

DIVISION 04

Services

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ATTORNEYS

JOSHUA P. GREWE
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ROCKFORD OFFICE

5 W. Emma Street
Rockford, WA 99030

July 27, 2022

Millie's 40 Bren-Burk, LLC
Millie's 1943 Jess/Burk, LLC
2450 Fondren Rd., Ste 210
Houston, TX 77063

RE: Water Service Will Serve Letter

Dear Mr. Brende, Mr. Burke, and Ms. Loncosty:


On behalf of the Board of Direction of Golf Club Estates Water Association, this letter is made to summarize the Water Supply Agreement of the Parties dated July 21, 2022 between Golf Club Estates Water Association, Inc., an Idaho Non-Profit Corporation ("GCEWA") and Millie's 40 Bren-Burk, LLC and Millie's 1943 Jess/Burk, LLC, each an Idaho limited liability company ("Millie's"). Pursuant to the Agreement of the parties, GCEWA will serve the properties of Millie's located in Priest Lake Idaho and legally described on Exhibit "A" with water service to One Hundred and Fifty (150) Equivalent Residential Units (ERU's) upon completion of the necessary permitting, engineering, and approvals for Millie's Developments and the GCEWA water system.

GCEWA looks forward to working with you to connect and serve the Millie's developments with water from the GCEWA water system. Should you have any questions or comments regarding the water service that GCEWA shall provide to Millie's, please feel free to contact GCEWA at your earliest convenience.

Very Truly Yours,

Joshua P. Grewe

Approved by GCEWA:



Craig Hill, President



April 28, 2023

Mark Patneaude
Golf Club Estates Water Association
30 Fairway Drive
Priest Lake, ID 83856
mgpatneaude2@gmail.com

Subject: DEQ Technical Approval - Water Facility Plan Amendment Revision 5 – ID1090103 Golf Club Estates

Dear Mark:

The Department of Environmental Quality (DEQ) has reviewed a water system facility plan amendment (Amendment) for the Golf Club Estates Water Association. The Amendment was stamped and signed by Kevin Koesel, P.E. on 3/24/2023 and submitted to DEQ on the same day. The purpose of this Amendment is to address the improvements necessary to add 150 proposed Equivalent Residential Units (ERUs) to the system. The amendment also addresses the transition of the system from a Transient Non-Community Public Water System to a Community Public Water System. Accounting for the recent Public Water System classification change to the Community designation, the Amendment shows the system is currently designed to accommodate 61 ERUs.

This document was reviewed for its conformance with the Idaho Drinking Water Rules, IDAPA 58.01.08 Subsection 502 and other applicable subsections. It appears to meet the minimum design standards therein. The Amendment is hereby approved in accordance with the Idaho Drinking Water Rules, IDAPA 58.01.08.

Within 30 days of receiving this letter, contact Drinking Water Compliance Supervisor Anna Moody or Environmental Program Manager Jamie Barton for guidance pertaining to the transition from a Non-Community Public Water System to a Community Public Water System. Anna may be reached at (208) 666-4612 or anna.moody@deq.idaho.gov. Jamie may be reached at (208) 415-5208 or jbarton@phd1.idaho.gov.

If the Golf Club Estates Water Association intends to submit a Letter of Interest form for a Drinking Water State Revolving Fund loan, the state environmental review process (SERP) and public involvement must be completed eventually. Detailed information regarding these processes can be found within DEQ Grant Handbooks located at <https://www.deq.idaho.gov/water-quality/grants-and-loans/>.

Preliminary engineering reports for any project relating to the facility plan and this amendment may now be submitted to DEQ for review and approval prior to submitting any construction plans and specifications. The preliminary engineering report shall be in conformance with the approved facility plan and this amendment or shall describe any modifications to the facility plan. Preliminary engineering reports must be completed for all major water system projects including, but not limited to, source, pump station, pressure control, storage, and treatment projects. Preliminary engineering reports are not required for simple water main extensions that are approved in accordance with Subsections 502.01.a. or 502.01.b. Items adequately addressed in the facility plan under which the project is being designed may be addressed by reference for purposes of the preliminary engineering report.

Should you have any questions or require additional information, please do not hesitate to contact me at (208) 666-4622 or via e-mail at steve.burns@deq.idaho.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Steve Burns', with a stylized, cursive script.

Steve Burns, PE
Water Quality Engineer

Ec: Kevin Koesel, PE, kkoesel@jasewell.com
Katy Baker-Casile, PE, DEQ, katy.baker-casile@deg.idaho.gov
Anna Moody, DEQ, anna.moody@deg.idaho.gov
Jamie Barton, PHD, jbarton@phd1.idaho.gov
EDMS: ID1090103 : 2022AGD2233 (P&S 48525)

RETURN TO:
Gore & Grewe, PS
103 E. Indiana Ave. Ste A
Spokane, WA 99207

AMENDED REVISED MASTER WATER SERVICE AGREEMENT

This Amended Revised Master Water Service Agreement (the "Agreement") is made effective this 21 day of July, 2022, by GOLF CLUB ESTATES WATER ASSOCIATION, INC., an Idaho nonprofit corporation ("Corporation") which owns and operates the water system described herein to set forth the terms and conditions for water service to the Members of the Corporation.

