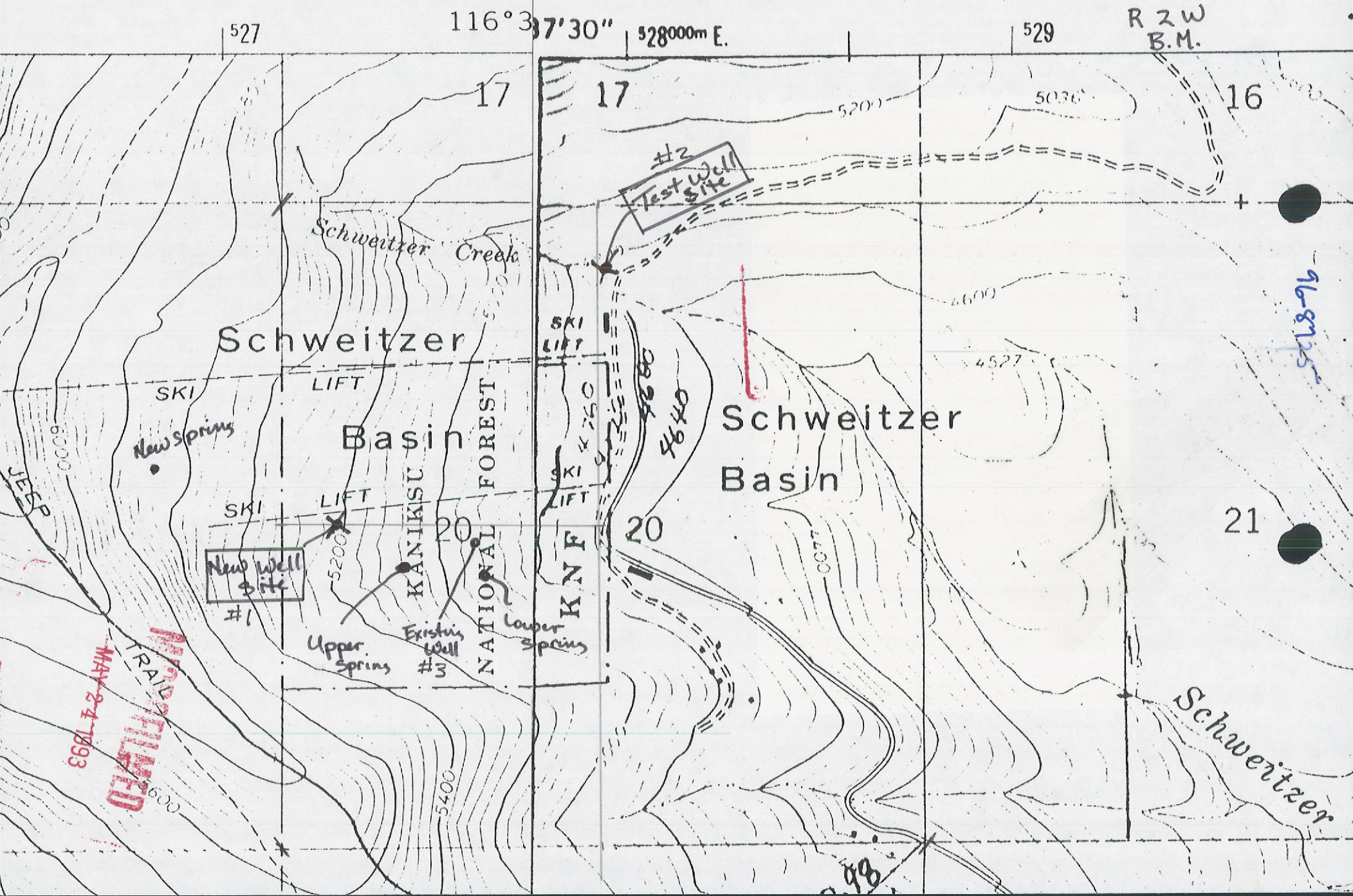


UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY T58N

T 58 N
R 2 W
B.M.



96-08725



Storage

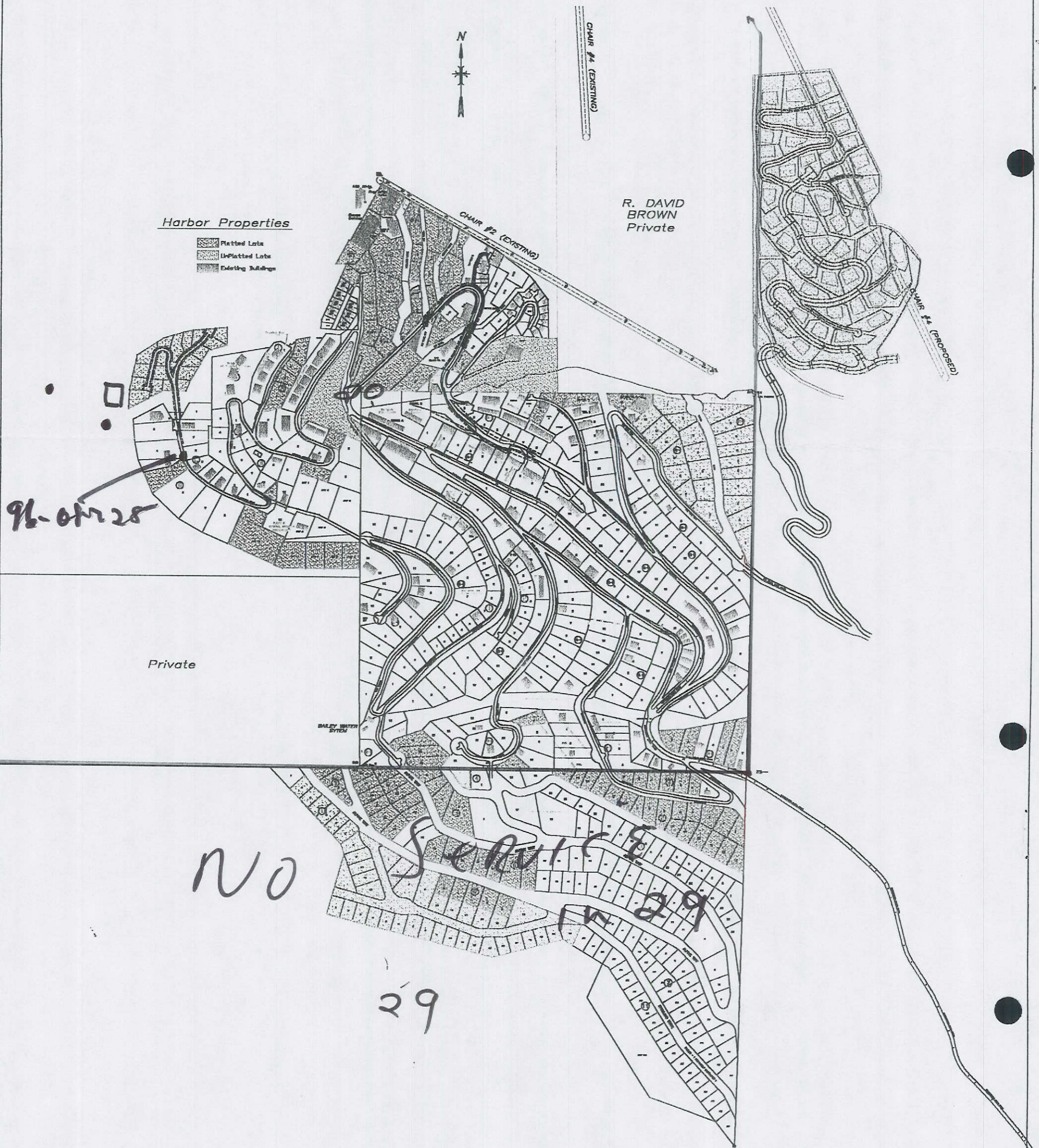


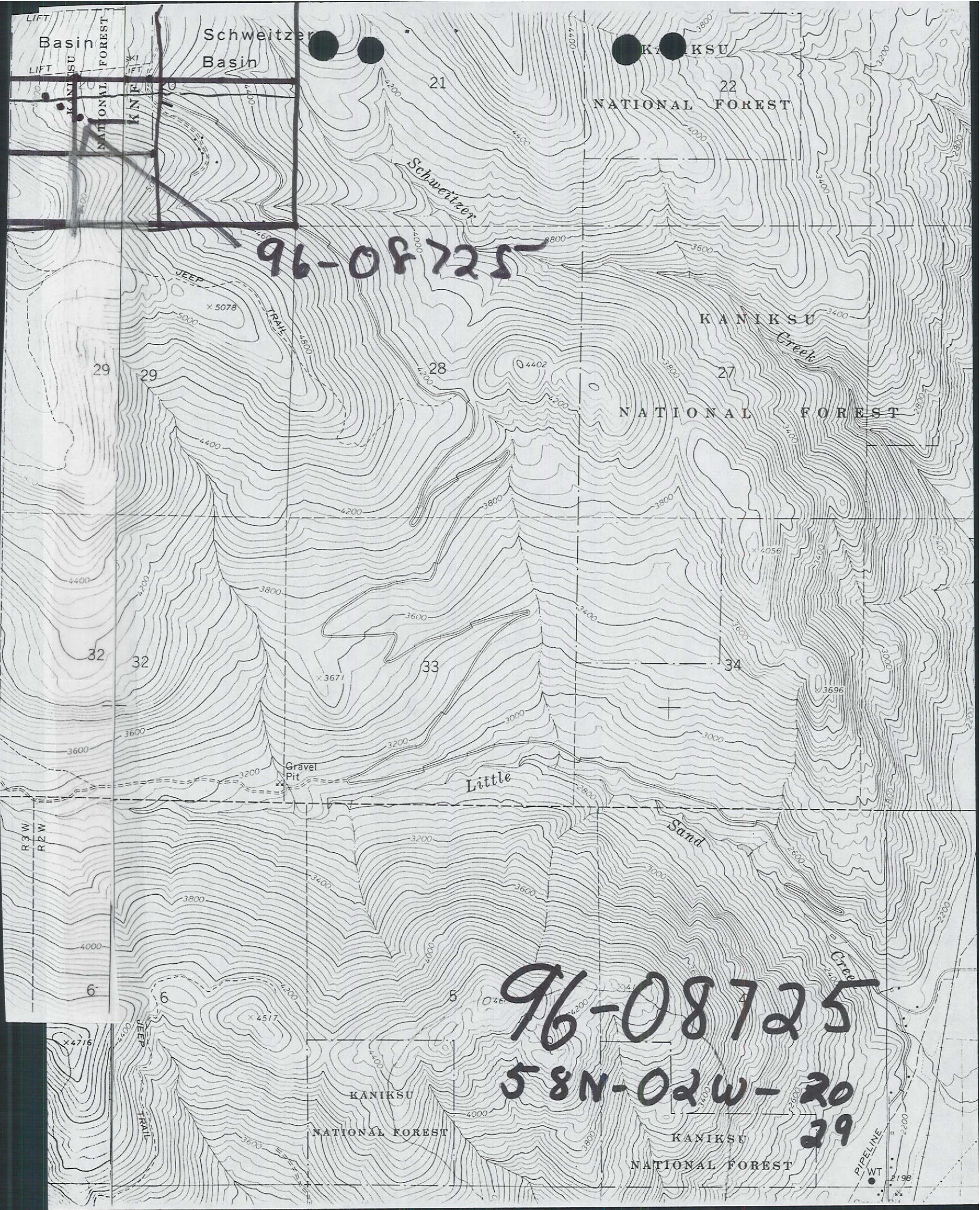
PO



Pump
House
&
meter

SCHWEITZER MOUNTAIN RESORT





LIFT
Basin
KANIKSU
NATIONAL FOREST
K N R
LIFT

Schweitzer
Basin

KANIKSU
NATIONAL FOREST

96-08725

KANIKSU
Creek
NATIONAL FOREST

Gravel
Pit

Little

Sand

Creek

96-08725

58N-02W-20

29

KANIKSU
NATIONAL FOREST

KANIKSU
NATIONAL FOREST

PIPELINE
WT
2198

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ASSIGNMENT OF PERMITRECEIVED
DEC 14 1998

Department of Water Resources

I, Recreations Utility Company, Inc., hereby assign to Resort Water Co., Inc.
of, *(see below) (612) 973-1195
(Full Address) (Phone)All my right, title, and interest in and to Permit No. 96-08725 to
appropriate the public waters of the State of Idaho.

OR (for partial assignments)

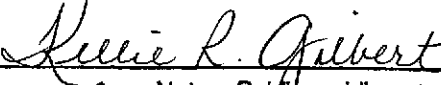
The following described portion of my right, title, and interest in and to
Permit No. _____ to appropriate the public waters of the State of
Idaho. (Describe portion of the permit assigned listing the number of acres in each 40 acre
subdivision, point of diversion location, and the amount of water in cubic feet per second.)

Made this _____ day of _____, 19____.



Permit Holder **(see below)State of Idaho)
County of Ada) ssOn this 8th day of December, 1998, personally appeared before me the signer(s) of the
above instrument, who duly acknowledged to me that he (she) (they) executed the same.

seal



Notary Public residing at
Boise, IdahoMy commission expires: 9-20-2001* Address: U.S. Bank Place - MPFP2516
601 Second Ave. South
Minneapolis, MN 55402-4302MICROFILMED
MICROFILMED
JAN 04 1999
MICROFILMED
FEB 11 1999** Permit Holder: Ford Elsaesser as Receiver for Schweitzer, Inc., Pack River Ltd. Co.,
Pack River Management Company, and Recreations Utility Company, Inc. and as
Disbursing and Disposition Agent under the Chapter 11 Plan.

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

RECEIVED

JAN 09 1998

PROOF OF BENEFICIAL USE

Department of Water Resources

The Idaho Department of Water Resources considers this form a statement that the permit holder(s) has/have completed all development that will occur under this permit and that water has been applied according to the provisions of the permit for the beneficial use(s) described below. This form must be accompanied by a license examination fee, when necessary, or be accompanied by a completed field examination report prepared by a certified water right examiner who has been appointed by the department.

1. Permit No. 96-08725 Telephone No. (208) 263-33312. Name(s) of Permit Holder(s): RECREATION UTILITY CO. INC.3. Mailing Address: P.O. Box 1921, Sandpoint, Id. 838644. Source of Water: WELL If GROUNDWATER (well), Date Drilled: mo. 10 / yr. 92a. Well Driller: Bartholomew Drilling, Inc. Drilling Permit Number: 96 - 92 - N - 232b. **OPTIONAL:**
Pump Horsepower: _____ Pressure (psi): _____ Dynamic pumping level (ft): _____

5. Use(s) (as authorized by the water right permit):

Domestic (No. of households): 957 Stockwater (No. and type of stock): _____Irrigation (No. of acres): _____ Other: 409 Commercial6. Total rate of diversion and/or volume for which proof is submitted: 0.40 cfs OR _____ acre feet

7. Measuring Device Requirement: (refer to the approval conditions on your permit and respond accordingly)

(This question is not optional. Please check either yes or no. Proofs returned not checked accordingly, will be considered incomplete)

Measuring Device: Is a measuring device required?

