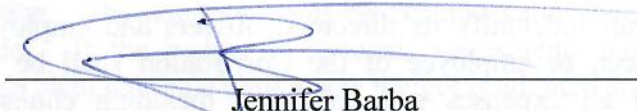
The Corporation shall indemnify its directors, officers and employees as follows: (a) Every director, officer, or employee of the Corporation shall be indemnified by the Corporation against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him in connection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

ARTICLE XII. AMENDMENTS

These Bylaws may be altered, amended, repealed, restated, or new Bylaws adopted by resolution of the Board, except as stated herein.

Signature on following page.

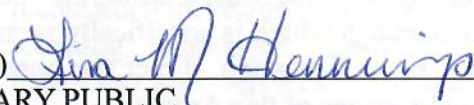
THESE BYLAWS are certified to have been adopted by the Board at a meeting held on the 7th day of May, 2024.



Jennifer Barba
Secretary

STATE OF IDAHO)
COUNTY OF BONNER) ss.

On this 9th day of May, in the year of 2024, before me, a Notary Public for the state of Idaho, personally appeared **Jennifer Barba**, known or identified to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that he/she executed the same.

(Sign) 

NOTARY PUBLIC
My commission expires: 10/07/2026