RECITALS

WHEREAS, Golf Club Estates Water, Inc., an Idaho nonprofit corporation, owned and operated a water system ("hereafter "water system") that provided water to Priest Lake Golf Club, Inc., owning real property commonly known as Priest Lake Golf Course and described as a portion of 25-60N-5W TAX 44 LESS TAX 61 SE LESS PLATS & TAX 62 BLK 4 TAX 1 OF LOT 5 PLGC EST PRIEST LAKE GOLF CLUB, parcel no. RP60N05W251358A; and to the lot owners of Priest Lake Golf Club Estates, Priest Lake Golf Club Estates First Addition, Priest Lake Golf Club Estates Second Addition, all as described in the PLATS THEREOF RECORDED IN BOOKS 3, 4, 6, AND 7 OF PLATS, PAGES 17, 19, 22, 29, 159, AND 192 RECORDS OF BONNER COUNTY, IDAHO, and to lot owners of any subsequent addition to Priest Lake Golf Club Estates, all of whom are Members of the Corporation; and

WHEREAS, according to a Plan of Merger, dated August 13, 2017, Golf Club Estates Water, Inc. was merged into Golf Club Estates Water Association, Inc., an Idaho nonprofit corporation (the "Corporation"). Golf Club Estates Water Association, Inc. was the surviving entity of the merger, and as a result of the merger, acquired all right, title and interest in and to all of the assets of Golf Club Estates Water, Inc., including but not limited to all of the water rights, easements, real property, wells, pumps, tanks, pipe lines and all other equipment for the provision of water services to the Members described above; and

WHEREAS, Golf Club Estates Water, Inc. recorded a Master Water Service Agreement under

Bonner County Recorder file number 646280 on March 23, 2004, to set forth the terms and conditions of providing water to those Members not yet connected to the water system and to those Members connected to and receiving water from the water system; and

WHEREAS, the Corporation recorded a Revised Master Water Services Agreement under Bonner County Recorder file number 911799 on September 22, 2017; and

WHEREAS, contemporaneous with this Amended Revised Master Water Service Agreement, the Corporation has made and entered into with Millie's 40 Bren-Burk, LLC and Millie's 1943 Jess Burk, LLC (collectively the "Millie's Entities") that certain Water Supply Agreement (the "Water Supply Agreement"); and

WHEREAS, words with the initial letters capitalized that are not defined this Amended Revised Master Water Service Agreement shall have the meaning or definition set forth in the Water Supply Agreement; and

WHEREAS, the Corporation has expanded its Membership base to include the ERU Owners (as defined by the Water Supply Agreement) of Eagle Ridge and Eagle Terrace owning real property located in a portion of Section 25, Township 60 North, Range 5 West, Boise Meridian, Bonner County Idaho, and legally described on Exhibit "A" Attached hereto and made part hereof; and

WHEREAS, the Corporation now hereby enters into and records this Amended Revised Master Water Service Agreement to update, amend, revise and replace the Revised Master Water Service Agreement with this Amended Revised Master Water Service Agreement.

Now therefore, based upon good and valuable consideration, the Corporation hereby adopts the following terms and conditions:

1. Covenants Running with the Land. For the purpose of this Agreement the Corporation and Members make the declarations set forth in this Agreement as to the covenants, conditions and restrictions to which each lot or parcel of real property described above is subject. These covenants, conditions and restrictions shall be binding upon and shall benefit all Members, Property Owners, Equivalent Residential Unit Owners (ERU), persons or entities claiming or acquiring any interest in and/or to any parcel, lot of real property described herein or any owner of an ERU, Condominium, Apartment, or other such dwelling.

2. Easements. Each Member grants, bargains, sells and conveys unto the Corporation an easement for the purpose of conveying water service over, across, through and under its lot, parcel of real property, or ERU, together with but not limited to the right to excavate and refill ditches and/or trenches for the location of water pipelines and/or water mains, and the further right to remove, as is necessary, reasonable and prudent, any trees, bushes, undergrowth and other obstructions interfering with the location, construction, and maintenance of such pipelines and/or water mains. Each Member warrants that the Member is lawfully seized and possessed of its lot, parcel of real property, or ERU, that the Member has the right to grant this easement, and that the Member shall forever warrant and defend the title of the Corporation in this easement against the lawful claims of all persons whomsoever. Each Member hereby releases the Corporation from any and all claims for damages whether incidental or through the exercise of the easement rights granted herein. It is the intention of the parties to include within this easement any existing water pipelines, water mains, connections, valves, and any other equipment of the Corporation which is part of the water system.