Yes _____ or No X

Has the measuring device been installed?

Yes X or No _____

Flow Measurement Port: Is a flow measurement port required?

Yes _____ or No X

Has the measurement port been installed?

Yes X or No _____8. Fee Enclosed: \$ 100.00 (See Fee Schedule on back of the instructions for filing proof of beneficial use)

9. Person to contact to accompany the Department representative during field examination of the water system.

Name: BOB HANSEN Telephone Number: (208) 263-3331Address: P.O. Box 1921, Sandpoint, Id. 83864

10. The information given on this form is my true statement of the extent to which the above numbered permit has been developed and I relinquish any undeveloped portion of the permit to the State of Idaho.

Signature of permit holder: Bob Hansen Operations Mgr. Date: 1/6/98
(include your title, if on behalf of company or organization)

MICROFILMED

APR 10 1998

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 96-08725

Proposed Priority: October 9, 1992 Maximum Diversion Rate: 0.20 CFS

This is to certify, that RECREATION UTILITIES CO INC
PO BOX 1921

SANDPOINT ID 83864

has applied for a permit to appropriate water from: GROUNDWATER
and a permit is APPROVED for development of water as follows:

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>
COMMERCIAL	01/01 to 12/31	0.20 CFS
DOMESTIC	01/01 to 12/31	0.20 CFS
	Totals	0.20 CFS

LOCATION OF POINT(S) OF DIVERSION:

SWNWNE , Sec. 20, Township 58N, Range 02W
NWNESW , Sec. 20, Township 58N, Range 02W
NENWSW , Sec. 20, Township 58N, Range 02W
BONNER County

PLACE OF USE: COMMERCIAL
TWN RGE SEC

22N 01E 26 SWNW

PLACE OF USE: DOMESTIC
TWN RGE SEC

58N 02W 20	SWNE	SENE	SENE
	NESW	NWSW	NESE
	NWSE	SWSE	SESE
29	NENE	NWNE	SENE
	NENW		

CONDITIONS/REMARKS:

1. Proof of construction of works and application of water to beneficial use shall be submitted on or before February 2, 1998.
2. Subject to all prior water rights.
3. Project construction shall commence within one year from the date of permit issuance and shall proceed diligently to completion unless it can be shown to the satisfaction of the Director of the Department of Water Resources that delays were due to circumstances over which permit holder had no control.
4. Right holder shall comply with the drilling permit requirements of Section 42-235, Idaho Code.
5. Construction of the well must comply with Idaho well construction standards.

MICROFILMED

MAY 24 1993

State of Idaho
Department of Water Resources

Permit To Appropriate Water

NO. 96-08725

CONDITIONS/REMARKS:

6. Commercial use is for a hotel, bar, restaurants, ski shops, a day lodge and offices.
7. Domestic use is for 192 homes.

This permit is issued pursuant to the provisions of Section 42-204, Idaho Code. Witness the signature of the Director, affixed at Boise, this

6th day of January, 1993.

R. Keith Higginson
for R. Keith Higginson, Director

NOT REFILED

MAY 24 1993

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
APPLICATION FOR PERMIT

To appropriate the public waters of the State of Idaho

1. Name of applicant Recreation Utilities Company, Inc. Phone (208) 263-3331
Post office address P.O. Box 1921; Sandpoint, ID 83864

2. Source of water supply Groundwater which is a tributary of _____
Well #1 NE NE NW NW SW
3. Location of point of diversion is #2 NE SW 1/4 of NE NW 1/4 of NW NE 1/4, Govt. Lot _____
#3 NW NE SW BONNER
Sec. 20 Township 58N Range 2W B.M. Boundary County; additional

points of diversion if any: _____

NOTE: Three wells listed.

4. Water will be used for the following purposes:

- #1 Amount 0.20 ² COMMERCIAL
6.68x10⁻² for potable water purposes from Jan. 1 to Dec. 31 (both dates inclusive)
(cfs or acre-feet per annum)
- #2 Amount 0.20 ² DOMESTIC
6.68x10⁻² for potable water purposes from Jan. 1 to Dec. 31 (both dates inclusive)
(cfs or acre-feet per annum)
- #3 Amount 0.24 ² for potable water purposes from Jan. 1 to Dec. 31 (both dates inclusive)
(cfs or acre-feet per annum)
- Amount _____ for _____ purposes from _____ to _____ (both dates inclusive)
(cfs or acre-feet per annum)

5. Total quantity to be appropriated is (a) 0.20 ^{0.196 cfs} and/or (b) _____
cubic feet per second acre feet per annum

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. Submersible pump with pitless adapter - supplies existing reservoir - controlled by level sensors in reservoir.

b. Height of storage dam N/A feet; active reservoir capacity N/A acre-feet; total reservoir capacity N/A acre-feet; period of year when water will be diverted to storage: N/A to _____ inclusive.

c. Proposed well diameter is Wells #1 & #2 - 6" #1 & #2 - 250'
#3 N/A inches; proposed depth of well is #3 N/A feet.
(see remarks)

d. Is ground water with a temperature of greater than 90°F being sought? No

7. Time required for the completion of the works and application of the water to the proposed beneficial use is

#1 & #2 - One FIVE years (minimum 1 year).

#3 - Completed (see remarks)

MAY 24 1993

8. Description of proposed uses (if irrigation only, go to item 9):

- a. Hydropower; show total feet of head and proposed capacity in KW. N/A
- b. Stockwatering; list number and kind of livestock. N/A
- c. Municipal; show name of municipality. N/A
- d. Domestic; show number of households. 72 existing residential units, 24/yr. planned
- e. Other; describe fully. Commercial - supply potable water to augment existing supplies - use for hotel, bar, restaurants, ski shops, day lodge and offices.

9. Description of place of use:

- a. If water is for irrigation, indicate acreage in each subdivision in the tabulation below.
- b. If water is used for other purposes, place a symbol of the use (example: D for Domestic) in the corresponding place of use below. See instructions for standard symbols.

Wells #1, #2 & #3

TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	
58N	2W	20			C					CD	D	D			D	D	D	D	
58N	2W	29	D	D		D	D												

Total number of acres to be irrigated 0

10. Describe any other water rights used for the same purposes as described above. #96-7127 old system; 96-8428 Crystal Springs; 96-8476 Lower Village; 96-8425 Well Cry. Spr.; 96-8413 Lower Spring; 96-7775 Lower Dam Cry. Spr.; 96-7127 water right.
11. a. Who owns the property at the point of diversion? Recreation Utilities Co., Inc.

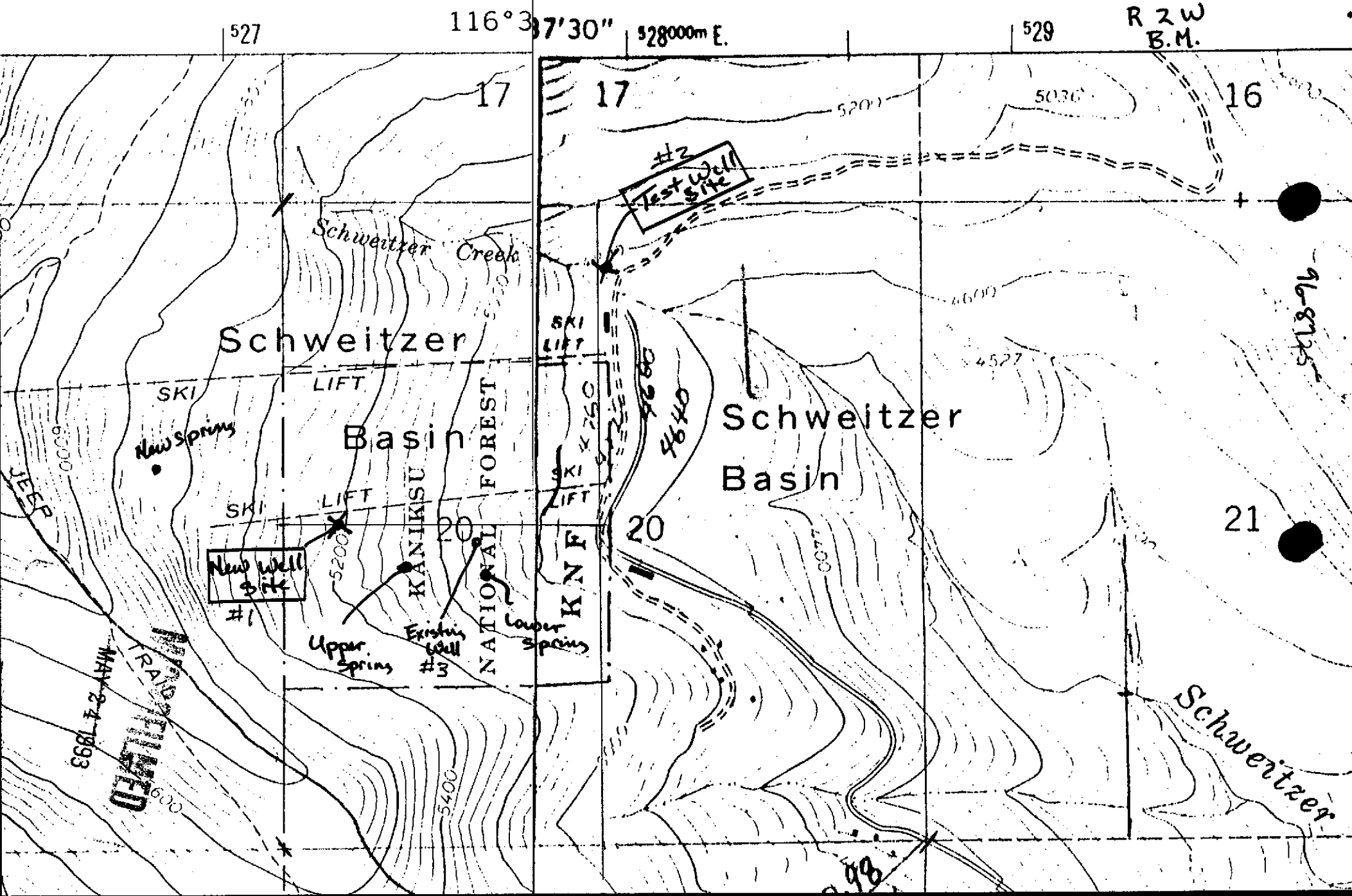
b. Who owns the land to be irrigated or place of use? Recreation Utilities Co., Inc.

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing. _____

12. Remarks: Wells #1 & #2 are test holes to be drilled Oct. 5, 1992. Well #3 is existing, probably Permit #96-8425. Groundwater development is to provide a more reliable supply. Last winter the Resort's main source ceased producing. The domestic load on the system is 72 residences and is projected to grow at 24 residences per year for the foreseeable future.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY T58N

T 58 N
R 2 W
B.M.



SEE County
Large MMR 10/13/92
MICROFILMED
1993

13. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.

FAX
263-0775

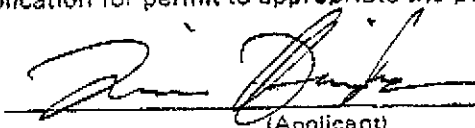
WAYNE
BENNER
MAY 24 1993

APPROVED
MAY 24 1993

scale: 2 inches equal 1 mile.

HINDERMAN

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

Tim

(Applicant)
Loren MGR.

(MAP RECEIVED)

Received by AB Date 10/9/92 Time 4:00pm Preliminary check by AB
Fee \$ 30.00 Receipted by AB # N 6019 Date 10/2/92
Publication prepared by AB Date 10/25/92 Published in Boomer City Bee
Publication approved AB Date 12/4/92

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

This is to certify that I have examined Application for Permit to appropriate the public waters of the State of Idaho No. _____, and said application is hereby _____.

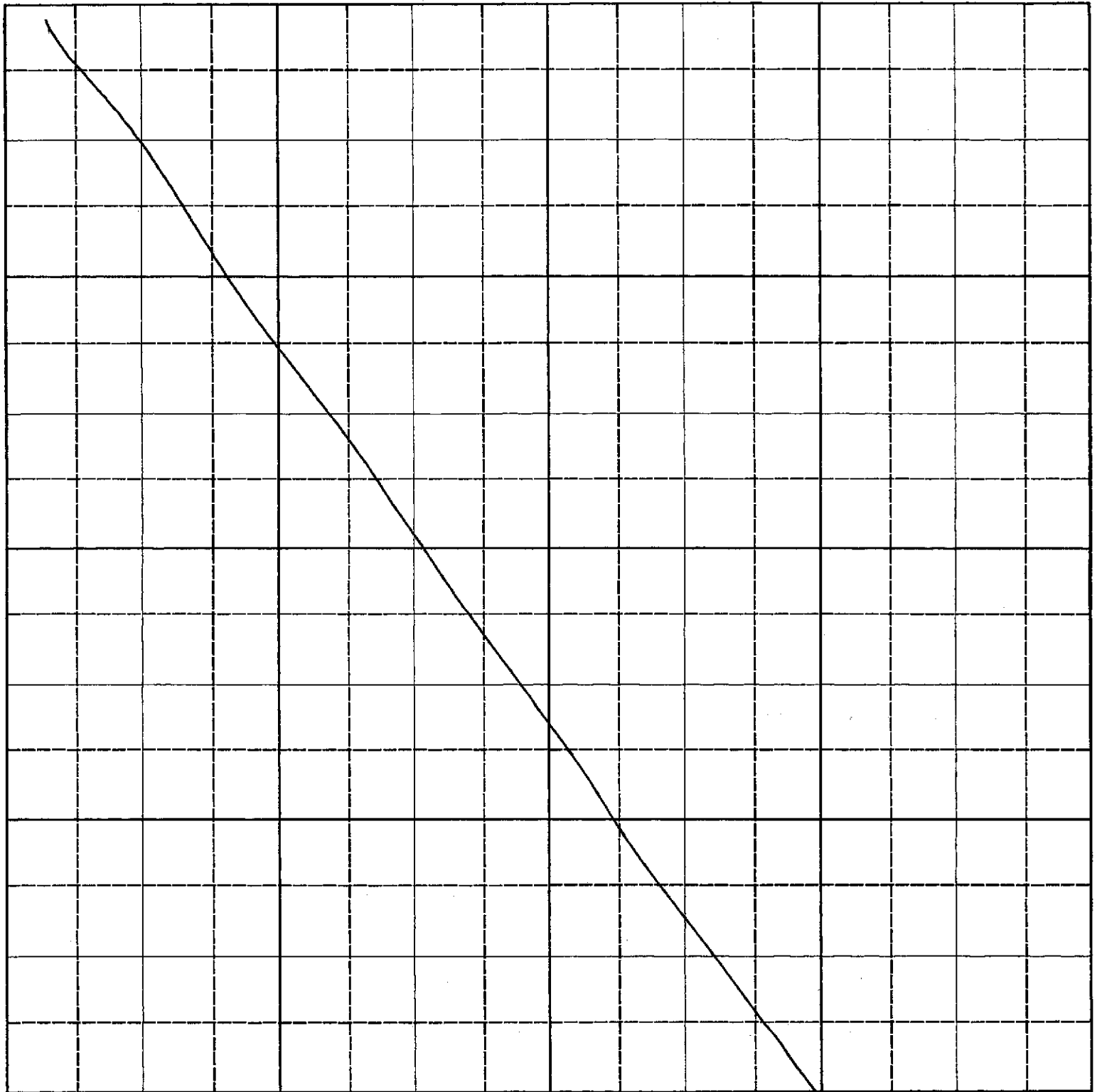
1. Approval of said application is subject to the following limitations and conditions:

- a. SUBJECT TO ALL PRIOR WATER RIGHTS.
- b. Proof of construction of works and application of water to beneficial use shall be submitted on or before _____, 19____.
- c. The rate of diversion, if water is to be used for irrigation under this permit, when combined with all other water rights for the same land shall not exceed 0.02 cubic feet per second for each acre of land.
- d. The water right acquired under this permit if for hydropower purposes shall be junior and subordinate to all rights to the use of water, other than hydropower, within the State of Idaho that are initiated later in time than the priority of this permit and shall not give rise to any right or claim against any future rights to the use of water, other than hydropower, within the State of Idaho initiated later in time than the priority of this permit.
- e. Other:

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MAY 24 1993

13. Map of proposed project: show clearly the proposed point of diversion, place of use, section number, township and range number.



