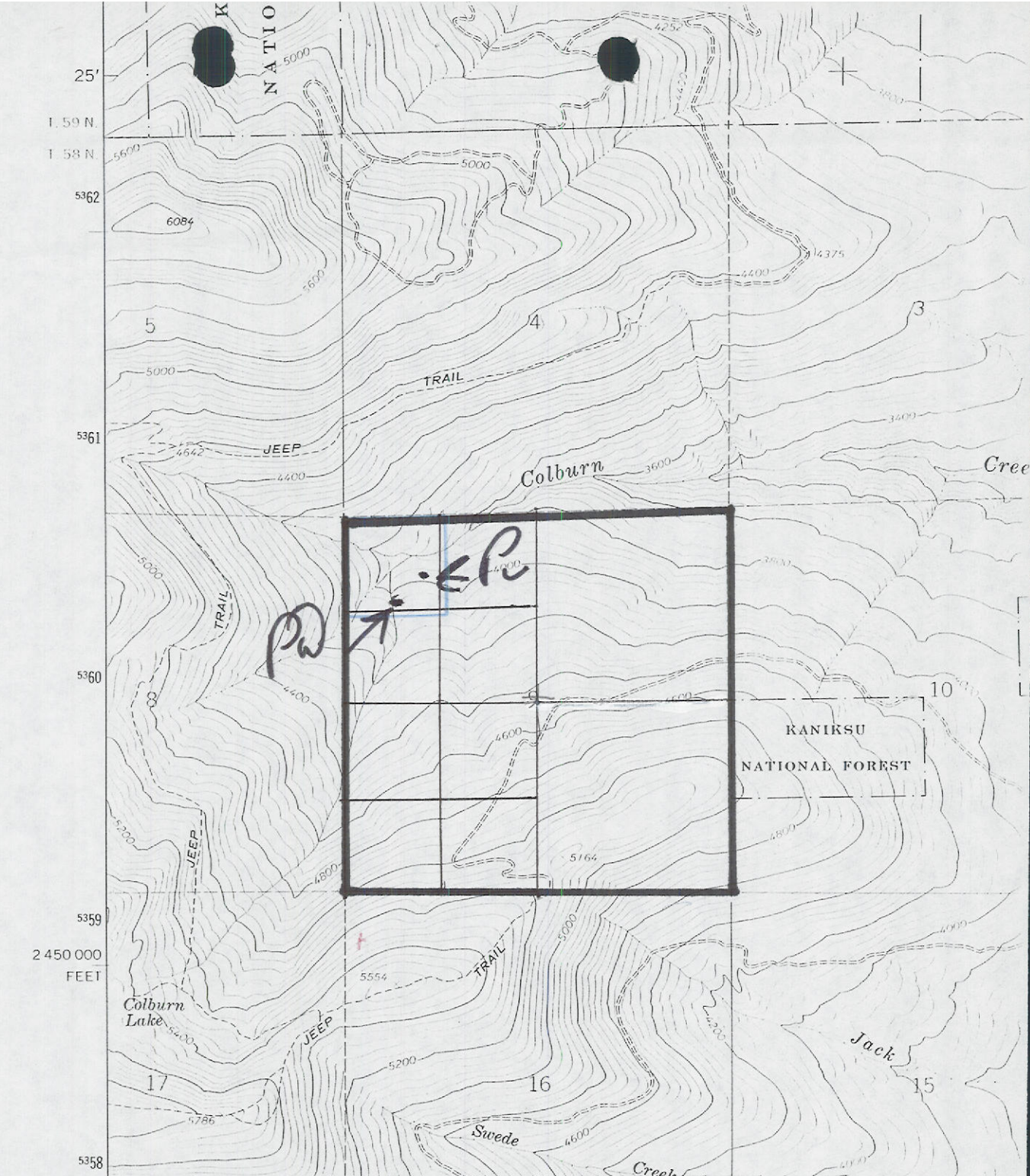


7/17/01

Idaho Dept. of Water Resources Place of Use Comparison Report

Page1

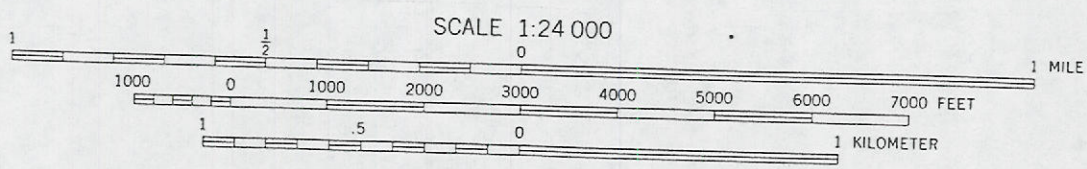
[illegible]