3. Benefits and Duties of Member. Each Member shall receive the following benefits, and be subject to the following duties:

a. Subject to the terms of the Water Supply Agreement, the Corporation shall install, maintain and operate a main distribution pipeline from the source of the water supply and allow each Member of the Corporation, subject to the terms and conditions herein and as set forth in the By-Laws of the Corporation and any amendment thereto, to connect to the main distribution pipeline at the Member's expense.

b. Upon compliance with all requirements for hook-up, a Member shall be entitled to a single one and one-quarter (1¼") inch water service line per lot, parcel, property, or ERU connecting the Member's per lot, parcel, property, or ERU to the water system. Any additional water service line shall require (1) the approval of the Board of Directors of the Corporation and a certified engineer, and (2) payment of an additional hook up fee, annual fee, and any other charges established by the Corporation serving the same per lot, parcel, property, or ERU, per additional water service line. No new water service line or change in any existing line may be made which will interfere with an existing water service line or the delivery of water therein.

c. The Member desiring connection to the water system shall notify the Corporation and complete an application for water service, which application is subject to approval by the Corporation. The application shall require the Member to be bound by this Amended Revised Master Water Services Agreement and the By-Laws of the Corporation, or any amendments thereto. The Member shall pay a hook-up fee and/or application fee to connect to the main distribution pipeline and the Member, at the discretion of the Board of Directors, may be required to sign and record a Consent to this Revised Master Water Services Agreement with the Bonner County Auditor. These requirements must be completed in advance of commencement of service or any work to connect to the water system.

d. To connect to the water system, each Member shall purchase and install a cut-off valve, approved by the Board of Directors of the Corporation. The cut-off valve shall be owned by the Corporation after installation and become part of the main distribution pipeline. At the discretion of a certified engineer, the cut-off valve may be installed on the Member's property, and in such case, the Member grants to the Corporation an easement to provide full access to the valve and sufficient area to replace and repair the valve at the Member's expense. The Corporation shall have the sole and exclusive right to operate and use such cut-off valve and to turn it on and off.

e. All materials used to connect to the main distribution pipeline shall be comparable to those used by the Corporation, and the workmanship and materials must be approved prior to installation by a certified engineer or a competent inspector selected by the Board of Directors. Any pipe connected to the main distribution pipeline shall be buried at least 4'6" below the surface of the ground. The water service line shall not be backfilled, or concealed without inspection by a certified engineer and a Member of the Board of Directors. All new connections to the main distribution pipeline shall be tested for the absence of leaks and flaws prior to burial or backfill.

f. All expenses of installation, including labor and materials, repairs and upkeep of pipe and fittings, from and including the cut-off valve at the property line of the Member to the dwelling or other portions of the Member's lot, shall be paid by the Member. A Member owns the

pipe, valves and all fittings beyond the cut-off valve to the Members dwelling and is responsible for the care and maintenance thereof.

g. In the event a Member sells or transfers the lot or parcel of the Member, the transferee shall accept and agree to be bound by the terms of this Amended Revised Master Water Services Agreement and the By-laws of the Corporation, or any amendments thereto. At the discretion of the Board of Directors a transferee or new Member may be required to sign and record a Consent to this Revised Master Water Services Agreement with the Bonner County Auditor.

h. Waste of water shall not be permitted and it shall be a violation for any Member or water user to permit any waste of water. In the event that such waste of water occurs and is not immediately corrected to the satisfaction of the Board of Directors after notification to the Member, the Board of Directors may turn off such Member's water supply at the cut-off valve to the Member's property. The Member shall then be charged with a fee set by the Board of Directors for this shut-off, with an added fee determined by the Board of Directors upon re-connection once the situation is corrected. These actions shall not relieve the Member of the Member's annual water service charge. If a Member's water is shut off pursuant to this provision, the Member shall remain obligated to pay all Water Service Charges assessed against the Member.

i. When a Member requests a shut-off of the cut-off valve to his property, a fee to be determined by the Board of Directors shall be charged. An additional fee, to be determined by the Board of Directors, shall be charged for any subsequent reconnection to the system. It shall be a violation for any unauthorized person to open or close, or otherwise tamper, with any main valve, curb cock, or cut-off valve connected to the main distribution pipeline.

j. Each Member shall abide by this Agreement, the provisions of the Articles of Incorporation, Bylaws of the Corporation, and such rules and regulations as may be prescribed by the Board of Directors, and any amendments thereto.

k. Water from the system may be used only on the lot or parcel that has been connected to the water system. A Member shall not extend the connection to the water system to any other lot, parcel, property, or Member. A Member shall not sell water or provide water to be used for any purpose other than use upon the lot or parcel connected to the water system owned by a Member. It is understood that the water supplied to the Millie's Entities will be used to service a combined total of 150 ERU's in the developments of Eagle Ridge and Eagle Terrace.

l. In the event the total water supply to the Members shall be insufficient to meet all the needs of the Members, or in the event there is a shortage of water, the Corporation may prorate the water available among the various Members on such basis as is deemed equitable by the Board of Directors. The Board of Directors may also prescribe a limitation of time and/or quantity of water used for landscape irrigation, or may prohibit the use of water for landscape irrigation should the water supply be insufficient to meet all the needs of all of the Members for domestic purposes.

4. Board of Director Powers. The Member acknowledges the Board of Directors have authority under the Articles of Incorporation, By-Laws and the laws of the State of Idaho to manage the affairs of the Corporation, including but not limited to the following powers of the Board of Directors:

a. The Board of Directors is authorized to impose dues, fees, charges, and penalties

for services provided, and to levy assessments upon all Members.

b. The Board of Directors shall fix the amounts of all dues, fees, charges, and penalties by resolution, from time to time, and may make assessments payable at such times or intervals, and upon such notice and by such methods, as the Board of Directors may prescribe.

c. The Board of Directors may take such action as they deem necessary to secure the payment of fees and assessments, including commencement of a civil action, termination of service, and/or may secure repayment by filing a lien upon real property to which Membership rights are appurtenant. The Corporation is authorized to file a lien with the Bonner County Recorder and may foreclose the lien in the same manner as a lien of mortgage.