Scale: 2 inches equal 1 mile.

BE IT KNOWN that the undersigned hereby makes application for permit to appropriate the public waters of the State of Idaho as herein set forth.

(Applicant)

State of Idaho

ss.

County of Bonner,

Karel Miller being first duly sworn on oath
deposes and says that he/she is Book Keeper
of the Bonner County Daily Bee, a newspaper printed and
published at Sandpoint, Bonner County, Idaho; that the
said newspaper has been continuously and uninterruptedly
published in said Bonner County during a period of 12
months prior to the first publication of the hereto attached
notice of publication in the case of:

Regal Notice

as it was published in the regular and entire issue of the
said paper for a period of 2 consecutive weeks,
commencing on 5 day of Nov, 1992
and ending on the 12 day of Nov, 1992
and that said notice was published in said newspaper.

On this 12th day of November in the year
of 92, before me, a Notary Public, personally
appeared Karel Miller,
known or identified to me to be the person whose name
subscribed to the within instrument, and being by me first
duly sworn, declared that the statements therein are true,
and acknowledged to me that he executed the same.

Linn Johnson
Notary Public for Idaho

Residing at SandpointMy commission expires: 10/22/93

NOTICE OF APPLICATION FOR WATER RIGHT

The following application(s) have
been filed to appropriate the public
waters of the State of Idaho:

96-08723

FENTON, JAMES

PO BOX 1068

SANDPOINT, ID 83864

Source: PEND OREILLE RIVER

Tributary: COLUMBIA RIVER

Diversion Pt: NENW Sec 32 T 57N

R 02W in BONNER County

Use: IRRIGATION (1,000 CFS)

Total Diversion: (1,000 CFS)

Date Filed: 10/26/1992

In: BONNER County

T57N R02W S32 NENW

2.6 ACRES TOTAL

96-08724

HENLEY, NADINE

PO BOX 849

RATHDRUM, ID 83858

Source: SPRING Tributary:

GRANITE CREEK

Diversion Pt: SENWSE Sec 26 T

55N R 01W in BONNER County

Use: DOMESTIC (.020 CFS)

Total Diversion: (.020 CFS)

Date Filed: 10/19/1992

In: BONNER County

T55N R01W S26 NWSE

96-08725

RECREATION UTILITIES CO

INC

PO BOX 1921

SANDPOINT, ID 83864

Source: GROUNDWATER

Diversion Pt: SWNWNE Sec 20 T

58N R 02W

NWNE Sec 20 T 58N R 02W

NENWSW Sec 20 T 58N R 02W in

BONNER County

Use: COMMERCIAL (.200 CFS)

DOMESTIC (.200 CFS)

Total Diversion: (.200 CFS)

Date Filed: 10/9/1992

In: BONNER COUNTY

T58N R02W S20 SWNE SENW

NESW NWSW NESE NWSE SWSE

SESE

S29 NENE NWNE SENE NENW

For additional information con-

cerning the property location, call

the Northern Regional Office at 765-

4639.

The permit(s) will be subject to all

water rights. Protests must be

filed with the Director, Dept. of

Water Resources, Northern Region,

1910 Northwest Blvd., Suite 210,

Coeur d'Alene, Idaho 83814 on or

before NOVEMBER 23, 1992.

R. KEITH HIGGINSON, Director

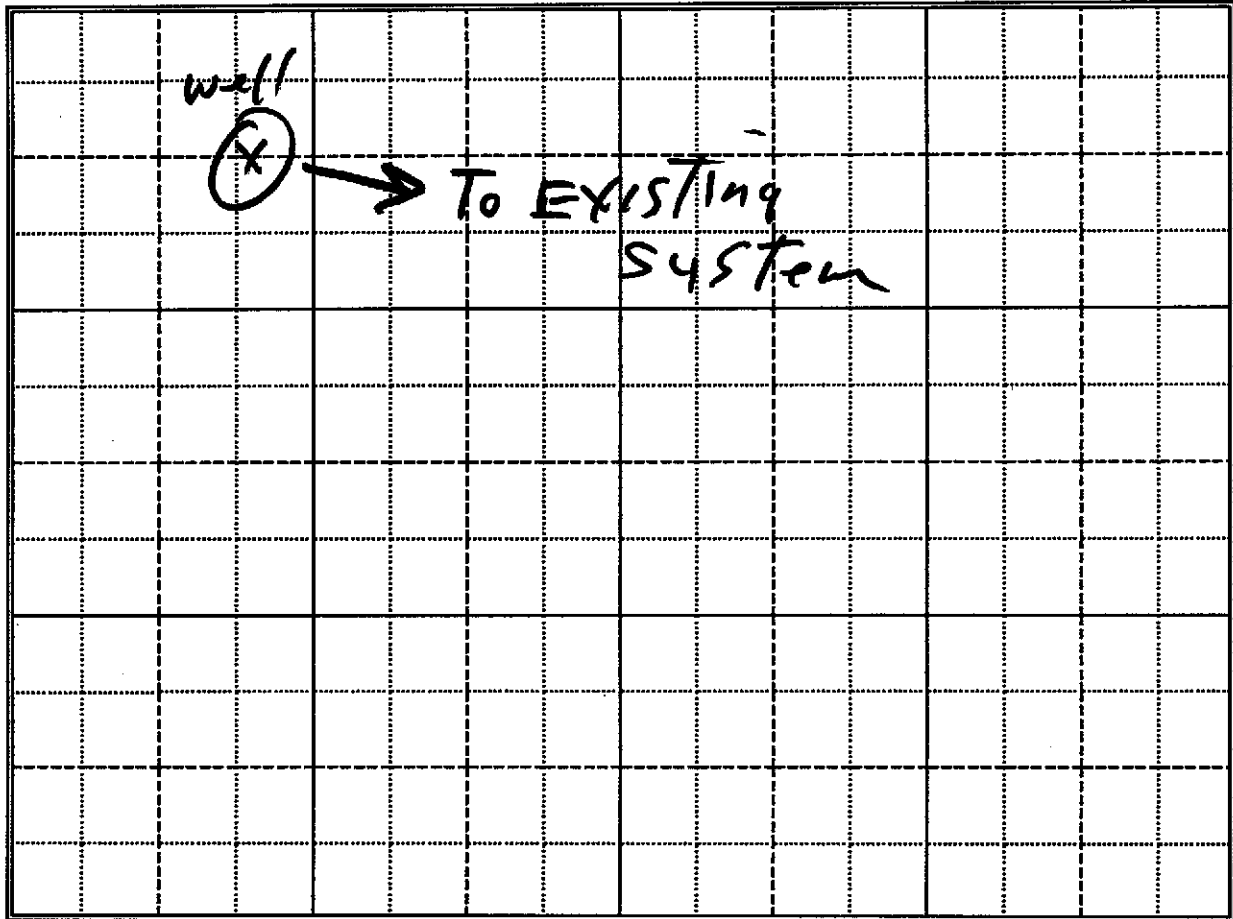
SNP#5050 Nov 5, 12, 1992

MAY 24 1993

5050

[illegible]

3. **Delivery System Diagram:** Indicate all major components and distances between components. Indicate weir size/ditch size/pipe i.d. as applicable.



Scale: 1" = _____

____ Copy of USGS Quadrangle Attached Showing location(s) of point(s) of diversion and place(s) of use (required).

____ Aerial Photo Attached (required for irrigation of 10+ acres)

____ Photo of Diversion and System Attached

4.

Well or Diversion Identification No.*	Motor Make	Hp	Motor Serial No.	Pump Make	Pump Serial No. or Discharge Size
	Teranphi	3	2823028110	Sub	2"

*Code to correspond with No. on map and aerial photo

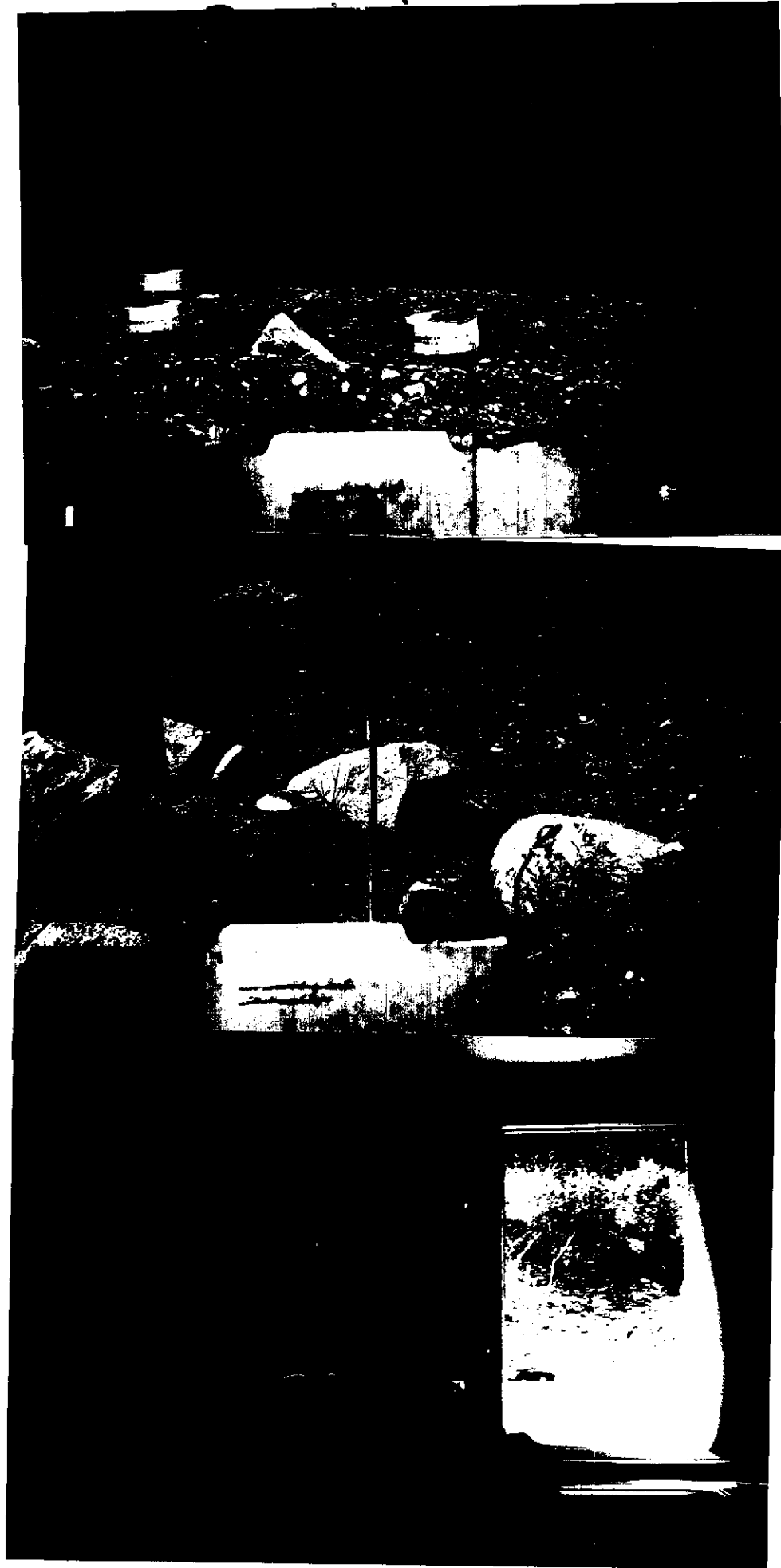
D. FLOW MEASUREMENTS

1.