48° 22' 30" N
116° 37' 00" W
M
C

9607841

(HAPPY FORK GAP)
2680 / SW



CONTOUR INTERVAL 40 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

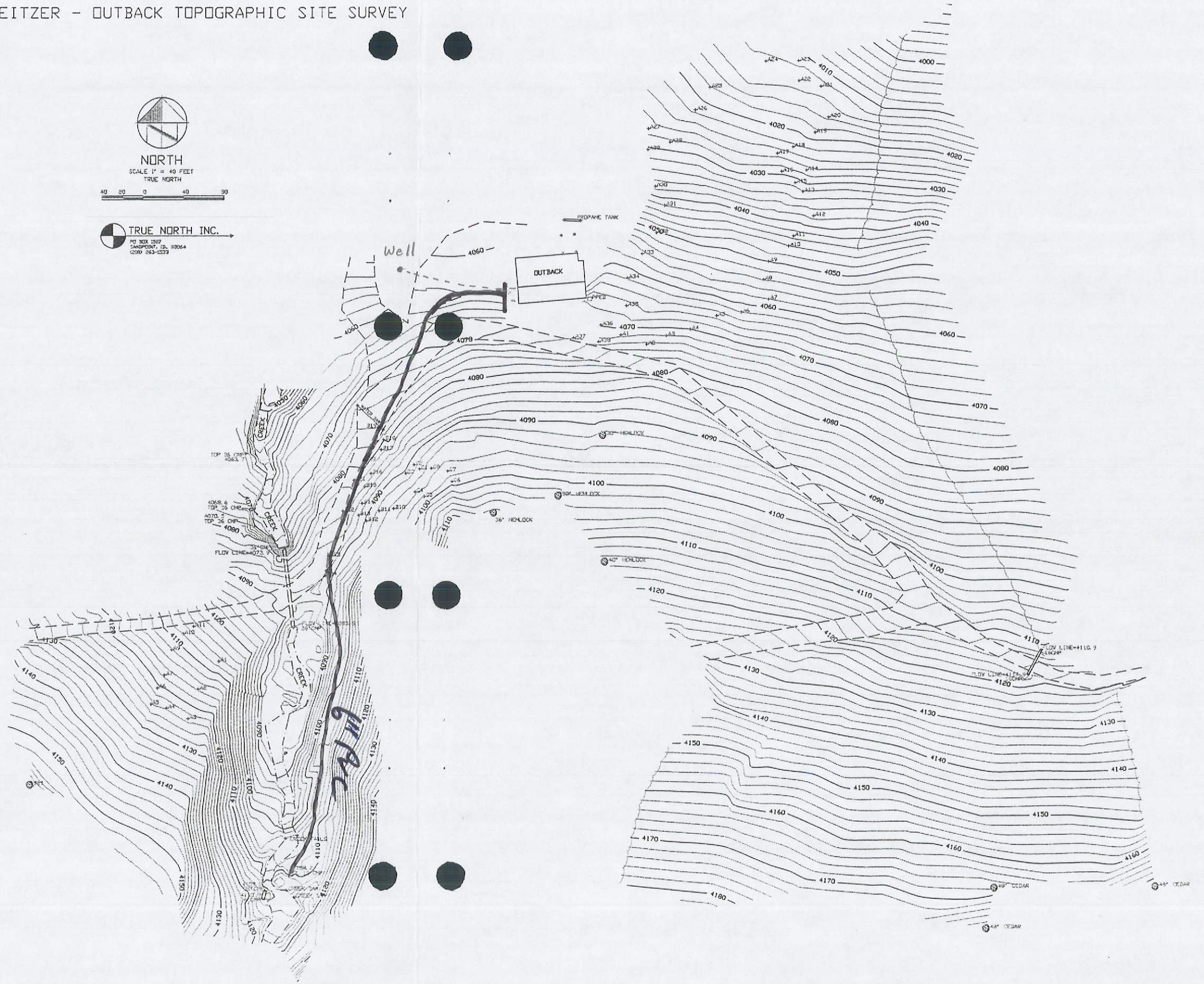
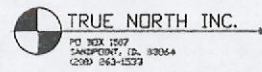
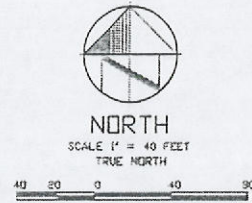
MICROFILMED
FEB 25 2002

158N R2W

THIS MAP
PREPARED BY U.S. GEOLOGICAL SURVEY
A FOLDER DESCRIPTION

96-07841

SCHWEITZER - OUTBACK TOPOGRAPHIC SITE SURVEY





Recreations Utility Co. permit #
Outlet pipe / Earthen ~~dam~~ 96-7841
Schweitzer Mt.