5. Billing for Water Service. The Corporation shall bill each Member for fees, charges, and assessments pursuant to the amount and schedule as determined by the Board of Directors. Each Member shall pay all amounts billed by the Corporation within thirty (30) days after receipt of the billing. If a Member shall fails to pay any billing within sixty (60) days of receipt of the billing, the Corporation may; at its option, terminate water service to the Member, file a lien against the lot, parcel, property, or ERU and/or take any other action to collect the past due amounts billed. In the event of such default and prior to shut-off of water and/or the filing of a lien, the Corporation shall send written notice of shut-off and/or filing of lien twenty (20) days before taking such action. The written notice shall state the amounts necessary to cure the default, the time in which to cure the default, and the actions that will be taken in the event the default is not cured.

6. Responsibility of Corporation. After a parcel is connected to the water system, the Corporation shall be responsible only to make available to the Member such water at such pressure as may be available at the point of delivery from time to time as a result of the Corporation's normal operation of its water distribution system.

7. Availability, Quantity and Pressure. The Corporation does not assure or guarantee the Members the delivery of any specific quantity of water or specific water pressure to a Member and does not assure or guarantee availability of water or pressure for fire suppression. The Corporation shall have the right to temporarily discontinue the flow of water in the main distribution pipeline at any point of delivery in order to repair, maintain, improve or replace the main distribution pipeline or other portions of the Corporation's water distribution and supply system.

8. Inadequacy or Nonavailability. The Members shall not at any time assert any claim under this Agreement against the Corporation for loss or damage which may result from the inadequacy or nonavailability of water, as to both pressure and quantity, or from leaks or other defects in the water system. The Member shall release the Corporation from any claims or liability for loss or damage to any person or property resulting from, arising out of, or connected with the rendition of service hereunder, in the event of such inadequacy or nonavailability of water, or in the event of leaks or other defects in the water system.

9. Compliance of Members. The Corporation shall provide water to the Members of the Corporation who are in full compliance with all requirements of this Agreement, the Articles of Incorporation, Bylaws, and any other rule or regulation imposed by the Board of Directors, and any amendments thereto.

10. Rules and Regulations. All services rendered hereunder shall be furnished subject to any

rules or regulations of the Corporation from time to time in force and on file at the Corporation's principal office, insofar as applicable hereto, and not inconsistent herewith.

11. Access and Inspection. The Corporation shall have the right to enter upon the Member's lot, parcel, property, or ERU after reasonable request and at reasonable times to inspect the Member's connection to the Corporation's water distribution system, the use of water by the Member, and to determine whether the Member is in compliance with all rules, regulations, policies, Bylaws, Articles of Incorporation of the Corporation, as well as the terms and conditions of this Agreement, and any amendments thereto. Provided, however, that, in the event of an emergency or other exigent circumstances, the Corporation may, after attempting to give the type of notice to the Member as is reasonable under the circumstances go onto the Member's lot, parcel, property, or ERU to attempt to prevent or minimize personal injury or property damage.

12. Notice to Parties. Service of any notice permitted or required under the terms of this Agreement shall be deemed complete upon the depositing of the same in the United States Mail First Class Postage Prepaid at the address of the notified party as set forth in the records of the Corporation, or such other address that the party to be notified shall have designated to the Corporation in writing or by e-mail if a consent to receive service by e-mail is on file with the Corporation, or by causing such notice to be served personally upon the Member or an officer of the Corporation, as the case may be. In the event there is more than one (1) person who owns a lot, parcel, property, or ERU constituting the Member herein, service by mail or personal service as provided above upon any one (1) person identified as owner and Member shall be good and sufficient service upon all persons who own the lot, parcel, property, or ERU the same as though such service had been made upon each and every Member associated with a lot, parcel, property, or ERU. In addition notice may also be given by e-mail or by telephonic communication upon the consent of the party to be notified.

13. Severability and Validity. In the event any provision of this Agreement or any part thereof shall be determined, by any court of competent jurisdiction to be invalid, void or otherwise unenforceable; the remaining provisions hereunder, or parts thereof, shall remain in full force and effect, and shall in no way be affected, impaired or invalidated thereby. Such remaining provisions shall be construed in a manner most closely approximating the intention of the parties with respect to the invalid, void or unenforceable provision or part thereof

14. Entire Agreement. This Agreement along with any exhibits or attachments herein referenced, constitutes the entire Agreement between the Corporation and the Members.

15. Headings. Headings or titles to said sections or paragraphs of this option are solely for the convenience of the parties and shall have no effect whatsoever on the interpretation of the provisions of this agreement.

16. Law Governing. This agreement shall be governed by the laws of the State of Idaho.

17. Counterparts. This Agreement may be executed in two or more parts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument

18. Attorney Fees. In the event a breach by one party necessitates the other party referring this Agreement to an attorney for enforcement, or in the event of any suit or proceeding by either party herein against the other party, in any way arising out of this Agreement; or attempting to enforce any right herein

granted, the prevailing party shall be entitled to reimbursement or an award of attorney fees, including fees on appeal.

19. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, administrators, successors and assigns of the Corporation and the Members.

ADOPTED by resolution of the Board of Directors dated this 21 day of July, 2022.

GOLF CLUB ESTATES WATER ASSOCIATION, INC
An Idaho nonprofit corporation

By: Craig Hill
Its: President

CONSENTED TO BY:

MILLIE'S 40 BREN-BURK, LLC
An Idaho limited liability company

By: L.T. Partnership, Ltd.
A Texas limited partnership
As Manager

By: L.T. Management, Inc.
A Nevada corporation, as General Partner

By: Al Brende, Pres
Al Brende, President

MILLIE'S 1943 JESS/BURK, LLC
An Idaho limited liability company

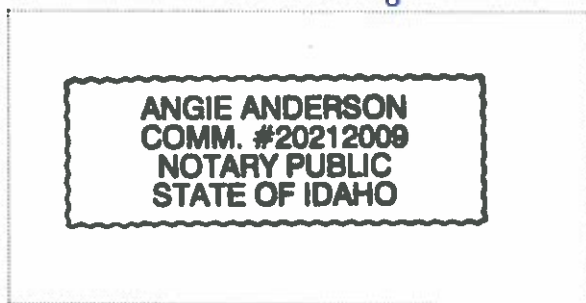
By: Todd Burke, Manager

By: Jessica Loneoosty, Manager

STATE OF IDAHO)
 :SS
County of Bonner)

I certify that I know or have satisfactory evidence that Craig Hill, is the individual who appeared before me, and said individual acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument, and on oath stated that he is authorized to execute the instrument, and acknowledged it as the president of **GOLF CLUB ESTATES WATER ASSOCIATION, INC.**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 21 day of July 2022.



Angie Anderson
Notary Public in and for the State of
Idaho,
residing at Priest Lake
My Appointment Expires: 4-22-27
(Notary seal must be legible for scanning and not conceal text)

STATE OF IDAHO)
 :SS
County of Bonner)

I certify that I know or have satisfactory evidence that **TODD BURKE**, is the individual who appeared before me, and said individual acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument; and on oath stated that he is authorized to execute the instrument, and acknowledged it as the Manager of **MILLIE'S 1943 JESS/BURK, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 21 day of July 2022.

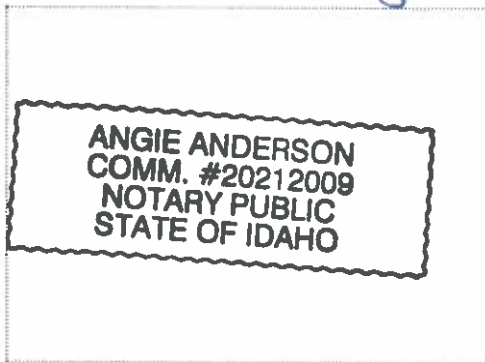
ANGIE ANDERSON
COMM. #20212009
NOTARY PUBLIC
STATE OF IDAHO

Angie Anderson
Notary Public in and for the State of Idaho,
residing at Priest Lake
My Appointment Expires: 4-22-27
(Notary seal must be legible for scanning and not conceal text)

STATE OF IDAHO)
 :SS
County of Bonner)

I certify that I know or have satisfactory evidence that **AL BRENDE**, is the individual who appeared before me, and said individual acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument; and on oath stated that he is authorized to execute the instrument, and acknowledged it as Manager of L.T. Partnership, Ltd., a Texas limited partnership, as Manager and L.T. Management, Inc., a Nevada corporation, as General Partner on behalf of **MILLIE'S 40 BREN-BURK, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 21 day of July 2022.

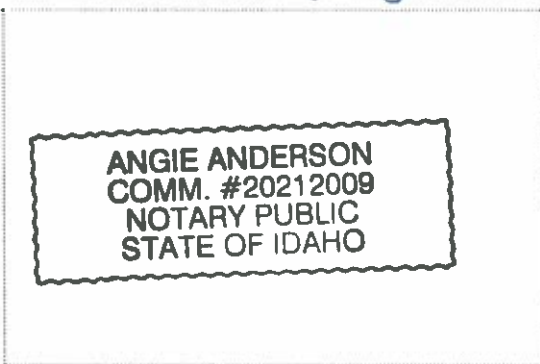


Angie Anderson
Notary Public in and for the State of Idaho,
residing at Priest Lake
My Appointment Expires: 4-22-27
(Notary seal must be legible for scanning and not conceal text)

STATE OF IDAHO)
 :SS
County of Bonner)

I certify that I know or have satisfactory evidence that **JESSICA LONCOSTY**, is the individual who appeared before me, and said individual acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument; and on oath stated that he is authorized to execute the instrument, and acknowledged it as the Manager of **MILLIE'S 1943 JESS/BURK, LLC**, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 21 day of July 2022.



Angie Anderson
Notary Public in and for the State of Idaho,

residing at Priest Lake

My Appointment Expires: 4-22-27

(Notary seal must be legible for scanning and not conceal text)

DEVELOPMENT AGREEMENT BETWEEN OUTLET BAY WATER AND SEWER DISTRICT AND EAGLE SUBDIVISION & MILLIE'S DEVELOPMENT

THIS AGREEMENT, dated October ____2023, is made between OUTLET BAY WATER AND SEWER DISTRICT, hereinafter "the District", a sewer district organized under the laws of the State of Idaho and operating in Bonner County, Idaho, and L.T. PARTNERSHIP, LTD., a Texas limited partnership, by L.T. Management, Inc., a Nevada corporation, its general partner, hereinafter "the Developer".