Measurement Equipment	Type	Make	Model No.	Serial No.	Size	Calib. Date

2. Measurements: _____

96-08725

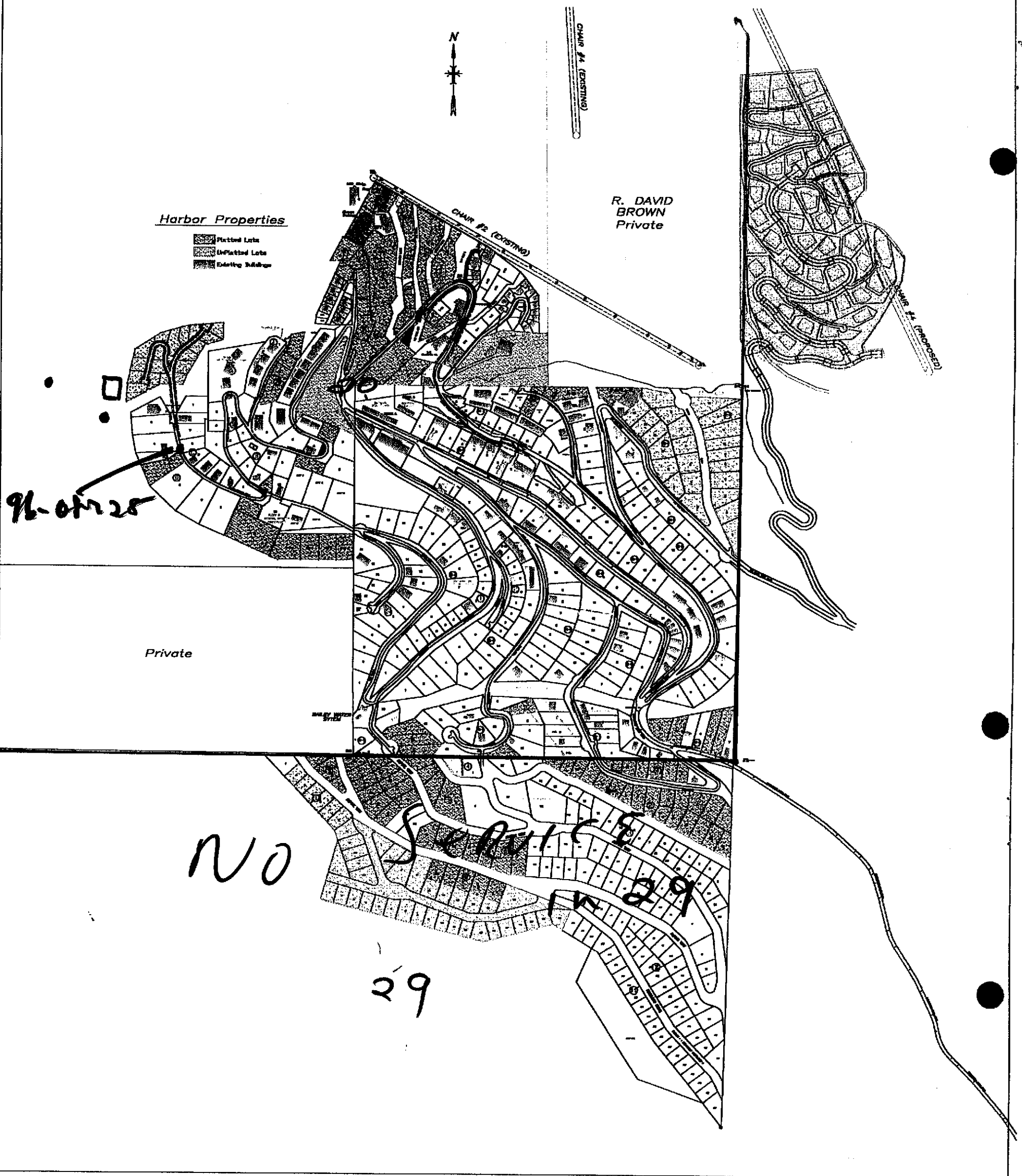


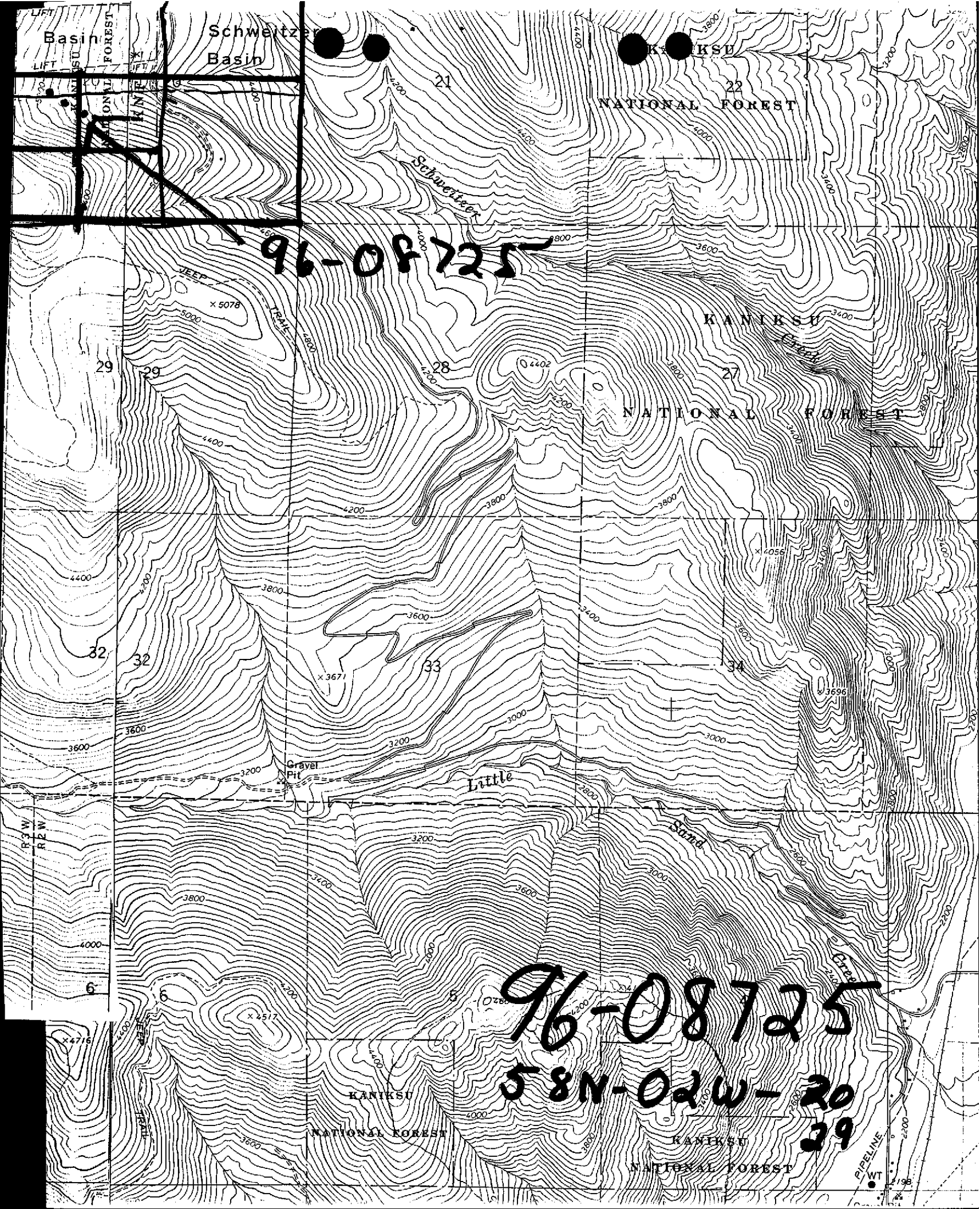
Storage

PO

Pump
House
&
metres

SCHWEITZER MOUNTAIN RESORT





E. NARRATIVE/REMARKS/COMMENTS

There is no service in section 29

Have conditions of permit approval been met? ☒ yes ☐ no

F. FLOW CALCULATIONS

Measured Method:

Additional Computation Sheets Attached

$$\text{Flow meter } 80 \text{ gpm}$$

$$\frac{80 \times 1.33681}{60} = 0.18 \text{ cfs}$$

G. VOLUME CALCULATIONS

1. Volume Calculations for Irrigation:

$$V_{IR} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) = \underline{\hspace{2cm}}$$

$$V_{DR} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 = \underline{\hspace{2cm}}$$

$$V = \text{Smaller of } V_{IR} \text{ and } V_{DR} = \underline{\hspace{2cm}}$$

2. Volume Calculations for Other Uses: Hotel 41 Rooms 60 gpd $\times 41 \text{ Rooms} \times 365 = 208 \text{ AF}$
 197 Condos @ .6 1180.2 AF
 Restaurant bar 129 pc $\times 200 \times 365 = 207 \text{ AF}$

H. RECOMMENDATIONS

1. Recommended Amounts

Beneficial Use	Period of Use		Rate of Diversion Q (cfs)	Annual Volume V (afa)
	From	To		
Commercial	01-01	12-31	0.18	5.5
Domestic	01-01	12-31	0.18	1180.2
Totals:			0.18	1230.7

2. Recommended Amendments

☐ Change P.D. as reflected above ☐ Add P.D. as reflected above ☐ None
☐ Change P.U. as reflected above ☐ Add P.U. as reflected above ☐ Other

I. AUTHENTICATIONField Examiner's Name Wayne Beldar Date 10-12-00

Reviewer _____ Date _____

SEAL

HOLLAND & HART LLP
ATTORNEYS AT LAW

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DEC 14 1998

DENVER - ASPEN
BOULDER - COLORADO SPRINGS
DENVER TECH CENTER
BILLINGS - BOISE
CHEYENNE - JACKSON HOLE
SALT LAKE CITY

SUITE 1400
101 SOUTH CAPITOL BOULEVARD
BOISE, IDAHO 83702-7714
MAILING ADDRESS
P.O. BOX 2527
BOISE, IDAHO 83701-2527

Department of Water Resources
TELEPHONE (208) 342-5000
FACSIMILE (208) 343-8869
KELLIE R. GILBERT
PARALEGAL
kgilbert@hollandhart.com

December 9, 1998

Julie Yarbrough
Idaho Department of Water Resources
1301 N. Orchard Street
Boise, Idaho 83706

RE: Resort Water Co., Inc.

Dear Julie:

Holland & Hart represents Resort Water Co., Inc. As I explained to you during a telephone conference last week:

A. Ford Elsaesser was appointed and continues to serve as Receiver for Schweitzer, Inc. (a/k/a Schweitzer Mountain Resort) ("Schweitzer"), Pack River Ltd. Co. ("PRLC"), and Recreations' Utility ("Rec U") in a receivership action pending in the United States District Court for the District of Idaho (the "Receivership Court") captioned U.S. Bank of Washington, National Association v. Pack River Ltd. Co. et al., Case No. CV 96-178-N-EJL (the "Receivership Action") (pursuant to your instructions, I have enclosed herewith a copy of the Order Appointing Receiver and labeled it **Exhibit A**).

B. Schweitzer is the debtor in a Chapter 11 proceeding pending in the United States Bankruptcy Court for the District of Idaho (the "Bankruptcy Court"), In re Schweitzer, Inc., d/b/a Schweitzer Mountain Resort, No. 9720916, and PRLC, which is an affiliate of Schweitzer and a successor to Pack River Management Company, which is the debtor in a companion Chapter 11 proceeding pending in the Bankruptcy Court, In re Pack River Limited Company, No. 9720917 (collectively, the "Chapter 11"). Rec U is wholly-owned by PRLC.

C. By Order dated and filed in the Chapter 11 on October 5, 1998, the Bankruptcy Court confirmed the First Amended Plan of Reorganization submitted by the Unsecured Creditors Committee, together with the Supplement, and the Second and Third Supplements thereto (collectively, the "Plan"), which provides for the sale of Schweitzer and PRLC's assets by Ford Elsaesser.

D. By Order dated and filed in the Receivership Action on October 29, 1998, the Receivership Court, among other things, authorized Ford Elsaesser to sell Schweitzer and PRLC's assets in accordance with the Plan.

E. By Order dated and filed in the Chapter 11 on December 8, 1998, the Bankruptcy Court confirmed the sale of Schweitzer's and PRLC's assets to Resort Water Co.,

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DEC 14 1998

Department of Water Resources

Idaho Department of Water Resources

December 9, 1998

Page 2

Inc. (pursuant to your instructions, I have enclosed herewith a copy of the Order Approving Sale of Assets in Accordance with First Amended Plan of Reorganization of Unsecured Creditors' Committee and labeled it **Exhibit B**).

F. Ford Elsaesser, having complied in all respects with the Plan and the Court Orders identified above, offered and sold to Resort Water Co., Inc. certain of Schweitzer's and PRLC's assets.

Ford Elsaesser now wishes to assign all right, title, and interest in and to Permits 96-08428, 96-08413, 96-07841, and 96-08725, as evidenced by his signature on the Assignment of Permit forms we are submitting with this letter.. Holland & Hart hereby requests that these permits be transferred as of this date to Resort Water Co., Inc., a Minnesota corporation, having an office and principal place of business at 601 Second Avenue South, MPFP2518, Minneapolis, Minnesota 55402. Confirmation of the permit transfers should be sent to me here at Holland & Hart.

Please call me if you have any questions, comments, or concerns about these transfers.

Very truly yours,



Kellie R. Gilbert
Paralegal

Enclosures
BOISE:0098844.01

RECEIVED

NOV 14 1998

U.S. Water Resources

U.S. COURTS

95 NOV -1 AM 11:40

REC'D FILED
CLERK CAMERON S. BURKE
IDAHO

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

U. S. BANK OF WASHINGTON,
NATIONAL ASSOCIATION, a
national banking association,

Plaintiff,

v.

PACK RIVER LTD. CO., an Idaho
limited liability company; PACK
RIVER MANAGEMENT COMPANY, a
general partnership;
SCHWEITZER, INC., an Idaho
corporation; PACK RIVER
INVESTMENT COMPANY, a general
partnership; RECREATIONS'
UTILITY COMPANY, INC., an Idaho
corporation; RESORT
DEVELOPMENT, INC., an Idaho
corporation; BARBARA HUGUENIN;
JEAN O. BROWN; PATRICIA POWELL;
JOSEPHINE H. BOPP; and
JACQUELINE GRAN;

Defendants.

Civil No.

STIPULATION AND ORDER
APPOINTING RECEIVER

CIV 96-0478-N-EJL

EXHIBIT

A

STIPULATION

The parties hereby stipulate that on the plaintiff's
petition Ford Elsaesser may be appointed receiver in the

STIPULATION AND ORDER APPOINTING RECEIVER - 1

DEC 14 1998

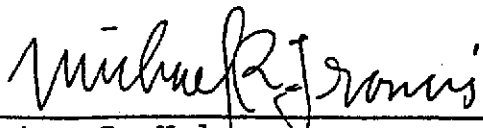
Department of Water Resources

1 above-entitled case pursuant to 28 U.S.C. § 754, 958, 959, and
2 960; Fed. R. Civ. P. 66; the Local Rules of the United States
3 District Court for the District of Idaho, on the terms set forth
4 in the order below.

5 DATED this 25 day of October, 1996.

6 MILLER, NASH, WIENER, HAGER &
7 CARLSEN LLP

PAINE, HAMBLIN, COFFIN,
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15 National Association

16 HOLLAND & HART LLP

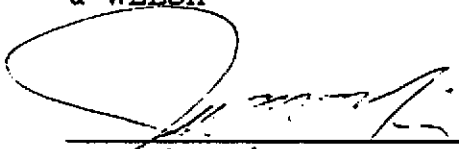
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Company, Inc., Barbara
Huguenin, Jean O. Brown,
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Jacqueline Gran

23 COSHO, HUMPHREY, GREENER
24 & WELSH

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Attorneys for Ford
Elsaesser in his capacity
as Receiver

1 above-entitled case pursuant to 28 U.S.C. § 754, 958, 959, and
2 960; Fed. R. Civ. P. 66; the Local Rules of the United States
3 District Court for the District of Idaho, on the terms set forth
4 in the order below.

5 DATED this _____ day of October, 1996.

6 MILLER, NASH, WIENER, HAGER &
7 CARLSEN LLP

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Department of Water Resources

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by Michael R. Francis for
Peter Erbland
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COSHO, HUMPHREY, GREENER
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23 Attorneys for Ford
24 Elsaesser in his capacity
25 as Receiver
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STIPULATION AND ORDER APPOINTING RECEIVER - 2

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ORDER

The court has reviewed the above-joined stipulation.