Recreations Utility Co.
Reservoir behind earthen ~~dam~~ permit #
Schweitzer Mt. 96-7841

96-07841

MICROFILMED
FEB 25 2002

State of Idaho
Department of Water Resources
Water Right License

WATER RIGHT NO. 96-07841

Priority: November 22, 1979

Maximum Diversion Rate: 0.50 CFS

It is hereby certified that RESORT WATER CO INC
HARBOR RESORT LLC
500 UNION ST #200
SEATTLE WA 98101 has complied with the terms and
conditions of the permit, issued pursuant to Application for Permit dated November 16, 1979; and has
submitted Proof of Beneficial Use on December 07, 1989. An examination indicates that the works have
a diversion capacity of 0.5 cfs of water from:

SOURCE

UNNAMED STREAM

Tributary: COLBURN CREEK

and a water right has been established as follows:

BENEFICIAL USE

FIRE PROTECTION

PERIOD OF USE

01/01 to 12/31

DIVERSION RATE

0.50 CFS

LOCATION OF POINT(S) OF DIVERSION:

UNNAMED STREAM NW¼NW¼ Sec. 9, Twp 58N, Rge 02W, B.M., BONNER County

PLACE OF USE: FIRE PROTECTION

Twp Rge Sec	NE				NW				SW				SE				
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	Totals
58N 02W 9						X											

CONDITIONS OF APPROVAL

1. Water shall not be diverted for fire protection use under this right except to fight or repel an existing fire.

This license is issued pursuant to the provisions of Section 42-219, Idaho Code. The water right confirmed by this license is subject to all prior water rights and shall be used in accordance with Idaho law and applicable rules of the Department of Water Resources.

Signed and sealed this 8th day of August, 2001.

Acting for


KARL J. DREHER
Director

MICROFILMED

FEB 25 2002

RECEIVED

AUG - 6 2001

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 96-07841

Date of Priority: November 22, 1979

Maximum Diversion Rate: 0.50 CFS

Comes now RESORT WATER CO INC
HARBOR RESORT LLC
500 UNION ST #200
SEATTLE WA 98101

and represents to the Director of the Idaho Department of Water Resources that he is the owner and holder of Permit to Appropriate the Public Waters of the State of Idaho No. 96-07841, and requests that the permit be changed as follows:

Source: UNNAMED STREAM **Tributary:** COLBURN CREEK

<u>BENEFICIAL USE</u>	<u>PERIOD OF USE</u>	<u>RATE OF DIVERSION</u>
FIRE PROTECTION	01/01 to 12/31	0.50 CFS

LOCATION OF POINT(S) OF DIVERSION:

UNNAMED STREAM NW¼NW¼ Sec. 9, Twp 58N, Rge 02W, B.M., BONNER County

PLACE OF USE: FIRE PROTECTION

Twp Rge Sec	NE				NW				SW				SE				Totals
	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
58N 02W 9						X											

Permit holder asserts that no one will be injured by such change and that such change will be made at permit holder's own risk. Signed this 24th day of July, 2001.

Wayne Benner
(Signature & Title)
Public Works Director

MICROFILMED

FEB 25 2002

State of Idaho
Department of Water Resources
APPLICATION FOR AMENDMENT
(For Licensing Purposes)
WATER RIGHT NO. 96-07841

FOR DEPARTMENT USE ONLY

Preliminary check by kw Fee = \$50.00 Received by J. MAS # C055167 Date 7.30.01

ACTION OF THE DEPARTMENT OF WATER RESOURCES

I, Karl J. Dreher, of the Department of Water Resources hereby approve the
above Application for Amendment for Permit No. 96-07841 with the following:

CONDITIONS OF APPROVAL

1. Water shall not be diverted for fire protection use under this right except to fight or repel an existing fire.

Witness my hand this 8TH day of AUGUST, 2001.

Acting for 
KARL J. DREHER
Director

MICROFILMED

FEB 25 2002

Graham & James LLP/Riddell Williams P.S.



RECEIVED

FEB 02 1999

January 29, 1999

Department of Water Resources

The Pacific Northwest
Practice of
Graham & James LLP,
A California Registered
Limited Liability Partnership
Including Professional
Corporations

Department of Water Resources
Attn: Kari Lynn Townsend
1301 North Orchard Street
Boise, Idaho 83706-2237

David Buck
Phone #
206-624-3600

**Re: Resort Water Co., Inc.
Water Right No. 96-07841**

Attorneys

1001 Fourth Avenue Plaza
Suite 4500
Seattle, WA
98154-1065
Tel (206) 624 3600
Fax (206) 389 1708

Direct tel
(206) 389 1581

Dear Ms. Townsend:

This letter follows our telephone conversation on January 29. I am the corporate secretary of Resort Water Co., Inc. This letter confirms that the notice address for Resort Water Co., Inc. is:

Harbor Resort LLC
500 Union Street, Suite 200
Seattle, WA 98101
Telephone: (206) 623-0916

If I can provide any more information, please do not hesitate to contact me.

Very truly yours,

David D. Buck
of
GRAHAM & JAMES LLP/RIDDELL WILLIAMS P.S.