RECITALS

- A. The Developer is the record owner of 40 acres of real property located within the boundaries of the District, legally described in Attachment A, hereinafter "the Property".
- B. The District is charged by law with the responsibility of collecting, storing, treating and disposing of wastewater from residences and businesses within the District.
- C. The Developer has requested sewer service from the District to serve 26 residential properties in the first phase of its development.
- D. The District has determined, through a Capacity Analysis and Sewer System Development Charges 2021 Report and a Facilities Use Plan, prepared by James A. Sewell & Associates, that the District is at or near capacity on that portion of the mainline on Highway 57 between Lift Station #5 and Marvin Estates. The Lamb Creek siphon that is located just upstream of Lift Station #5 requires a second 8" pipe installed, and a complete line replacement from this siphon location to the Lamb Creek crossing near Marvin Estates. Further, a complete 8" gravity sewer mainline replacement from the Tamrak Gas & Grocery on Highway 57 to Millie's Restaurant must be completed before the District can add significant new development to the system.
- E. To proceed with application to Bonner County for a Conditional Use Permit Modification for the Millie's Restaurant site and the Planned Unit Development (PUD) application for the 40-acre site, the Developer must have a "Will Serve Letter" from the District stating that it will guarantee availability for 26 sewer connections. Sixteen (16) of those connections will cover construction of a multi-family housing proposed at the Millie's site and 10 will begin the process for approval of the PUD on the 40 acres-site.
- F. The Developer is currently constructing a second 8-plex on site.
- G. The District has determined that the System Development Charge for each connection is \$20,000. This amount is subject to review and change as construction costs are updated.

- H. The parties desire to enter into this Development Agreement pursuant to the applicable provisions of Idaho Code and in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, IN CONSIDERATION of the covenants and conditions set forth herein, the parties agree as follows:

1. The parties acknowledge that the statements and representations herein contained are true and accurate and incorporate the recitals into this agreement.
2. The District represents and warrants that it owns, operates and maintains a sanitary sewer system, which sewer system has capacity for 16 new connections being available immediately and 10 additional connections coinciding with approval of the PUD and construction completion of the initial 10 homes in the fall of 2023 at the earliest. The District warrants that it will have sufficient capacity to accommodate the anticipated sanitary sewer needs and future connections of the property once the aforementioned upgrades to the system have been completed. The anticipated buildout need for the Millie's Development and Eagle Subdivision is 150 total equivalent residential units. This agreement addresses the payment of the total 150 proposed equivalent residential units. If the total equivalent residential units are less than 150 at the completion of the Millie's Development and Eagle Subdivision, the Developer may transfer any remaining equivalent residential units to the future development of RP053090010010A property on Highway 57. This transfer of equivalent residential units is only for use by this Developer on this specific parcel of land. The equivalent residential units are nonrefundable and cannot be transferred to any other purchaser in the event of a sale of the land.
3. The developer agrees to use Outlet Bay Water and Sewer District's sewer system to serve the future residential and commercial development of the property, and agrees to pay all required System Development Charges, District Hook-Up Fees and labor costs associated with time expended by the district as and for consultations, administrative work, testing, inspections and approvals. Said labor costs shall be billed to the Developer on an ongoing basis and shall not exceed \$75 per hour, per employee.
4. The Developer enters into this agreement to obtain sewer connection and service for the development. The term "developer" is deemed to include any successor in interest of the property.
5. Developer has made a downpayment to the District in the amount of \$351,000, receipt of which is hereby acknowledged by the District. The Developer agrees to pay \$1,029,000, on or before November 1, 2023, for 69 connections at \$20,000 each, in exchange for a Will Serve letter guaranteeing 26 connections, 16 available now and 10 more available no earlier than the winter of 2023 coinciding with the approval of Eagle Subdivision through the Bonner County PUD process.
6. Upon receipt of the \$1,029,000, District agrees to connect the 8-plex currently under construction into the existing sewer system serving the existing 8-plex and trailer house located north of the Millie's restaurant. The 8-plex sewer interconnection is intended to be temporary and will be removed and replaced when the permanent sewer service is approved and extended to the 40

acres PUD development. The 8-plex interconnection will only be completed when the Department of Environmental Quality approval is received for both the Preliminary Engineering Report and construction plans for said temporary interconnection.