Now, therefore, it is HEREBY ORDERED that:

I. APPOINTMENT: BOND

1. This receivership ("Receivership") is initiated in response to the complaint for judgment on promissory notes and guarantees, for decrees of foreclosure and for appointment of receiver ("Complaint") filed by U. S. Bank of Washington, National Association ("U. S. Bank"), on October 31, 1996. The Receivership is hereby created with the consent of defendants Schweitzer, Inc., Pack River Ltd. Co., Pack River Management Company, Recreations' Utility Company, Inc., Barbara Huguenin, Jean O. Brown, Patricia Powell, Josephine H. Bopp, and Jacqueline Gran upon the terms and conditions set forth herein.

2. Ford Elsaesser is appointed as receiver ("Receiver") for defendants Schweitzer, Inc., Pack River Ltd. Co., Pack River Management Company ("PRMC"), Schweitzer, Inc., and Recreations' Utility Company, Inc. ("Recreations") (together, "Schweitzer Mountain"). The Receiver shall be compensated in accordance with Exhibit 1, which is attached hereto. The Receiver and defendants Schweitzer, Inc., Pack River Ltd. Co., Pack River Management Company, Recreations' Utility Company, Inc., Barbara Huguenin, Jean O. Brown, Patricia Powell, Josephine H. Bopp, and Jacqueline Gran have executed the disclosures and agreement attached hereto as Exhibit 2.

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Department of Water Resources

1 3. Although the Receiver has not been appointed
2 receiver for defendants Resort Development, Inc., or Pack River
3 Investment Company, this order is without prejudice to any motion
4 by U. S. Bank for appointment of a receiver for those defendants.

5 4. U. S. Bank shall obtain a receivership bond for
6 the Receiver in the amount of \$100,000.

7 5. Ford Elsaesser's appointment as Receiver shall
8 extend for a period of one (1) year from the date of this Order,
9 provided that the period of appointment shall be extended
10 automatically for an additional period of one (1) year, unless
11 U. S. Bank provides written notice to this court and all parties
12 hereto of its intent not to extend the Receivership, which notice
13 shall be provided to the court and all parties hereto no later
14 than ninety (90) days prior to the first anniversary date of the
15 entry of this Order.

16 6. In the event Ford Elsaesser is, at some future
17 time, either unable or unwilling, for whatever reason, to
18 continue to serve as Receiver, the parties hereto shall be
19 afforded the opportunity to propose to the court a successor
20 receiver acceptable to both U. S. Bank, on the one hand, and
21 Schweitzer Mountain and the Guarantors (as defined below), on the
22 other hand.

23 II. RECEIVER'S DUTIES

24 AND IT IS FURTHER ORDERED THAT:

25 1. Except as set forth in this Order, the Receiver
26 may not expend any funds of Schweitzer Mountain or the

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1 Receivership except as allowed by the business plan ("Plan")
2 appended as Exhibit C to the sixth amendment to credit agreement
3 ("Sixth Amendment"), in turn attached hereto as Exhibit 3. The
4 Plan shall constitute the "Budget" through the earlier of (1) one
5 year from the date of this Order or (2) the date U. S. Bank
6 approves a budget for the period beyond the first anniversary of
7 this Order, in which case the budget approved by U. S. Bank shall
8 become the Budget.

9 2. Except as provided herein, the Receiver shall
10 manage, control, and operate the business and assets of
11 Schweitzer Mountain without intervention by the court. This
12 authority includes, without limitation, the authority to sell and
13 buy real and personal property in the ordinary course of
14 business, to incur and pay when due (to the extent they accrue
15 after the Receiver's appointment) all payroll, pension and profit
16 sharing contributions, local, state and federal taxes, license
17 fees, or assessments, trade payable in the ordinary course of
18 business, insurance premiums or deductibles, and such other
19 payments as the Receiver determines in good faith to be necessary
20 or beneficial to the continued operation of Schweitzer Mountain's
21 business and the preservation of its assets and business
22 opportunities. The Receiver may pay obligations of Schweitzer
23 Mountain that may have been incurred or accrued before the
24 Receiver's appointment only if and to the extent such payments
25 are allowed by the Plan, and the Receiver may pay payroll and
26 associated withholding taxes accrued before the Receiver's

STIPULATION AND ORDER APPOINTING RECEIVER - 5

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DEC 14 1998

Department of Water Resources

1 appointment. Notwithstanding anything herein to the contrary,
2 the Receiver may not take any action, including selling assets,
3 outside the ordinary course of business, without prior written
4 notice to the defendants and the approval of U. S. Bank and the
5 court as provided for herein.

6 3. The Receiver, or such other person(s) as he shall
7 designate in writing, shall negotiate the price, terms,
8 conditions, and covenants of any sale, lease, or other
9 disposition of Schweitzer Mountain real or personal property free
10 and clear of all liens and encumbrances, whether in bulk, by lot,
11 or in any amount, and to issue any and all such notices, on
12 behalf of Schweitzer Mountain as the Receiver shall deem
13 appropriate. The Receiver shall be authorized to sell, lease or
14 dispose of Schweitzer Mountain's property free and clear of all
15 liens and encumbrances. The Receiver may not consummate any such
16 sale, lease, or other disposition outside the ordinary course of
17 business without the prior approval of U. S. Bank and the court.
18 Any non-ordinary course transactions will be subject to the
19 Receiver providing written notice to the defendants and all other
20 parties directly affected by such transaction and providing a
21 reasonable opportunity to come before the court and be heard.
22 The Receiver shall distribute the proceeds of all such asset
23 sales to the lien holders in accordance with and in order of
24 their legal priorities. The court may authorize the Receiver to
25 conduct a non-ordinary course sale, or other transaction
26 pertaining to Schweitzer Mountain's property similar in nature to

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1 a foreclosure sale without involving the U.S. Marshall or the
2 respective county sheriff. No party to this proceeding and/or
3 person that receives notice and an opportunity to be heard on any
4 proposed sale, distribution or any other application by the
5 Receiver shall be entitled to make any claim against the Receiver
6 or his bond once a final nonappealable order has been entered by
7 this court.

8 4. The Receiver shall provide to U. S. Bank and
9 Schweitzer Mountain's counsel a written summary of all
10 communications by or to Schweitzer Mountain or the Receiver
11 regarding potential sales of assets out of the ordinary course of
12 business.

13 5. The Receiver may borrow funds, and execute notes,
14 loan agreements, or other instruments on behalf of Schweitzer
15 Mountain and grant security interests or pledge such assets of
16 Schweitzer Mountain as the Receiver may deem necessary or
17 beneficial, after approval of U. S. Bank and the court; provided,
18 however, that all borrowing shall be from U. S. Bank, be deemed
19 to be by Schweitzer Mountain, and be secured by the security
20 interests and liens securing Schweitzer Mountain's indebtedness
21 to U. S. Bank.

22 6. To the best of his abilities, the Receiver shall
23 comply with and perform all obligations of Schweitzer Mountain as
24 set forth in (a) all loan documents between Schweitzer Mountain
25 and U. S. Bank (collectively "Loan Documents"), including but not
26 limited to the Sixth Amendment, and (b) section IV below.

STIPULATION AND ORDER APPOINTING RECEIVER - 7

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DEC 14 1998

Department of Water Resources

1 7. The Receiver shall deliver to U. S. Bank's and
2 Schweitzer Mountain's counsel, on or before the last day of each
3 month, beginning with November 30, 1996, for the period
4 commencing with the date of the appointment of the Receiver and
5 ending October 31, 1997, a monthly statement of compliance,
6 certifying whether and to what extent Schweitzer Mountain and the
7 Receiver have complied with all Loan Documents between Schweitzer
8 Mountain and U. S. Bank and with this Order. The form of the
9 statement of compliance shall be attached hereto as Exhibit 4.

10 8. The Receiver shall prepare and deliver to
11 U. S. Bank an itemized list of all equipment of Schweitzer
12 Mountain.

13 9. The Receiver may obtain appraisals of all of
14 Schweitzer Mountain's equipment and real property, and the cost
15 for these appraisals may be advanced by U. S. Bank and, if made,
16 shall be deemed to be part of the indebtedness of Schweitzer
17 Mountain to U. S. Bank and secured by the security interests and
18 liens securing Schweitzer Mountain's indebtedness to U. S. Bank.

19 10. The Receiver may hire, fire, lay off, furlough, or
20 terminate any personnel of Schweitzer Mountain, and adjust any
21 employee's compensation or benefit package.

22 11. The Receiver may retain and employ a law firm as
23 the Receiver's legal counsel and an accounting firm to provide
24 the Receiver with accounting and related services, and retain and
25 employ such other professionals as the Receiver deems necessary
26 or beneficial to assist him in fulfilling and discharging his

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Department of Water Resources

1 duties hereunder, and to pay their reasonable fees on a monthly
2 basis as described in Paragraph III.7. below.

3 12. The Receiver or any party to this action may at
4 any time apply to this court, upon notice to the parties, for any
5 further instructions or powers necessary or appropriate to enable
6 the Receiver to perform his duties properly.

7 13. The Receiver shall assume all assigned duties and
8 powers immediately upon posting the bond required by this Order.

9 14. The Receiver is an independent officer of the
10 court and is not the agent of any party to this action.

11 15. Where court approval is required herein, written
12 notice of any application or motion shall be provided to counsel
13 for U. S. Bank and Schweitzer Mountain and any other person or
14 entity requesting notice, and any party affected by an
15 application or motion shall be allowed a reasonable opportunity
16 to come before the court and be heard on such matters.

17 III. DEFENDANTS' DUTIES TO RECEIVER

18 AND IT IS FURTHER ORDERED THAT:

19 1. Schweitzer Mountain, and Barbara Huguenin, Jean O.
20 Brown, Patricia Powell, Josephine H. Bopp, and Jacqueline Gran
21 (together, "Guarantors"), shall cooperate with the Receiver in
22 carrying out his duties. Schweitzer Mountain and the Guarantors
23 shall provide the Receiver with any and all information, books,
24 files, and records requested by the Receiver in order to fulfill
25 his responsibilities.
26

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Department of Water Resources

1 2. Schweitzer Mountain and the Guarantors shall
2 immediately surrender to the Receiver all funds of Schweitzer
3 Mountain in their possession or control. In addition, the
4 Guarantors shall immediately surrender to the Receiver the
5 Collateral (as defined in that certain Third Party Security
6 Agreement and Assignment of Partnership Interest by and among
7 Guarantors, U. S. Bank, and others dated on or about April 26,
8 1991, and in that certain Third Party Security Agreement and
9 Assignment of Partnership Interest by and between Pack River
10 Investment Company, U. S. Bank, and others dated on or about
11 April 26, 1991) and all proceeds, distributions, and income
12 relating thereto or derived therefrom.

13 3. Schweitzer Mountain and the Guarantors shall not
14 dispose of any assets of Schweitzer Mountain, and shall
15 immediately surrender all assets of Schweitzer Mountain
16 (exclusive of shares of stock or other documents or instruments
17 evidencing ownership in the legal entities collectively
18 referenced herein as Schweitzer Mountain) in their possession,
19 custody, or control, including title instruments, or control of
20 the assets, to the Receiver.

21 4. Schweitzer Mountain and the Guarantors shall do
22 nothing to interfere in any way with the fulfillment of the
23 Receiver's duties hereunder or of any person delegated by the
24 Receiver to perform his duties.

25 5. Schweitzer Mountain shall deliver to the Receiver
26 and U. S. Bank, no later than November 30, 1996, a statement of

DEC 14 1998

Department of Water Resources

1 compliance certifying whether and to what extent Schweitzer
2 Mountain has complied with all Loan Documents between Schweitzer
3 Mountain and U. S. Bank for the period ending October 31, 1996.

4 6.- The Receiver's fees and costs, as may be approved
5 by this court on 14 days' notice, shall be paid from the
6 operating funds of Schweitzer Mountain.

7 7. The Receiver's professional fees, including legal
8 and accounting, and Schweitzer Mountain's and the Guarantors'
9 legal fees incurred relative to this Receivership, shall be paid
10 from the operating funds of Schweitzer Mountain as may be
11 approved by the Receiver and U. S. Bank. The costs of the
12 Receivership and any other costs and expenses as may be paid by
13 U. S. Bank in the bank's sole discretion shall be indebtedness of
14 Schweitzer Mountain and secured by all security interests and
15 liens securing Schweitzer Mountain's indebtedness to U. S. Bank.
16 Professional fees incurred by the Receiver, Schweitzer and the
17 Guarantors relative to this Receivership under this paragraph
18 (including fees incurred in preparation for the Receivership),
19 shall be treated as ordinary course payables, which shall be
20 payable upon approval by the Receiver on a monthly basis.

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IV. ADDITIONAL OBLIGATIONS

AND IT IS FURTHER ORDERED THAT:

1. U. S. Bank has agreed to forbear through October 31, 1997¹, from (a) conducting any foreclosure sale on any asset of Schweitzer Mountain, (b) offsetting any bank account of Schweitzer Mountain, or (c) commencing any judicial action or other court proceeding against Schweitzer Mountain or the Guarantors. U. S. Bank reserves all other rights, including but not limited to the rights to immediately commence foreclosure actions or other proceedings against parties other than Schweitzer Mountain and the Guarantors. If during the forbearance period described in this paragraph there shall occur or exist any Event of Default under the Loan Documents or this Order, or if the Guarantors fail to perform their obligations under this Order, then the forbearance period shall terminate and U. S. Bank shall be entitled to exercise any of its rights and remedies provided for in this Order or any of the Loan Documents, including but not limited to the Sixth Amendment.

2. Prior to selling, assigning or transferring its interest in the Loan Documents (or any of them), U. S. Bank shall provide to the defendants not less than thirty (30) days' written notice of U. S. Bank's intent to sell, assign or transfer such

¹This forbearance period shall run concurrently with the term of the Receivership and shall be extended if the receivership term is extended in accordance with Section 1 above.

STIPULATION AND ORDER APPOINTING RECEIVER - 12

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1 interest, including the name of the purchaser and the terms and
2 conditions of the contemplated transaction.

3 3. Schweitzer Mountain shall execute any
4 documentation deemed by U. S. Bank to be necessary or desirable
5 to enable U. S. Bank to realize on its security interests in its
6 collateral, including an assignment to U. S. Bank of Schweitzer
7 Mountain's federal income tax refund and any other refunds due to
8 Schweitzer Mountain.

9 4. On or before December 31, 1996, each of the
10 Guarantors shall provide U. S. Bank with a current financial
11 statement. The financial statements shall list each asset
12 separately and specify the address of each parcel of real estate
13 owned by the Guarantors.