DDB/df
Our File: 51163-1

Cc: Matthew Le Master

*2.2.99 - WR 2 database
updated - Ket*

Internet
dbuck@gj.com

Graham & James LLP

Los Angeles
New York
Orange County
Palo Alto
Sacramento
San Francisco
Seattle
Washington, DC

Beijing
Tokyo

London
Milan

**Deacons Graham
& James**

Bangkok
Hanoi
Ho Chi Minh City
Hong Kong
Jakarta
Taipei

Brisbane
Canberra
Melbourne
Perth
Sydney

Affiliated Offices

Brussels
Düsseldorf
Bucharest
Jeddah
Kuwait
Riyadh
Singapore

MICROFILMED

FEB 11 1999

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
ASSIGNMENT OF PERMIT

RECEIVED

JAN 14 1999

DEPT 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. 96-07841 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____.

[Signature]
 Permit Holder **(see below)

State of Idaho)
 County of Ada) ss

On 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

[Signature]
 Notary Public residing at
Boise Idaho

My commission expires: 9-30-2001

* Address: U.S. Bank Place - MPFP2516
 601 Second Ave. South
 Minneapolis, MN 55402-4302

MICROFILMED
Reshop
 FEB 11 1999

MICROFILMED
[Signature]
 JAN 04 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.

BEFORE THE DEPARTMENT OF WATER RESOURCES
OF THE STATE OF IDAHO

IN THE MATTER OF PERMIT NO. 96-7841 IN THE
NAME OF RECREATION UTILITIES COMPANY INC.

)
) ORDER OF REINSTATEMENT
)

WHEREAS, the Department issued the above-captioned permit with the condition that proof of construction of works and application of water to beneficial use (proof of beneficial use) be submitted on or before December 1, 1989; and,

WHEREAS, the Department notified the permit holder by certified mail that proof was due and instructed the permit holder of the steps to be taken to submit the proof of beneficial use; and,

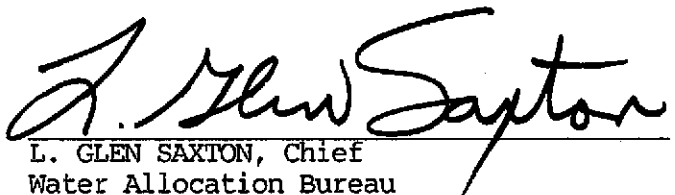
WHEREAS, on December 1, 1989 the permit lapsed for failure of the permit holder to submit proof of beneficial use; and,

WHEREAS, Section 42-218a of the Idaho Code provides that a permit may be reinstated upon a showing of reasonable cause within sixty days of the date of lapsing; and,

WHEREAS, the permit holder has provided a reasonable showing why the permit should be reinstated by submitting proof of beneficial use on December 7, 1989;

IT IS, THEREFORE, HEREBY ORDERED that Permit No. 96-7841 be REINSTATED and the priority advanced to November 22, 1979.

Dated this 6th day of March, 1990.


L. GLEN SAXTON, Chief
Water Allocation Bureau

MICROFILMED

MAR 26 1990

RECEIVED

DEC 7 1989

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

For Office Use Only

Amt. of Fee \$ 100.00Date 12/7/89Receipt No. 2013353Received by C. Wong12-2-89

Department of Water Resources

PROOF OF BENEFICIAL USE

The Idaho Department of Water Resources will consider this form as 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 or a completed field examination report prepared by a certified water right examiner who has been appointed by the department.

Permit No. 96-07841 Telephone No. 263-3841Name(s) of Permit Holder(s): Recreations' Utility Company Inc.Post Office Address: 218 Cedar Street, Sandpoint, Idaho 83864Source of Water: Unnamed stream (a tributary of Colburn Creek)

If ground water, well driller's name: _____ Date drilled: _____

Extent of Use:

Domestic 20 (No. of households)

Irrigation _____ (No. of acres)

Stockwater _____ (No. and type of stock)

Other RestaurantTotal rate and/or volume for which proof is submitted 0.5 cfs _____ acre/feet

Show date water was first diverted and beneficially used under this permit: _____

One of the following may be a condition of approval of your permit:

Measuring device: Required? Yes ☒ No Installed? Yes ☐ No

OR

Flow Measurement Port: Required? Yes ☒ No Installed? Yes ☐ NoFee Enclosed: \$ 100.00 (See License Examination Fee Schedule)

Person to contact to accompany the Department representative during the field examination:

Gerald Ward263-9555 or 263-3184

Name

Telephone No.

218 Cedar Street Sandpoint, Idaho

Address

The above information 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.

RECORDED

MAR 26 1990

11/30/89
Date

Jim Fushan G.M.
Signature (and title if on behalf of a company or organization)

For Office Use Only
Fee Received <u>15.00</u>
Date <u>10-26-84</u>
Receipt # <u>35176</u>

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

REQUEST FOR EXTENSION OF TIME
To provide additional time in which to submit
proof of beneficial use on a water right permit

RECEIVED

OCT 26 1984

Department of Water Resources

Recreations' Utility Company Inc. of P. O. Box 993, Sandpoint, ID 83864
(Name) (Address)

State of Idaho, deposes and says:

That he is the holder, or the duly authorized agent of the holder*, of Permit to Appropriate the Public Water of the State of Idaho No. 96-7841.