7. In addition, the Developer agrees to pay the district the sum of \$1,620,000 for an additional 81 connections at \$20,000 each upon completion of the following:
 - A. Approval obtained from DEQ for construction of the Lamb Creek siphon, mainline replacement between Lamb Creek siphon and the Lamb Creek crossing at Highway 57, and mainline replacement from the Tamrak Gas & Grocery to Millie's Restaurant.
 - B. Bids received for the construction of the improvements to the Lamb Creek siphon and both segments of mainline replacement along Highway 57.
8. Excess connections purchased for the Eagle PUD project may be transferred one time to the Bradbury property currently owned by the Developer if they are unused at the Eagle PUD project.
9. The District shall place all funds in an interest bearing account designed for the sole purpose and from which the District may draw as those costs come due. At the Developer's request, the District shall provide a detailed and accurate accounting of costs associated with the upgrades described herein. Any residual funds will be used for additional system upgrades that have been identified in the District's 2023 Facilities Use Plan.
10. Upon receiving approval from the Department of Environmental Quality the District shall immediately put the sewer system upgrades out for bid, hire a contractor and begin work on the upgrades.
11. The Developer agrees that all codes, ordinances, rules and regulations of the Outlet Bay Water and Sewer District in effect as of the date of this agreement shall govern future development of the property.
12. The parties to this agreement shall do all things necessary and appropriate to carry out the terms and conditions of this agreement and to aid and assist each other in carrying out the terms and conditions of this agreement.
13. Should any provision of this agreement be declared invalid by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect and be interpreted to effectuate the purposes of the entire agreement to the greatest extent possible.
14. This agreement shall only be amended in writing and signed by both parties. Should either party require the services of legal counsel to enforce the terms of this agreement, the prevailing party shall be entitled to reasonable attorney's fees and related costs.

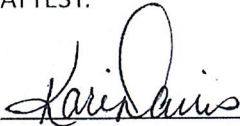
IN WITNESS WHEREOF, the parties to this agreement have executed this agreement to be effective the day and year first above written.

OUTLET BAY WATER AND SEWER DISTRICT

BY: 

Tom Bell, Board Chairman

ATTEST:



Kari Davis
District Clerk

L. T. PARTNERSHIP, LTD.,
A Texas Limited Partnership

BY: L.T. MANAGEMENT, INC., A Nevada
Corporation, its general partner

BY: 

Al P. Brende, President

**OUTLET BAY SEWER DISTRICT
149 OUTLET BAY ROAD
PRIEST LAKE, IDAHO 83856**

October 21, 2022

Idaho Department of Environmental Quality
2110 Ironwood Parkway
Coeur d'Alene, ID 83814

Attn: Katy Baker-Casile P.E. – Engineering Manager
Subj: Outlet Bay Sewer District – Millie's Development & Eagle Subdivision
Ref: Letter of Declining Balance

Dear Katy:

This letter is intended to convey the district's current wastewater collection and treatment capacity relative to the proposed Millie's Development and Eagle PUD Subdivision within the district's service area. The listed capacities are broken down into the treatment plant capacities and the phase II collection system capacity. The values listed are taken from the most recent capacity analysis performed for the Millie's Development and the Eagle Subdivision and found in the Preliminary Engineering Report submitted to DEQ by Kevin Koesel, P.E. of James A. Sewell & Associates, LLC. The proposed development is planned in two phases. The initial phase consists of 26 ERUs. The second phase will occur following improvements to the district's collection system along highway 57.

Wastewater Treatment Plant Area	Current System Capacity (ERUs)	Existing ERUs Served	Reserve Capacity
Lagoon Storage System	1023	606.79 (E) + 150 (P) = 756.79	266.21
Treatment System	907	606.79 (E) + 150 (P) = 756.79	150.21
Land Application System	1181	606.79 (E) + 150 (P) = 756.79	424.21

Phase II Collection			
Lamb Creek Siphon Near LS No. 5	505	450.02	54.98

For the proposed development, the phase II collection system is the area of the system closest to reaching design capacity. The following is a list of committed new connections and the resulting reserve capacity.

Priority Date	Project	ERUs committed	Declining Balance
	Initial Capacity		54.98
01-14-21	Trent – Green Acres	1	53.98
06/09/22	Belyea – Marvin Estates	1	52.98
07/20/22	Olmo – Marvin Estates	1	51.98
09/04/22	Ginno - PLGC	4	47.98
10/20/22	Millie's Development	16	31.98
10/20/22	Eagle Subdivision	10	21.98
	Remaining Capacity	33	21.98

Please contact me with any questions or comments.

Sincerely,

Outlet Bay Water and Sewer District

By 
Kari Davis, District Secretary

pc: File

**OUTLET BAY SEWER DISTRICT
149 OUTLET BAY ROAD
PRIEST LAKE, IDAHO 83856
(208) 443-3831**

October 20, 2022

Al Brende
Todd Burke
L.T. Partnership, Ltd.
28441 Highway 57
Priest Lake, Idaho 83856

RE: Will Serve Letter for 26 additional sewer connections at Millie's Restaurant/Eagle Subdivision, Bonner County, Idaho

Dear Mr. Brende and Mr. Burke:

This Will Serve letter serves as notice that the Outlet Bay Sewer District will serve sanitary sewer to 26 residential units. The property is located within the boundaries of the Outlet Bay Sewer District, and the district will provide connections upon fulfillment of the following conditions:

- (a) The System Development Charge for each additional ERU is \$13,500.00, for a total of \$351,000.00. Receipt of which is hereby acknowledged.
- (b) It is the board's understanding from Mr. Burke that these units will be used as residential only. If the usage becomes commercial, additional System Development Charges, depending on usage, will be determined by the board.
- (c) This will serve letter is conditioned upon payment in full of individual unit District Standby Fees (hook-up fees) and strict compliance with all current district standards and specifications and with all requirements of appropriate regulatory agencies.
- (d) All easements for the sewer district are required to be written on the face of the final site plan and must be recorded with Bonner County.
- (e) That installation of the sewer to the property shall be the responsibility of the developer and must be approved by the district.