14 5. All the obligations of Schweitzer Mountain
15 specified in the Order shall be binding on Schweitzer Mountain
16 and on any of its officers, directors, employees, and agents who
17 receive actual notice of the terms of this Order.

18 ORDERED this 1st day of ^{November} ~~October~~, 1996.

19
20 EDWARD J. LODGE

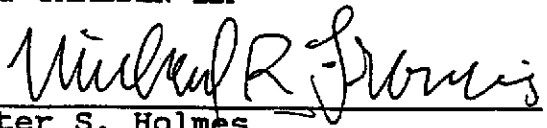
21 UNITED STATES DISTRICT
22 JUDGE/MAGISTRATE

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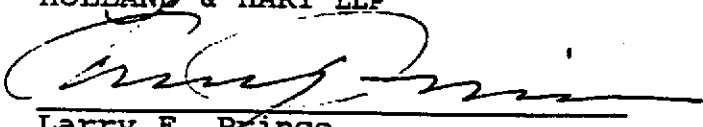
Department of Water Resources

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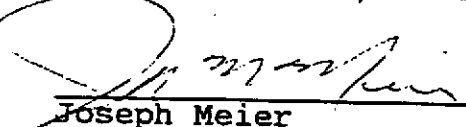
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16 Shaun M. Cross
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19 Management Company, Recreations' Utility Company, Inc.,
20 Barbara Huguenin, Jean O. Brown, Patricia Powell,
Josephine H. Bopp, and Jacqueline Gran

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STIPULATION AND ORDER APPOINTING RECEIVER - 14

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Department of Water Resources

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STIPULATION AND ORDER APPOINTING RECEIVER - 14

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Department of Water Resources

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FILED _____

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UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

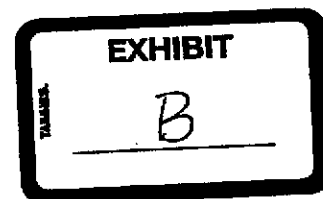
U.S. BANK OF WASHINGTON, NATIONAL)
ASSOCIATION, a national banking)
association,)
Plaintiff,)

Civil No. CIV96-0478-N-EJL

v.)

ORDER APPROVING SALE OF
ASSETS IN ACCORDANCE WITH
FIRST AMENDED PLAN OF
REORGANIZATION OF
UNSECURED CREDITORS
COMMITTEE

PACK RIVER LTD. CO., an Idaho limited)
liability company; PACK RIVER)
MANAGEMENT COMPANY, a general)
partnership; SCHWEITZER, INC., an)
Idaho corporation; PACK RIVER INVESTMENT)
COMPANY, a general partnership;)
RECREATIONS' UTILITY COMPANY, INC.,)
an Idaho corporation; RESORT)
DEVELOPMENT, INC., an Idaho corporation;)
BARBARA HUGUENIN; JEAN O. BROWN,)
PATRICIA POWELL; JOSEPHINE H. BOPP;)
and JACQUELINE GRAN;)
Defendants.)



This matter having come before the Court based upon the Amended Motion by the Receiver for authority to sell real and personal property belonging to Schweitzer, Inc and Pack River Ltd. Co. according to the terms of the confirmed Chapter 11 Plan filed in the bankruptcy proceeding by the Unsecured Creditors' Committee in the bankruptcy cases

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Third Supplement. The plan, together with the modifications, was confirmed by the United States Bankruptcy Court for the District of Idaho by order entered October 5, 1998. The Plan, the supplements and the order are hereinafter collectively referred to as "THE PLAN". THE PLAN provides for the sale of assets and distribution of proceeds in a manner consistent with orders entered in this proceeding and the intent of Appointment Order wherein this Court appointed Ford Elsaesser as Receiver to manage property and to liquidate the assets of Pack River Ltd. Co., Schweitzer, Inc. and Recreations' Utility Company, Inc.

4. This Court previously ordered the Receiver to obtain three separate appraisals on the Ski Resort Assets, as defined in the Amended Motion, which appraisals were served on the parties and filed in this proceeding on June 19, 1998. Those three appraisers valued the SKI RESORT ASSETS at \$17,000,000.00, \$18,000,000.00 and \$19,496,000.00. The SKI RESORT ASSETS are defined in the Amended Motion as including all of the Schweitzer Mountain Resort including real property, personal property, buildings, improvements, equipment and other operating assets associated with the operation and development of the Schweitzer Mountain Ski Area. It also includes Schweitzer, Inc.'s and Pack River Ltd. Co.'s rights under executory contracts and unexpired leases described in section 6.1 of THE PLAN as to be assumed by the Resort Assets Purchaser (which is defined in THE PLAN). Most of these assets are owned by Schweitzer, Inc. and Pack River Ltd. Co. In addition, these assets include all of the assets of Recreations' Utility Company, Inc. which is not a debtor in any bankruptcy proceeding, but which property is controlled by Receiver. All of these assets are located in the State

DEC 14 1998

Department of Water Resources

- I. Baldy Shop located in Bonner County, Idaho.
- J. Rapid Lightning Property located in Bonner County, Idaho.
- K. Sandpoint Industrial Park Lease located in Bonner County, Idaho.
- L. Interest, if any, in Hidden Lake Golf Course located in Bonner County, Idaho.
- M. Miscellaneous Real Estate Assets located in Idaho and Montana.
- N. Miscellaneous Other Assets.
- O. Executory Contracts and Leases described in paragraph 6.1 (a) of THE PLAN, page 16.

These are more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference.

2. The Receiver is authorized to contribute all of the assets of Recreations' Utility Company, Inc. to Schweitzer, Inc. so those assets can be included in the sale of the SKI RESORT ASSETS described in THE PLAN. The Recreations' Utility Company, Inc.'s assets include portions of the sewer, water, cable and other utility operations for the Ski Resort and any licenses related to sewer, water and utility operations at the Ski Resort. These assets are more particularly described in the depreciation schedule of Recreations' Utility Company, Inc. attached hereto as Exhibit "B". The Court finds that the assets of Recreations' Utility Company, Inc. are intertwined with the value of the assets which make up the SKI RESORT ASSETS and that the price to be received pursuant to THE PLAN is supported by the appraisals submitted to this Court (each of which included Recreations' Utility Company, Inc.'s assets in the assets appraised). Once the sale of the SKI RESORT ASSETS is consummated Recreations' Utility Company, Inc. will be released by Plaintiff

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CERTIFICATE OF DELIVERY

I HEREBY CERTIFY that on the ____ day of October, 1998, a true and correct copy of the foregoing was delivered as follows:

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Goldstein & Manello, P.C.
265 Franklin Street
Boston, MA 02110-3192

Robert Fasnacht
Attorney at Law
1250 Ironwood Drive, Suite 310
Coeur d'Alene, ID 83814

John Magnuson
424 Sherman Ave., Ste. 205
Coeur D'Alene, ID 83816

Barry W. Davidson
Davidson, Bailey & Medeiros
601 W. Riverside Ave., Suite 1280
Spokane, WA 99201

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Department of Water Resources

SCHEDULE A
SUMMARY DESCRIPTION OF PROPERTY OF THE ESTATES

I. Resort Assets

Schweitzer Mountain Resort consists of real property, personal property, buildings, improvements, equipment and other operating assets associated with the operation of the Schweitzer Mountain Resort ski area. The "Resort Assets" consists of property as described in the summaries of the three appraisals attached hereto as Exhibits A-1(a) through A-1(c), summarizing the appraisals of Intermountain Consultants, Sno. engineering and Auble & Associates. Copies of the full appraisals may be obtained by contacting counsel for the Official Unsecured Creditors Committee or the Receiver. A copy of the legal descriptions concerning the Resort Assets may be obtained from the Receiver.

II. Pack River Ltd. Co. Contract Receivables

Pack River Ltd. Co. ("PRLLC") has numerous contract receivables resulting from sales of various parcels of real property ("PRLLC Contract Receivables"). As of February 28, 1998, the estimated value of these receivables is approximately \$900,000 which would be adjusted for balance reductions that have occurred since that date.

III. Slack Point Real Property

The Slack Point Real Property is undeveloped real property located in Lake County, Montana, a legal description of which is attached hereto as Exhibit A-2. This property is described in the Disclosure Statement and Plan as a "U. S. Bank Asset."

IV. Baldy Real Property

The Baldy Real Property consists of approximately 2,000 acres located west of Sandpoint, in Bonner County, Idaho, presently classified as undeveloped timberland. This property is proposed to be sold as a "U. S. Bank Asset" under the Disclosure Statement and Plan, under the sale procedures described in Section 3.2 of the Plan. The legal description of the property is attached hereto as Exhibit A-3.

V. Polson Mill Site

The Polson Mill site is a parcel of real property in Lake County, Montana, upon which the Polson sawmill operated at one

EXHIBIT

A

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Department of Water Resources

XI. Sandpoint Industrial Park Lease

The Sandpoint Industrial Park Lease is a leasehold of industrial-owned property located on Boyer Avenue, Sandpoint, Idaho, being leased on a long-term lease from the City of Sandpoint. Numerous buildings are leased by PRLLC to third parties under numerous short-term and month-to-month leases. This is an asset proposed to be conveyed to secured creditors, Mr. and Mrs. Otten, under the Disclosure Statement and Plan. The legal description of the Sandpoint Industrial Park leasehold is attached hereto as Exhibit A-8.

XII. Hidden Lake Golf Course

PRLLC has an ownership interest in the asset known as the Hidden Lake Golf Course, located in Bonner County, Idaho, as a result of investments by PRLLC into said golf course and certain agreements between Pack River Ltd. Co. and Villelli Enterprises, Inc. (the "Golf Course Interest"). The interest of PRLLC in the golf course is the subject of litigation now pending in the United States District Court, the Northern District of Illinois, Eastern Division, Case No. 97 C 0988, before Judge George W. Lindberg. That litigation was commenced by Holson Investment Company, an Illinois corporation, Richard S. Holson, Jr. and James F. Holson, which litigation generally requests the Court to determine the respective interests of the parties in the golf course as a result of Holsons' investment of approximately \$1.7 million. This litigation is scheduled, at last report, to go to hearing on for summary judgment, and trial has been re-set for August 3, 1998.

U. S. Bank claims that the Golf Course Interest may be part of its secured claim due to the fact that U. S. Bank collateral was utilized to make the \$500,000 investment. The ultimate interest of the golf course shall be sold or otherwise disposed of under the Disclosure Statement and Plan as a Receivership Asset, with any net proceeds or property being distributed thereunder divided between U. S. Bank and the unsecured creditors in the manner provided for under the Plan.

XIII. Miscellaneous Real Estate Assets

Miscellaneous Real Estate Assets consist of individual lots of miscellaneous real property, all of which are Receivership Assets, described as follows:

- A. Trout Creek, which legal description is attached hereto as Exhibit A-9;

SCHEDULE A

SUMMARY DESCRIPTION OF PROPERTY OF THE ESTATES

Page 3

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EXHIBIT A-2
SLACK POINT PROPERTY LEGAL DESCRIPTION

IN THE STATE OF MONTANA, COUNTY OF LAKE:

Parcel 1:

Government Lots 3 and 4, the South half of the Northwest quarter and the East half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana,

EXCEPT THEREFROM a portion of the East half of the East half of the East half of the East half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, described as follows:

Beginning at a point on the Northerly right-of-way boundary of Montana State Highway 35 which bears North 0°00'06" West 34.39 feet and North 80°44'31" West 20.0 feet from the South one-quarter corner of said Section 1; thence continuing North 08°44'31" West along said right-of-way boundary for a distance of 144.62 feet; thence North 0°13'31" West 228.77 feet to a (found) monumented corner; thence North 0°00'41" West 61.45 feet; thence North 09°59'31" East 145.49 feet; thence South 0°00'06" East 293.41 feet to the Point of Beginning. Tract A on Certificate of Survey 13916.

FURTHER EXCEPTING THEREFROM a portion of the East half of the East half of the East half of the East half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, described as follows:

Beginning at the Southwest corner of the Southeast quarter of Section 1, said Township and Range, thence North a distance of 10 rods; thence West a distance of 20 feet; thence South a distance of 20 rods; thence East a distance of 20 feet to the Point of Beginning.

FURTHER EXCEPTING THEREFROM a portion of the East half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, described as follows:

Beginning at a point on the Northerly right-of-way of Highway 35 that bears North 89°53' West a distance of 165.27 feet and North 0°15' West a distance of 57.25 feet from the South quarter corner of said Section 1; thence along said right-of-way North 86°46' West a distance of 208.71 feet; thence North 0°15' West a distance of 208.71 feet; thence South 88°46' East a distance of 208.71 feet; thence South 0°15' East a distance of 208.71 feet to the Point of Beginning. Deed Exhibit H-1077.

EXHIBIT A-2
SLACK POINT PROPERTY LEGAL DESCRIPTION
Page 1 of 2

FURTHER EXCEPTING THEREFROM those lands heretofore conveyed to Lake County, Montana, a Body Politic and Corporate, for road purposes only, by instrument dated July 11, 1960; recorded September 19, 1960, in Book 54 of Deeds, page 37, records of Lake County, Montana.

Parcel 2:

Lots 13 and 14 in Block 1; Lots 13 through 21, inclusive, in Block 2 of Poison City Center Addition to the City of Poison, Lake County, Montana, according to the map plat thereof on file in the Office of the Clerk and Recorder of Lake County, Montana.

Parcel 3:

A portion of the East half of the East half of the East half of the East half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana, further described as being remainder on Certificate of Survey No. 3916, on file in the Office of the Clerk and Recorder of Lake County, Montana.

Parcel 4:

The West half of the Southwest quarter of Section 1, Township 22 North, Range 20 West, M.P.M., Lake County, Montana.

EXHIBIT A-2
SLACK POINT PROPERTY LEGAL DESCRIPTION
Page 2 of 2

RECEIVED

DEC 14 1998

Department of Water Resources

EXHIBIT A-5
GRANITE CREEK PROPERTY LEGAL DESCRIPTION

IN THE STATE OF IDAHO, COUNTY OF BONNER:

Parcel 1:

A tract in the Southeast quarter of the northeast quarter of the Southwest quarter of Section 25, Township 55 North, Range 1 West, Boise Meridian, Bonner County, Idaho, described as follows:

Commencing at the Southeast corner of the Northeast quarter of the Southwest quarter of said Section 25; thence North on the East line of said Northeast quarter of the Southwest quarter, a distance of 267 feet; thence West at an angle of South 85° West, 282 feet; thence South 05° East to intersect the South line of said Northeast quarter of the Southwest quarter at a point 262 feet from the place of beginning at the Southeast corner of the Northeast quarter of the Southwest quarter of said Section 25; thence East along South line to the Point of Beginning;

EXCEPT any portion thereof which lies within Forest Drive of the Plat of Granite Creek Properties.