That under the terms and conditions of said permit, work thereunder was required to be completed on or before December 1, 1984.

That he has heretofore performed the following work described under said permit: The collection system
(This must be filled out! If no work has been completed put none.)
is a 3' high diversion dam of concrete and sheet piling with a spillway and cleanout.
The delivery system is a 6" steel main to the Outback Restaurant where a chlorinator
and contact tank are housed.

Costing \$ 20,000.00

That he is unable to complete the remainder of the work within the required time for the following reasons, to-wit:
Construction of the Restaurant and 20 cabins has not been completed within the time
period required.

Wherefore, he asks that the Department of Water Resources extend the time for the completion of obligations under said permit to December 1, 1989
(1 yr. minimum, 5 yrs. maximum)

NOTE
AS OF JULY 1, 1980,
THERE IS A \$15.00
CHARGE FOR REQUESTS
FOR EXTENSION OF
TIME

Pierre Huguenin
Pierre Huguenin, (Signature)* President
*IF OTHER THAN HOLDER, Power of Attorney must be supplied.
Recreations' Utility Company Inc.

ACTION OF THE DIRECTOR, DEPARTMENT OF WATER RESOURCES

IT IS HEREBY ORDERED that the above application for extension of time be APPROVED and the time within which to submit the statement of beneficial use is extended to December 1, 1989.

Signed this 2nd day of November, 19 84.

J. Glen Saylor
Chief, Operations Bureau

MICROFILMED

RECEIVED

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

APPLICATION FOR PERMIT

RECEIVED
Ident. No. 86-7841

NOV 16 1979

NOV 5 1979

APPROVED

Department of Water Resources
Northern District Office

To appropriate the public waters of the State of Idaho

Department of Water Resources
Northern District Office

1. Name of applicant Recreation Utilities Inc. Phone 263-6818

Post office address Box 815 Sandpoint, Idaho 83864

2. Source of water supply Unnamed Stream which is a tributary of Colburn Creek

3. Location of point of diversion is NW $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 9 Township 58 N

Range 2 W B.M. Bonner County, additional points of diversion if any:

4. Water will be used for the following purposes:

Amount 0.5 CFS for Domestic 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)

Amount for purposes from to (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:

a. 0.50 cubic feet per second and/or b. acre-feet per annum.

6. Proposed diverting works:

a. Description of ditches, flumes, pumps, headgates, etc. low head dam with 30" CMP bypass.

Distribution system served by 6" steel main emanating from bottom of reservoir.

An 18" CMP flush line will drain the reservoir.

b. Height of storage dam 8 feet, active reservoir capacity 0.01 acre-feet; total reservoir capacity 0.03 acre-feet, materials used in storage dam: sheet piling

Period of year when water will be diverted to storage Jan 1 to Dec 31 inclusive.
(Month/Day) (Month/Day)

c. Proposed well diameter is N/A inches; proposed depth of well is feet.

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

use is 5 years (minimum 1 year — maximum 5 years).

8. Description of proposed uses:

a. If water is not for irrigation:

(1) Give the place of use of water: all $\frac{1}{4}$ of NW $\frac{1}{4}$ of Section 9 Township 58N

Range 2W B.M.

(2) Amount of power to be generated: horsepower under feet of head.

(3) List number of each kind of livestock to be watered N. A.

(4) Name of municipality to be served , or number of families to be supplied with domestic water 20 seasonal cabins & restaurant.

(5) If water is to be used for other purposes describe:

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b. If water is for irrigation, indicate acreage in each subdivision in the tabulation below:

TWP	RANGE	SEC.	NE¼				NW¼				SW¼				SE¼				TOTALS
			NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	NE¼	NW¼	SW¼	SE¼	

Total number of acres to be irrigated _____

c. Describe any other water rights used for the same purposes as described above. none

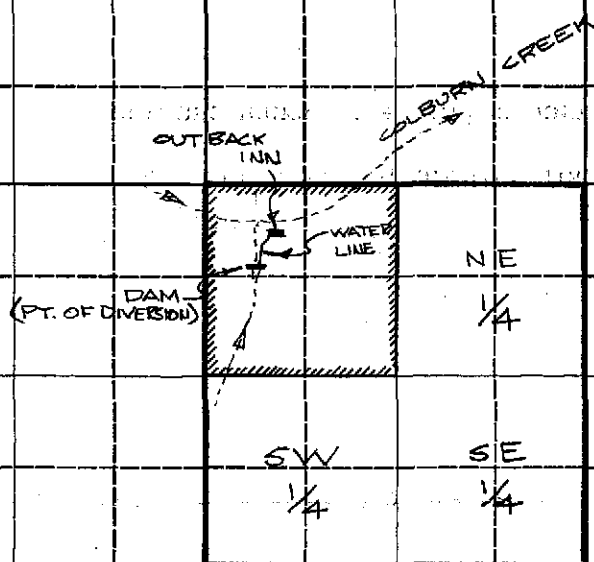
9. a. Who owns the property at the point of diversion Pack River Company

b. Who owns the land to be irrigated or place of use Pack River Company

c. If the property is owned by a person other than the applicant, describe the arrangement enabling the applicant to make this filing see attached statement - When permit is issued the document will be filed in the Bonner County Courthouse.