Mr. Al Brende
Mr. Todd Burke
October 20, 2022
Page Two

The sewer district acknowledges that at the time of this will serve letter, there is sufficient capacity to provide service to these 26 connections.

If you need anything further, please feel free to contact the district.

OUTLET BAY SEWER DISTRICT

A handwritten signature in black ink, appearing to read 'Tom Bell', with a large, stylized flourish at the end.

Tom Bell, Chairman
Board of Directors

TB:kd



APPLICATION FOR DEVELOPERS

In order for Northern Lights to schedule an engineering visit and provide a cost estimate for a subdivision trunkline, an applicant must:

1. Provide a paper copy of a recorded deed for the property.
2. Provide a paper copy of a county (or city) approved Subdivision Plat or Conditional Use Permit (CUP) or Planned Unit Development (PUD).
3. Provide a digital dataset of your final subdivision plat map or CUP/PUD map clearly denoting property or lot corner monuments, property or lot boundaries, and any road or utility right-of-way boundaries. Data should be provided in AutoCAD 2000.dwg format on CD or via an email attachment. All digital data must be submitted referencing the appropriate State Plane Coordinate System for the location.
4. Subdivisions need to have all property lot corners clearly identified and monumented by a Licensed Professional Land Surveyor.

Name of Subdivision or Development: Eagle PUD Subdivision

Owner's Name: Todd Burke, Millie's 40 Brenburk LLC

Phone #: 208-661-8332 Cell #: _____ E-mail Address: toddbburbke@gmail.com

Current Mailing Address: 28542 Hwy 57 Priest Lake, ID 83856

Authorized Representative: Kevin Koesel - James A. Sewell & Associates, LLC

Representative's Mailing Address (if different than owner) 600 W 4th Street, Newport WA 99156

Phone #: 509-447-3626 Cell #: 509-671-6022 E-mail Address kkoesel@jasewell.com

General Contractor: Active West Builders, Goins Roads and Excavation
(If different than owner or authorized representative)

Phone #: 208-610-9677 Cell #: _____ E-mail Address: goinsroads@yahoo.com

Physical location of property (street): 28542 Hwy 57, PL Number of Lots: 150

Closest NLI pole or transformer #: _____ Are the existing lines overhead or underground? Overhead

Who is your nearest NLI neighbor? Millie's Restaurant, PL Powersports

Signature: _____ Date 7/14/23

If you plan to have one or more metered services with this application, also fill out the attached service application form. If you plan to have a 3-phase service, fill out the 3-phase form.

Do you want NLI's engineer to meet with a different contact person?

Contact person: Kevin Koesel Phone #: 509-447-3626
Contact cell #: 509-671-6022 Contact e-mail: kkoesel@jasewell.com



PO Box 269
421 Chevy Street
Sagle ID 83860
1(800)326-9594 or (208)263-5141
Fax (208) 263-0220
<http://www.nli.coop>

SERVICE APPLICATION FORM

(If you want a metered service)
Fill out this form the way you want the
billing account to be set up.

Name: Millie's 40 Bren-Burk LLC, Todd Burke SS#: _____ DOB 11-5-1974

Co-Applicant Name: _____ SS#: _____ DOB _____

Business Name: Millie's 40 Bren-Burk LLC Tax ID#: 85-3462370

Mailing Address: 28542 Hwy 57 Priest Lake ID 83856
PO Box / Street City State Zip Code

Home Phone: _____ Cell Phone: 208-661-8332 Co-Applicant Cell Phone: _____

E-Mail Address: toddbburke@gmail.com Co-Applicant E-Mail Address: _____

Employer: Millie's 40 Bren-Burk LLC Work Phone: 208-661-8332
If self-employed, please include your business name

Co-Applicant Employer: _____ Work Phone: _____
If self-employed, please include your business name

Physical Address of Property - Street/Road (not lot or block desc.) 28542 Hwy 57, Priest Lake, ID

Is your property in a subdivision? If yes - Subdivision Name: Will be subdivided Lot & Block: _____

Have you ever been a member of NLI? Yes ☒ No _____ If yes, name on account or account #: Millie's 40 Bren-Burk, LLC

Will powerline cross any?

- ☒ County Road
☒ State Highway
☐ USFS property
☐ State Property
☐ Railroad
☐ Gas Pipeline
☐ Creek/Swamp

What type of service are you planning?

- ____ Residential (please state use below)
(house/shop/barn, etc.?) _____
____ Commercial
☒ Other (use?): Subdivision

What size electrical service entrance?

- ____ 200 amp (standard)
☒ Other (specify size) _____

What type of heating system will you use?

- ☒ Electric
____ Gas
☒ Propane
☒ Wood
____ Other: _____

What type of water heater do you intend to install?

- ☒ Electric ____ Gas ____ Propane

Please note that the homeowner or a licensed electrician must submit an electrical inspection permit to NLI in order for the project to be placed on the construction schedule. All construction charges must be paid and other required paperwork and/or county/state permits must be submitted prior to construction scheduling.

Signature of Applicant(s) [Signature] Date: 7/14/23