Parcel 2:

Lots 12 and 13 in Block 5, Unit I of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 3:

Lots 5, 6, 7, 8, 9, 10, 11, 13, 15, 16, 18, 19, 20 and 21 in Block 9, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 4:

Lots 1 through 31, inclusive, in Block 11, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 5:

Lots 2 through 37, inclusive, in Block 14, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 6:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41 and 42 in Block 16, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 7:

Lots 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47 and 49 in Block 18, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 8:

Lots 5 through 13, inclusive, in Block 21, Unit II of Granite Creek, according to the plat thereof, recorded in Book 2 of Plats, page 84, records of Bonner County, Idaho.

Parcel 9:

All that portion of Government Lot 3 and all that portion of the Northeast quarter of the Southeast quarter of Section 26, Township 55 North, Range 1 West, Boise Meridian, Bonner County, Idaho, lying within the 550 foot wide Bonneville Power Administration easement and lying within the adjacent 100 foot wide Washington Water and Power Company easement crossing said properties.

DEC 14 1998

Department of Resources

Lot 2:

Beginning at the East Quarter Corner of said Section 15, being a BLM Brass Cap monumenting said corner; thence North 89°59'08" West along the East West centerline of said Section 15 a distance of 2525.58 feet to the True Point of Beginning; thence North 0°05'10" East a distance of 1940.37 feet; thence North 77°27'29" West a distance of 390.44 feet; thence South 60°34'49" West a distance of 71 feet; thence South 0°05'10" West a distance of 1998.16 feet; thence South 89°59'08" East a distance of 443.04 feet to the True Point of Beginning.

Lot 2:

Beginning at the East Quarter Corner of said Section 15, being a BLM Brass Cap monumenting said corner, the True Point of Beginning; thence North 89°59'08" West along the East West centerline of said Section 15 a distance of 850.62 feet; thence North 0°05'10" East a distance of 1210 feet to the centerline of Flume Creek as it now exists; thence in a Southeasterly direction along the centerline of Flume Creek as it now exists, to a point of intersection with a line that bears North 0°05'10" East, 846.70 feet from the True Point of Beginning; thence leaving the centerline of said Flume Creek as it now exists South 00°05'10" West a distance of 846.70 feet to the True Point of Beginning.

EXHIBIT A-8
SANDPOINT INDUSTRIAL PARK PROPERTY LEGAL DESCRIPTION

IN THE STATE OF IDAHO, COUNTY OF BONNER:

A parcel of property situated in the City of Sandpoint, County of Bonner, State of Idaho, to-wit:

Within the East half of Section 15, Township 57 North, Range 2 West, Boise Meridian, bounded on the North and on the South by the Burlington Northern Railroad Company rights-of-way and on the East by the Spokane International Railroad right-of-way which presently exist on the records of Bonner County, Idaho.

Also described as follows:

All that portion of the East half of Section 15, Township 57 North, Range 2 West, Boise Meridian, Bonner County, Idaho, lying West of Spokane International Railroad and North of the right-of-way of the existing railroad track which connects the main line tracks of the Northern Pacific Railway Company, the Spokane International Railroad and the Great Northern Railway Company, and lying South of a line parallel with and distant 50 feet South of, measured at right angles and radially, from the following described centerline of proposed connecting tract:

Commencing at the Northeast corner of Section 16, said Township and Range; thence Westerly along the North line of said Section 16 for 587.05 feet to its intersection with said centerline of proposed connecting track and the True Point of Beginning; thence along a 02°30' curve to the left whose tangent at a point of intersection makes a Southeasterly angle of 80°45'30" with said North line; thence Southeasterly along said 02°30' curve to the left, through an angle of 52°06'45" for 2084.5 feet; thence along an A.R.E.A. spiral curve to the left, through an angle of 06°00' for 480 feet; thence Southeasterly and tangent for 2638.17 feet; thence Southeasterly along an A.R.E.A. spiral curve to the right, through an angle of 06°00' for 480 feet; thence Southeasterly along a 02°30' curve to the right, through an angle of 42°04' for 1602.66 feet and the end of this centerline description.

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Department of Water Resources

EXHIBIT A-12
LONEPINE PROPERTY LEGAL DESCRIPTION

IN THE STATE OF MONTANA, COUNTY OF SANDERS:

Lot 1 of Block 2, Lot 1 of Block 4, Lot 6 of Block 7, Lots 8 and 9 of Block 11, Lots 11, 13 and 14 of Block 10, in the Town of Lonepine, according to the plat thereof on file and of record in the Office of the County Clerk and Recorder of Sanders County, Montana.

EXHIBIT A-12
LONEPINE PROPERTY LEGAL DESCRIPTION

CLIENT 10110

PESPEATIONS' UTILITY COMPANY, INC.

82-0311204

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	CURR. DEPR. PCT.	METHOD	PRICE DEC. BAL. DEPR.	BASIS REDUCTN	SALVAGE VALUE	DEPR. BASIS	PRICE DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
CUM 11205 (CONT)															
32	'91 SINKER IMPROVE.	1/01/91		633						633	315	15000 HY	15	.05000	37
33	'91 LADDER COSTS	1/01/91		19,917						19,917	9,921	15000 HY	15	.05000	1,175
34	'91 SINKER SYS COSTS	1/01/91		12,532						12,532	6,242	15000 HY	15	.05000	739
35	'90 ADD'L WATER COST	6/30/91		5,620						5,620	2,800	15000 HY	15	.05000	312
36	'91 WATER IMPROVEMENT	1/01/91		110,696						110,696	55,323	15000 HY	15	.05000	6,331
37	'90 ADD'L CABLE COST	6/30/91		1,006						1,006	1,725	20000 HY	7	.04460	111
38	'91 CABLE IMPROVE.	1/01/91		633						633	2105	20000 HY	7	.04460	20
39	'90 OFFICE DESK	2/11/91		167						167	160	20000 HY	7	.04460	7
40	'90 LADDER COSTS	5/26/91		13,291						13,291	6,620	15000 HY	15	.05000	704
41	'91 INTERCABLE REPAIRS	1/15/91		3,028						3,028	2,093	20000 HY	7	.04460	135
42	1992 SUB SINK INSTALL.	12/31/92		2,331						2,331	971	15000 HY	15	.05000	130
43	1992 TANKLESS 111 REPAIR	12/31/92		8,392						8,392	3,499	15000 HY	15	.05000	495
44	1992 LADDER IMPROVEMENTS	12/31/92		11,900						11,900	4,963	15000 HY	15	.05000	702
45	1992 SPRAY IRRIGATION	12/31/92		50,506						50,506	24,429	15000 HY	15	.05000	3,457
46	'92 WATER SYSTEM IMPROVE.	2/29/92		5,200						5,200	2,402	15000 HY	15	.05000	307
47	NEW WELL	12/31/92		20,570						20,570	8,578	15000 HY	15	.05000	1,214
48	'92 CABLE EXPANSION	12/31/92		7,974						7,974	6,669	20000 HY	7	.04730	696
49	NEW COSTS - 1992	12/31/92		6,226						6,226	1,763	15000 HY	15	.05000	260
	111 ELIMINATION - NEW 100	9/30/93		31,547						31,547	11,629	15000 HY	15	.04810	1,971
51	SPRAY IRRIGATION	11/30/93		12,765						12,765	4,496	15000 HY	15	.04460	827
52	CABLE SERVICE EXPANSION	11/30/93		2,425						2,425	1,816	20000 HY	7	.06730	212
53	CABLE HARDWARE/LINE EXT.	11/30/93		3,894						3,894	2,916	20000 HY	7	.06730	310
54	100 METERAGE	12/31/93		840						840	628	20000 HY	7	.06730	73
55	FIREPROOF FILE CABINET	11/30/93		982						982	734	20000 HY	7	.06730	66
56	1992 WATER WELL	1/01/94		4,901						4,901	1,966	15000 HY	15	.05000	294
57	EXTEND SINKER FOR MAIN	9/30/94		122,865						122,865	37,701	15000 HY	15	.05000	8,515
58	REPAIR SINKER PUMP	10/31/94		5,802						5,802	1,704	15000 HY	15	.05000	402
59	111 ELIMINATION	7/30/94		110,339						110,339	36,389	15000 HY	15	.04930	8,201
60	TANKLESS 111 REPAIR	7/30/94		2,930						2,930	2,021	20000 HY	7	.06730	262
61	WINDLINE EXTENSION SERVICE	8/31/94		6,350						6,350	4,366	20000 HY	7	.06730	367
62	NEW SATELLITE CABLE	12/30/94		6,709						6,709	6,660	20000 HY	7	.06730	606

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DEC 14 1998

Department of Water Resources

Q.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	CONST/ BASIS	INVS. PCT.	COMMENT	PRIOR 179/ HOURS	PRIOR DEC. VAL. DEPR.	BASIS METHOD	SALVAGE VALUE	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	ITEM 11206 (EQUIP)															
74	LANDSCAPE PLANT	12/31/97		13,531							13,531	160	15000 Hrs	25	.000000	1,337
75	ENGINEERING	12/31/97		8,205							8,205	100	15000 Hrs	15	.000000	811
76	MAINTENANCE	1/01/97		62,535							62,535	5,672	15000 Hrs	15	.00130	5,709
	GRAND TOTAL DEPRECIATION			2,994,419			0	1,620	0	0	2,992,751	1,311,039				169,300

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DEC 14 1998

Department of Water Resources



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208)327-7900 FAX: (208)327-7866 www.idwr.state.id.us/idwr/idwrhome.htm

January 14, 1999

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

US BANK NATIONAL ASSN
JOE ANDERSEN
US BANK PLACE MPFP2518
MINNEAPOLIS MN 55402

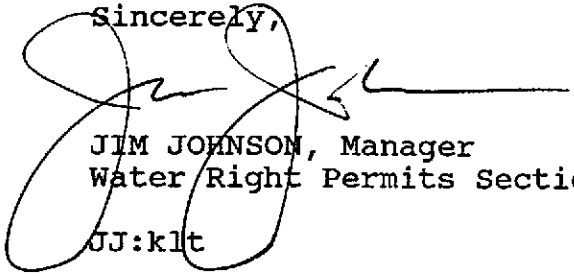
RE: Confirmation of Receipt of Letter

Dear Mr. Andersen:

This letter is to confirm that copies of the letter of December 31, 1998 from Resort Water Co., Inc. (copy enclosed) have been placed in the files as requested.

If you have any questions regarding this matter, you may phone me at 208-327-7947.

Sincerely,



JIM JOHNSON, Manager
Water Right Permits Section

JJ:klt

Enclosure

MICROFILMED
FEB 11 1999

RECEIVED

JAN 4 1999

DEPARTMENT OF WATER RESOURCES

RESORT WATER CO., INC.
U.S. Bank Place - MPFP2516
Minneapolis, MN 55402

December 31, 1998

By Federal Express

Mr. Jim Johnson
Idaho Department of Water Resources
1301 N. Orchard Street
Boise, Idaho 83706-2237

Dear Mr. Johnson:

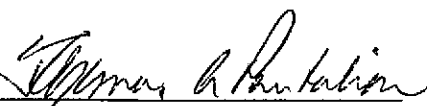
Resort Water Co., Inc., for and in consideration of \$11,491,297, has granted a security interest in all water applications, permits, licenses, claims, decreed rights or other rights or interests currently belonging to Resort Water Co., Inc. to U.S. Bank National Association, including Permits 96-08428, 96-08413, 96-07841, 96-08725, License 96-07127 and Decree 95-4139.

Pursuant to instructions from your office, we request that a copy of this letter be placed in each of the above referenced water right files. When this has been accomplished, please provide a letter of acknowledgments to Joe Andersen, U.S. Bank National Association, U.S. Bank Place, MPFP2518, Minneapolis, Minnesota 55402.

thank you for your assistance.

Sincerely,

RESORT WATER CO., INC.

By 
Thomas A. Pantalion
Vice President and Secretary

cc: Joe Andersen, Esq.
David D. Buck, Esq. (by fax)
Mr. Ronald W. Cook (by fax)
Mr. Richard J. Mikos
Larry E. Prince, Esq. (by fax)

MICROFILMED

FEB 11 1999



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

December 17, 1998

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

RESORT WATER CO INC
U S BANK PL - MPFP2516
601 2ND AVE S
MINNEAPOLIS MN 55402-4302

RE: ASSIGNMENT OF PERMITS 96-07841/96-08413/96-08428/96-08725

Dear Water Right Holder(s):

We acknowledge receipt of the correspondence changing ownership of the above referenced water rights to you. We have modified our computer records to reflect this change in ownership. A copy of a computer generated report is enclosed for each water right for your information.

Also, please note that as of July 1, 1996, water right owners are required to report any change of water right ownership and any change of mailing address to the department. If you have acquired a water right or have changed your mailing address PRIOR TO July 1, 1996, you have until July 30, 1998, to notify the department. If you acquire a water right or change your mailing address AFTER July 1, 1996, you must notify the department within 120 days of the change.

Failure to report these changes could result in a \$100 late filing fee. Contact any office of the department to obtain the proper reporting form.

If you have any questions regarding this matter, please feel free to contact us.

Sincerely,

JIM JOHNSON, Manager
Water Right Permits Section

JJ:klt

Enclosures

MICROFILMED
JAN 04 1999

MICROFILMED
FEB 11 1999

RECEIPT
For Monies Paid
to the
Idaho Department of Water Resources

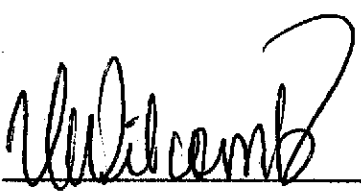
Receipt No: C044125

Date: 12/15/1998
Time: 09:39:34

Received
From: HOLLAND & HART LLP

Type of Payment	Program A cct	Amount
PERMIT 96-08725	56103 229 21 1155	25.00
CHECK 0591		
	Total \$	25.00

Region: STATE

Signature: 

MICROFILMED
JAN 04 1999

MICROFILMED

FEB 11 1999

**ANALYSIS SHEET
FOR
PROOF OF BENEFICIAL USE**

Permit No. 96-08725 Reviewed by Jy Date 2-20-98

GENERAL CONSIDERATIONS

TYPES OF USE

yes Name same as permit?
yes Address same as permit?
yes Proof timely received? Correct Uses? yes
If not, complete calculation below.

SOURCE OF WATER

 Surface water source
✓ Ground water source
yes Drilling permit required?
NO Copy in the file? Drilling Permit No. 9692-N-0232-000
200- Amount paid for permit yes Correct?
NO Well log in the file?

LICENSE EXAMINATION FEE

MEASURING DEVICE

yes Required?
100- Amount Submitted \$ 50.00
NO Correct? max
NO Required?
yes Installed?
 Waiver requested?