10. Remarks This permit is requested to provide domestic water to an existing restaurant - Day Lodge facility operating at Schweitzer Ski Area and additionally supply water to 10 - 20 proposed seasonal living units. This source of water will not provide redundant service to any facility or parcel of land included under an existing permit.

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



NW 1/4 SEC 9
T58N, R2W
B.M.

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.

RECREATIONS UTILITY COMPANY, INC.,

Pierre Huguenin
(Applicant)

Pierre Huguenin, Secretary.

Proposed Priority 11/16/79 MB 11-16-79 11:30
Received by MB Date MB Time 12:30
Preliminary check by MB Fee \$ 35.00 (No Fee)
Received by pmo Date 11/16/79 (15125)
Publication prepared by pmo Date 11/21/79
Published in Sandpoint Daily Bee
Publication dates 11/28+12/5/79
Publication approved MB Date 12-14-79
Protests filed by: None

Copies of protests forwarded by _____
Hearing held by _____ Date _____
Recommended for approval denial by MB Jim

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. 96-7841, and said application is hereby approved.

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 December 1, 19 84.
 - 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. Other: (1) The issuance of this permit in no way grants any right-of-way or easement across the land of another.

Witness my hand this 21st day of December, 19 79.

L. Glen Sayton
Chief, Operations Bureau

AFFIDAVIT OF PUBLICATION

State of Idaho

ss.

County of Bonner,

Pete Thompson being first duly sworn on oath
deposes and says that he is publisher of the Sand-
point Daily Bee, and News Bulletin, newspapers
printed and published at Sandpoint, in Bonner
County, Idaho; that the said newspapers have 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 _____

Water Right

as it was published in the regular and entire issue
of the said paper for a period of 2 consecu-
tive weeks, commencing on 28 day of
11, 1979 and ending on the 4 day of 12,
19 79 and that said notice was published in said
newspaper.

Pete Thompson

Subscribed and sworn to before me this 12 day
of 12, 19 79.

Adel M Thompson

Notary Public for Idaho,

Residing at Sandpoint, Idaho

NOTICE OF APPLICATION
FOR WATER RIGHT

Notice is hereby given that
the following application(s)
have been submitted for permit
to appropriate the public waters
of the State of Idaho:

96-7841

RECREATION UTILITIES,
INC.

P.O. BOX 815, SANDPOINT, ID
83864

Source: UNNAMED STREAM
tributary to COLBURN CREEK

Date Filed: 11-16-1979

Amount: 0.50 CFS

Diversion Point: NWNW Sec 09
T 58N R 02W, BONNER Co.

Use: DOMESTIC (0.50 CFS)
from 01-01 to 12-31

Place of Use: NWNW NENW
SESW SWSW Sec 09 T 58N R
02W

Diversion Means: DAM,
RESERVOIR & LINE

If issued, the permit(s) will
be subject to all prior water
rights. Protests against the
granting of any permit must be
filed with the Director of the
Idaho Department of Water
Resources, 4055 Gov't Way,
Coeur d'Alene, Id, 83814 on or
before DECEMBER 17, 1979.

C. STEPHEN ALLRED

Director

Published 11-28 & 12-4-79

RECEIVED

DEC 14 1979

Department of Water Resources
Northern District Office

MICROFILMED



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098

Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

August 9, 2001

RESORT WATER CO INC
HARBOR RESORT LLC
500 UNION ST #200
SEATTLE WA 98101

RE: License No. 96-7841 - Issuance of License

Dear Water Right Holder(s):

The Department of Water Resources has issued the enclosed Water Right License confirming that a water right has been established in accordance with your permit. Please be sure to thoroughly review the conditions of approval and remarks listed on your license.

Enclosed is a copy of the approved Application for Amendment.

The license is a PRELIMINARY ORDER issued by the Department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action by the Department unless a party petitions for reconsideration or files an exception and/or brief within fourteen (14) days of the service date as described in the enclosed information sheet.

Please note that water right owners are required to report any change of water right ownership and/or mailing address to 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 or visit the Department's homepage on the Internet to obtain the proper forms and instructions.

If you have any questions, please contact me at 208-327-7946.

