Gem State Water
P.O. Box 665
Coeur D' Alene, ID 83816
1.877.755.9287
www.gemstate-water.com

October 7, 2025

NICD Development, LLC
Attn: William Haberman, Managing Member
151 Clubhouse Way
Sandpoint, ID 83864
VIA EMAIL: william.haberman@me.com

Will Serve Wastewater Service for The Idaho Club

Golden Tee Estates 11th Addition

With this letter (this "Letter"), Gem State Infrastructure, LLC ("Gem State") confirms it operates a community wastewater treatment system with sufficient total capacity for the twenty-two (22) lot residential subdivision, described as Golden Tee Estates, 11th Addition, located in Bonner County, Idaho, as shown in the attached Master Site Plan (the "11th Addition"), proposed by NICD Development, LLC (together with its successor and assigns, "NICD"), an affiliate of Valiant Idaho, LLC ("Valiant"). Capitalized terms used herein that are not otherwise defined herein shall have the meaning ascribed thereto in the Agreement for the Delivery and Use of Recycled Water, dated April 9, 2025, by and between Gem State and Valiant (the "Reuse Agreement").

Gem State agrees to provide wastewater services to the above-referenced lots in the 11th Addition subject to the following conditions:

(1) No more than twenty-two (22) wastewater system connections shall be provided, and all such connections are within the area shown in the attached Master Site Plan.

(2) No active connections shall be allowed until such time as Gem State and Valiant are issued reuse permits by Idaho Department of Environmental Quality ("IDEQ"), and Gem State has satisfied certain IDEQ conditions to service expansion.

(3) No active connections shall be allowed until such time as Valiant completes the necessary improvements to its irrigation storage ponds required under the terms of the Reuse Agreement; and Valiant's Holding Pond storage capacity is consistently and reliably at least equal to the Minimum Storage Capacity, determined as described in Section 3 of the Reuse Agreement with the inclusion of the new 11th Addition connections.

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(4) NICD will make all improvements, and take all actions, necessary for connection to the wastewater system in accordance with Gem State's reasonable requirements prior to the provision of wastewater services by Gem State, including satisfaction of any governmental agency requirements, installation of all infrastructure associated with the provision of wastewater services, procurement of easements necessary for system components required for the provision of wastewater services and recording of required easements. NICD will provide Gem State with documentation of satisfaction of the requirements upon reasonable request.

(5) NICD acknowledges that Gem State requires a monthly service fee in the amount of ninety dollars ($90) for each connection to the wastewater system, which is payable commencing 30 days after the recording of the plat for the parcel regardless of whether the connection is active. NICD further agrees that the monthly service fee shall be paid by NICD unless and until the relevant homeowner executes a customer service agreement with Gem State that requires the homeowner to pay such amount.

Gem State hereby confirms that it has reviewed and approved the proposed engineered plans and specifications provided by NICD prepared by James A. Sewell & Associates dated July 8, 2024.

The rights and/or obligations under this Letter may not be assigned or otherwise transferred by NICD without the prior written consent of Gem State, which shall not be unreasonably withheld or delayed.

If you have any questions, please contact Tim Smith Regional Manager at Gem State Water.

Timothy Smith

Tim Smith
Regional Manger
NWNW PCNW

Declining Balance:
Projected build out - 320 ERU's.
Active Connections - 210 ERU's
Outstanding will serve - 18 ERU's
Available ERU's -110 ERU's