PRIORITY CALCULATION

Date proof received	<u> </u>	<u> </u>
Date proof due	<u> </u>	<u> </u>
No. of days late	<u> </u>	<u> </u>
Priority Date	<u> </u>	<u> </u>
New Priority Date	<u> </u>	<u> </u>

DEFICIENCIES OR ACTION ITEMS

*Advise that permit only authorizes .20 cfs - not .40
Refund \$50.00 of lic. exam fee
Proof acceptable*

DATA ENTRY

New Address X Proof Made 1-9-98



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, P.O. Box 83720, Boise, Idaho 83720-0098

Phone: (208) 327-7900 FAX: (208) 327-7866

February 24, 1998

PHILIP E. BATT
GOVERNOR

KARL J. DREHER
DIRECTOR

Recreational Utilities Co Inc
PO Box 1921
Sandpoint ID 83864

PROOF ACKNOWLEDGMENT LETTER

RE: Permit No. 96-07825

Dear Permit Holder:

The Department is in receipt of the proof of beneficial use statement and the \$250.00 license examination fee filed in connection with the above referenced water right permit.

This water right permit only authorizes a maximum rate of diversion of .20 cfs for domestic and commercial use. The license examination fee for a rate of diversion of .20 cfs is \$50.00. Therefore, I have initiated the process to refund the additional \$50.00 exam fee submitted. The refund should arrive in seven (7) to ten (10) business days under separate cover.

Be advised that Section 42-248, Idaho Code, requires you or the owner of this water right to maintain current ownership and address records on file with the department. Forms to file a change of ownership of a water right and/or a change in the address of the water right owner are available from any department office.

The next step in the process of developing a water right is for the department to conduct a field examination to determine and confirm the use being made of the water. If you have any questions concerning the field examination, contact the **Northern** Regional Office in Coeur d'Alene, at (208)769-1450.

Sincerely,

JULIE L. YARBROUGH
Senior Secretary, Water Allocation Bureau

c: IDWR - Region
Mary McCulley - Fiscal

MICROFILMED
APR 10 1998

November 30, 1997

RECREATION UTILITIES CO INC
PO BOX 1921
SANDPOINT ID 83864

PROOF DUE NOTICE

RE: PERMIT NO. 96-08725

Dear Permit Holder:

One of the conditions of approval of the above referenced water permit was that proof of the extent of your beneficial use must be submitted to this office on or before February 1, 1998.

(See last page of your approved permit or your last approved extension request.) Enclosed is a form which when accompanied by the license examination fee or a complete field examination report prepared by a certified water right examiner may be used to submit the required proof.

If you have not fully completed your project, and you or a previous owner of this permit have not received a prior extension of time, you may request an extension of time if the delay is for reasonable cause as provided in Section 42-204, Idaho Code. If you have been prevented from proceeding by a governmental agency or by litigation which might bring title to the water in question, more than one extension of time can be granted. An extension of time request form is enclosed for your convenience.

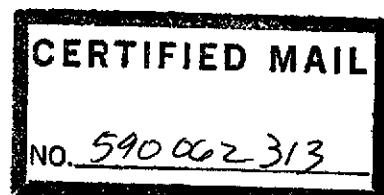
Either an acceptable proof of beneficial use submittal or an acceptable request for an extension of time must be received by this department on or before the above described proof due date. If neither is received, the department will send you a lapse notice. Within sixty (60) days of the mailing of the lapse notice, the permit will no longer be of any force nor effect.

SINCERELY,

JULIE L. YARBROUGH
Senior Secretary

Enclosures

MICROFILMED
APR 10 1998





State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

January 8, 1993

RECREATION UTILITIES CO INC
PO BOX 1921
SANDPOINT ID 83864-1921

PERMIT APPROVAL NOTICE

RE: PERMIT NO. 96-08725

Dear Permit Holder(s):

Enclosed is a copy of your approved application for permit. We direct your attention to the conditions of approval on the final page.

As a permit owner you must commence the excavation or construction of the diverting works within one year of the date the permit was issued, and you must proceed diligently until the project is completed. The date shown under Condition No. 1 is the date when the project must be completed. You will receive a "Proof Due Notice" from this Department approximately 60 days prior to the completion date requiring you to file either a Proof of Beneficial Use form stating that the project has been completed or file a Request for an Extension of Time in which to file the proof statement.

Section 42-235, Idaho Code, requires that a "drilling permit" must be obtained from the department for all wells constructed after July 1, 1987. A drilling permit is a separate permit that must be issued in addition to your permit to appropriate water. Commencement of well construction or diversion of water under your permit to appropriate water is prohibited unless a drilling permit is obtained.

Sincerely,

A handwritten signature in cursive script that reads "Brenda L. Miller".

BRENDA L. MILLER
Water Resource Agent

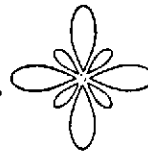
BLM:cz

Enclosure

MICROFILMED

MAY 24 1993

RECREATIONS' UTILITY COMPANY INC.



December 29, 1992

RECEIVED

JAN 4 1993

Department of Water Resources

Brenda L. Miller
Water Resource Agent
State of Idaho
Department of Water Resources
1301 North Orchard Street
Statehouse Mail
Boise, ID 83720-9000

RE: Application for Permit No. 96-08725

Dear Ms. Miller:

In response to your letter dated December 12, 1992 requesting the names, titles and addresses of all corporate officer, I submit the following:

- * Barbara Huguenin, President
218 Cedar Street
Sandpoint, ID 83864
- * Jacqueline Gran, Vice President
218 Cedar Street
Sandpoint, ID 83864
- * Josephine H. Bopp, Secretary
218 Cedar Street
Sandpoint, ID 83864
- * Patricia E. Bailey, Treasurer
218 Cedar Street
Sandpoint, ID 83864

If you have any questions please contact me at (208) 263-3184.

Sincerely,

RECREATIONS' UTILITY COMPANY, INC.

Roberta Bostock

Roberta Bostock
Executive Secretary

:rb

RECEIVED

MAY 24 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Statehouse Mail, Boise, Idaho 83720-9000

Phone: (208) 327-7900 FAX: (208) 327-7866

CECIL D. ANDRUS
GOVERNOR

R. KEITH HIGGINSON
DIRECTOR

December 22, 1992

RECREATION UTILITIES COMPANY INC
PO BOX 1921
SANDPOINT ID 83864

RE: Application for Permit No. 96-08725

Gentlemen:

We have received your application for permit for commercial and domestic use from our Northern Regional Office for final review. However, prior to final action being taken on the application, we need to have a list of the names, titles and addresses of all the corporate officers. This is a requirement of the Department's Water Appropriation Rules and Regulations.

Please submit this information as quickly as possible to prevent any further undue delay in processing your application.

Sincerely,

BRENDA L. MILLER
Water Resource Agent

c: Northern Region

RECEIVED

MAY 24 1993

APPLICATION FOR PERMIT REVIEW

Application #: 96-8725 Date: 12-22-92 Reviewer: Brenda Miller

SYSTEM COMPLETED:

No		-	26A-P17
	Complete in 1 year	-	P16
Yes			
	Proof not submitted	-	P16
	Proof submitted	-	N/A

AREA OF CONCERN? NO

GROUNDWATER:

GT. 0.2 cfs <flo-ch> - 01G-P03, 01C-P03 (existing well)
- No measurement required <flow chart>
LT. 0.2 cfs - No measurement required <flow chart>

Drilling Permit:

Approved w/permit - P99 Permit No. _____
Not included - 046-46A-46B-P23 (after 7/1/87), N/A

SURFACE WATER: not in w/d - 01C-P03 (=GT.2 w/pump), NMR <flow chart>

LOCATION:

Water Districts - WD No. _____
Surface water - R04, R04-01H-P01(LT.2 w/pump)
R04-01J-P08(GT.2), NMR <flow chart>

Groundwater - P05

Irrigation Districts - 023

Canal Co. Areas - 023

Drainage Districts - 024

Boise Front (63) - 058 (Groundwater)

Swan Falls Flag - (1, Blank or Other)

Trust - 051-052-053-P74 (Consumptive Uses)

Non Trust <1> - 048-049

RIVER BASINS:

(Surface Water) Water District Control Condition &....

Boise (63) - 05A & 11E

Payette (65) - 047-P04, 059-P71

Snake (01, 02 & 03) - 11A-P04(01), 061-P07(02/03 No W.D.Cond.)

USE:

Fish Propagation - 06A, 09E-P10 & 010 (WQ/Choose One),
042(req.), 002-P06(MD), 07A(Spec.),
044(Policy 5G)

Power - Use Power Review

Mining - 06A, 010, or 09E-P10 & 054 (req.)

Storage - 18A-for multiple measuring devices(In WD),
18B-P09(Size)

Rec/Wildlf/Aes - 027 (Non-Consumptive)

Domestic - 021 (Boise River - upstream from L Peak)

(restricted areas) 27A (Payette River & main tributaries)

OWNERSHIP:

Non land owner - 004

PROTESTED:

Agreement - 020

Beneficial Use Due Date

Other Conditions/Remarks: -

Need Corp Officers ✓

DEPARTMENT OF WATER RESOURCES
APPROPRIATION APPLICATION ANALYSIS SHEET

APPLICATION # _____

***** INITIAL REVIEW *****

APPLICANT: R.U.C.I. BY: AB DATE: 10/19/92

ITEM REQUIRED INFORMATION

1. (X) Name and Address
2. (X) Source
3. (X) Point of Diversion & County
4. (X) Quantity
(X) Nature of Proposed Use
(X) Period of Use
5. (X) Total Quantity
6. (X) Description of diverting works
(/) Dam information requested
or not requested
7. (X) Time required for b/u
8. (X) Proposed use
9. (X) Place of use or acres irrigated
10. (X) Other Water Rights
11. (X) Ownership
13. (X) Map
(X) Signature
(X) Fee (Amt, recpt, acknowlegment)
Send info sheet Y() N()

ADDITIONAL INFORMATION

Yes No

- X Field check: by _____
_____ Field report attached
_____ Analysis Supp. attached(>5cfs/500af)
✓ Water delivered by water master?
Water District # _____

PROCESSING

Yes No

PRIORITY DATE: 10/13/92

- _____ X (Include Moratorium Remark)
_____ X Statewide Avertising: (Diversion rate
greater than 10 cfs or 1,000 af).

10/5/92 Advertised in: Banner Co. Dec

County of: BONNER
BOUNDARY

SEND COPIES TO:

- | | | |
|---------------|---------------|----------------------|
| () USFS CdA | () USFS Oro | () USFS Grangeville |
| () BLM | () W/W Corps | () Albeni Corps |
| () F&G CdA | () F&G Lew | () IDL |
| (X) H&W CdA | () H&W Lew | () Adj Div |
| (Other) _____ | | |

LETTERS SENT REQUESTING:

- () Dam information () Fish Information
() Power information () Other

INFORMATION RECEIVED

- () Power information () Dam information
() Fish Information () Other

***** GROUNDWATER SECTION *****

(Yes) (No)

Checked by: _____ Date: ____/____/____

Remarks: _____

- _____ X Groundwater management area
_____ X Critical ground water area
_____ X Well Drilling Permit required
_____ X Well Drilling Application and Fees received
_____ ✓ Well Drilling Application approved?
Well Drilling Application Number _____

***** FINAL REGIONAL PROCESSING/REVIEW *****

(Yes) (No)

- _____ Notice of pending void order issued. Final order response date: ____/____/____
_____ Further information required from applicant
✓ _____ Affidavit of publication received
✓ _____ Application published correctly, If not, record action taken: _____
✓ _____ Publication dates and paper recorded on application
✓ _____ Protests received. Final protest date: ____/____/____
_____ Measuring device required
_____ Measuring port required
_____ Special conditions: _____
_____ Special conditions of approval supplement and/or cover letter attached: _____

RECEIVED
DEC 17 1992

Department of Water Resources

Approval Recommended by: B. R. A.

Date: 12/7/92

96-08725

RECREATION UTILITIES CO INC
PO BOX 1921
SANDPOINT, ID 83864

Source: GROUNDWATER

Diversion Pt: SWNWNE Sec 20 T 58N R 02W in BONNER County.
 NWNESW Sec 20 T 58N R 02W in BONNER County.
 NENWSW Sec 20 T 58N R 02W in BONNER County.

Use: COMMERCIAL (.200 CFS)
 DOMESTIC (.200 CFS)
 Total Diversion: (.200 CFS)

Date Filed: 10/ 9/1992

In: BONNER County				
T58N R02W S20	SWNE	SENW	NESW	NWSW
	NESE	NWSE	SWSE	SESE
S29	NENE	NWNE	SENE	NENW

MAILED

MAY 24 1993



State of Idaho
DEPARTMENT OF WATER RESOURCES
NORTHERN REGION, Suite No. 210 • 1910 Northwest Blvd. • Coeur d'Alene, Idaho 83814-2615
(208) 765-4639 • Fax (208) 765-2088

CECIL D. ANDRUS
Governor

R. KEITH HIGGINSON
Director

October 29, 1992

Recreation Utilities Co., Inc.
P.O. Box 1921
Sandpoint, Id. 83864

Re: 96-8725

Gentlemen:

The Idaho Department of Water Resources hereby acknowledges receipt of the above referenced Application for Permit to appropriate the Public Waters of the State of Idaho. To assist us in providing you with prompt, accurate service, please refer to the above referenced number in all future matters concerning this water right application.

Your appropriation application is currently being prepared for advertising in the county newspaper. This advertisement will be published for two consecutive weeks followed by a waiting period of ten days to allow for the submittal of protests.

If the application is not protested it will be forwarded to Boise to be considered for approval by the Director. However, if the application is protested during this waiting period, you will be sent a copy of the protest and instructions to aid you in resolving the protest without a hearing. However all protests must be resolved before approval of the application can be made, so if the protestant does not voluntarily withdraw the protest, this department will conduct a conference and/or hearing on the matter.

If your application is for groundwater and unless you are using a well that was constructed prior to July 1, 1987, it will be necessary for you to apply for a well drilling permit upon approval of the appropriation application. Well drilling permits can be issued by this office only to holders of approved appropriation permits.

If you have any questions or if I can be of any assistance please feel free to contact me at this office.

Sincerely,

ALLEN BEARDSLEE
Senior Water Resources Agent

AB/pms

RECEIVED

MAY 24 1993



State of Idaho

DEPARTMENT OF WATER RESOURCES

NORTHERN REGION, Suite No. 210 • 1910 Northwest Blvd. • Coeur d'Alene, Idaho 83814-2615
(208) 765-4639 • Fax (208) 765-2088

CECIL D. ANDRUS
Governor

R. KEITH HIGGINSON
Director

October 28, 1992

Idaho Divn. of Environment

2110 Ironwood Parkway, #101

Coeur d'Alene, Id. 83814

Re: 96-8725

Gentlemen:

Enclosed is a recent filing with this Department that may be of interest to your agency.

Sincerely,

ALLEN BEARDSLEE
Senior Water Resources Agent

AB/pms

Enc. - Application

MAY 24 1993