Sincerely,

Shelley W. Keen

Water Rights Supervisor

SWK:klt

Enclosure(s)

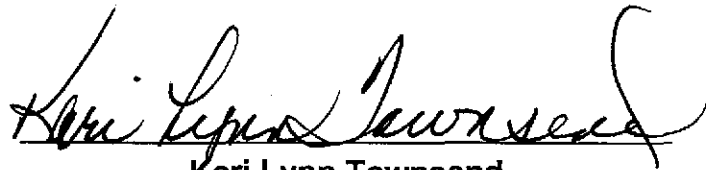
MICROFILMED
FEB 25 2002

CERTIFICATE OF MAILING

I hereby certify that on August 9, 2001 I mailed a true and correct copy, postage prepaid, of the foregoing PRELIMINARY ORDER(Approved License) to the person(s) listed below:

RE: WATER RIGHT NO. 96-7841

**RESORT WATER CO INC
HARBOR RESORT LLC
500 UNION ST #200
SEATTLE WA 98101**


Kari Lynn Townsend
Secretary

MICROFILMED
FEB 25 2002

**EXPLANATORY INFORMATION
TO ACCOMPANY A
PRELIMINARY ORDER**

The accompanying order or approved document is a "Preliminary Order" issued by the department pursuant to section 67-5243, Idaho Code. It can and will become a final order without further action of the Department of Water Resources (department) unless a party petitions for reconsideration, files an exception and brief, or requests a hearing as further described below:

PETITION FOR RECONSIDERATION

Any party may file a petition for reconsideration of a preliminary order with the department within fourteen (14) days of the service date of this order. The department will act on a petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. See Section 67-5243(3) Idaho Code.

EXCEPTIONS AND BRIEFS

Within fourteen (14) days after (a) the service date of a preliminary order, (b) the service date of a denial of a petition for reconsideration from this preliminary order, or (c) the failure within twenty-one (21) days to grant or deny a petition for reconsideration from this preliminary order, any party may in writing support or take exceptions to any part of a preliminary order and may file briefs in support of the party's position on any issue in the proceeding with the Director. Otherwise, this preliminary order will become a final order of the agency.

REQUEST FOR HEARING

Unless a right to a hearing before the department or the Idaho Water Resource Board (Board) is otherwise provided by statute, any person aggrieved by any final decision, determination, order or action of the Director of the department and who has not previously been afforded an opportunity for a hearing on the matter may request a hearing pursuant to section 42-1701A(3), Idaho Code. A written petition contesting the action of the Director and requesting a hearing shall be filed within fifteen (15) days after receipt of the denial or conditional approval.

ORAL ARGUMENT

If the Director grants a petition to review the preliminary order, the Director shall allow all parties an opportunity to file briefs in support of or taking exceptions to the preliminary order and may schedule oral argument in the matter before issuing a final order. If oral arguments are to be heard, the Director will within a reasonable time period notify each party of the place, date and hour for the argument of the case. Unless the Director orders otherwise, all oral arguments will be heard in Boise, Idaho.

CERTIFICATE OF SERVICE

All exceptions, briefs, requests for oral argument and any other matters filed with the Director in connection with the preliminary order shall be served on all other parties to the proceedings in accordance with IDAPA Rules 37.01.01302 and 37.01.01303 (Rules of Procedure 302 and 303).

MICROFILMED
FEB 25 2002

FINAL ORDER

The Director will issue a final order within fifty-six (56) days of receipt of the written briefs, oral argument or response to briefs, whichever is later, unless waived by the parties or for good cause shown. The Director may remand the matter for further evidentiary hearings if further factual development of the record is necessary before issuing a final order. The department will serve a copy of the final order on all parties of record.

Section 67-5246(5), Idaho Code, provides as follows:

Unless a different date is stated in a final order, the order is effective fourteen (14) days after its issuance if a party has not filed a petition for reconsideration. If a party has filed a petition for reconsideration with the agency head, the final order becomes effective when:

- (a) the petition for reconsideration is disposed of; or
- (b) the petition is deemed denied because the agency head did not dispose of the petition within twenty-one (21) days.

APPEAL OF FINAL ORDER TO DISTRICT COURT

Pursuant to sections 67-5270 and 67-5272, Idaho Code, if this preliminary order becomes final, any party aggrieved by the final order or orders previously issued in this case may appeal the final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which:

- i. A hearing was held,
- ii. The final agency action was taken,
- iii. The party seeking review of the order resides, or
- iv. The real property or personal property that was the subject of the agency action is located.

The appeal must be filed within twenty-eight (28) days of this preliminary order becoming final. See section 67-5273, Idaho Code. The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.



State of Idaho

DEPARTMENT OF WATER RESOURCES

1301 North Orchard Street, Boise, ID 83706 - P.O. Box 83720, Boise, ID 83720-0098
Phone: (208) 327-7900 Fax: (208) 327-7866 Web Site: www.idwr.state.id.us

DIRK KEMPTHORNE
Governor

KARL J. DREHER
Director

July 18, 2001

RESORT WATER CO INC
HARBOR RESORT LLC
500 UNION ST #200
SEATTLE WA 98101

RE: Water Right Permit No. 96-07841

Dear Permit Holder(s):

The Department of Water Resources is reviewing the permit referenced above prior to issuing a water right license. By issuing a license, the Department confirms the extent of development that has been established in compliance with the terms of the permit. The examiner who verified your water use reported that certain elements of the permit have been developed differently than described on your permit. Changes that do not increase the authorized use of water under the permit can be requested and approved in accordance with Section 42-211, Idaho Code. Before a license can be issued, your permit must be amended to depict your water use as it was actually developed.

Based on the examiner's report, the following elements were developed differently than described on your permit:

☒ Other – Change Nature of Use from domestic to fire protection

The enclosed Application for Amendment form depicts the elements of the water right as they will appear on the license when it is issued. Please review the amendment form carefully. If you concur with the information presented, please sign the form and return it with the \$50.00 filing fee within 14 days.

If you have any questions, please call me at 208-327-7944.

Sincerely,

KAY WALKER
Sr. Water Resource Agent

Enclosure

MICROFILMED

FEB 25 2002

LICENSE REVIEW CHECKLIST

Permit No. 96-07841 Date: 7-17-2001 Reviewer: Kay Walker

Change/OK

Name/Address OK

Source OK

Point of Diversion: OK

Does change clarify original intended source? If no, void permit.
Change (P39/P49) Add (P45/P44) Feds (P40)

W32 (multiple in 1/4/1/4)
W36 (overlap)
W59 (subdivision description)

Place of Use OK

Change (P41/P49) Add (P41/P44) Feds (P43)

W60 (subdivision description)
W27 (ppu acre limit)

Overlaps: Right(s): 96-09015
File reviewed _____ Profile reports printed _____

for commercial purposes - also in license process

P/D & P/U amend (P37) Feds (P48)

Rate of Diversion:

Permitted rate 0.5 cfs
Fee Limit 1.0 cfs
Measured _____ cfs
Theoretical _____ cfs

Recommended Total Diversion Rate 0.5

Water Uses

change Change (P46)

Season of Use per new Standards

Irrigation _____ cfs _____ af
Stockwater _____ cfs _____ af
Domestic _____ cfs _____ af
Fire Pot 0.5 cfs N/A af
_____ cfs _____ af
Total 0.5 cfs N/A af

Irrigation - overlap(R58-R61, R62-R65, R66-R69)
supp. Gw (WB7/065/104)
overlap spec combined rts (W35)
51 acre (W31)
Domestic (W01/wb5/070/071/075)
Power (W42 or W43/025/027/R22 or R23)
Fish (042)
Fire (077)
Water Quality (081/R07)
Payette - (W22/047/27A)
Stockwater for US (R37)

Volume Determination

_____ cfs x 1.9835 x _____ days = _____ af (vs) _____ acres x _____ (FHR) = _____ af

Remarks:

077

Additional Conditions

Watermaster Control
GW Measurement/Measuring Device
Other
Trust R55 - remove 051)
Non-trust (048/049)

GW Dist?
Water Msmt. Dist?
Crit. GWMA?
GWMA?
Government Lots?

Advance Priority? yes

no

If yes, explain why below.

SRBA Claim?

N/A

Adjust memo

Amend Letters

P87, S06

Second Amendment Notice

S06

7/17/01

Idaho Dept. of Water Resources Place of Use Comparison Report

Page1

[illegible]

Pipe Flow

$$Q = V \cdot A$$

$$V = 2.55 \text{ fps}$$

$$d = 6 \text{ in}$$

$$Q = 0.50 \text{ cfs}$$

$$225 \text{ gpm}$$

$$A = 0.1963 \text{ sqft}$$

d = pipe diameter

$$A = Q/V$$

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES
BENEFICIAL USE FIELD REPORT

RECEIVED
OCT 18 2000
Department of Water Resources

A. GENERAL INFORMATION

Permit No. 96-07841

1. Owner: Recreation Utilities Phone No. (208) 263-9555

Current Address: 165 Village Lane STE "A" Sandpoint Id. 83864

2. Accompanied by: Wayne Benner EXAM DATE: 9-13-00

Address: Same as above Phone No. _____

Relationship to Permit Holder: _____

3. Source: unnamed stream tributary to Colburn Creek

B. OVERLAP REVIEW

1. Other water rights with the same place of use: _____

2. Other water rights with the same point of diversion: _____

C. DIVERSION AND DELIVERY SYSTEM

1. Point(s) of Diversion:

Ident No.	Gov't Lot	1/4	1/4	1/4	Sec.	Twp.	Rge.	County	Method of Determination/Remarks
			NW	NW	09	58N	02W	Bonner	O.S. G.S. 7.5 min Quad

2. Place(s) of Use:

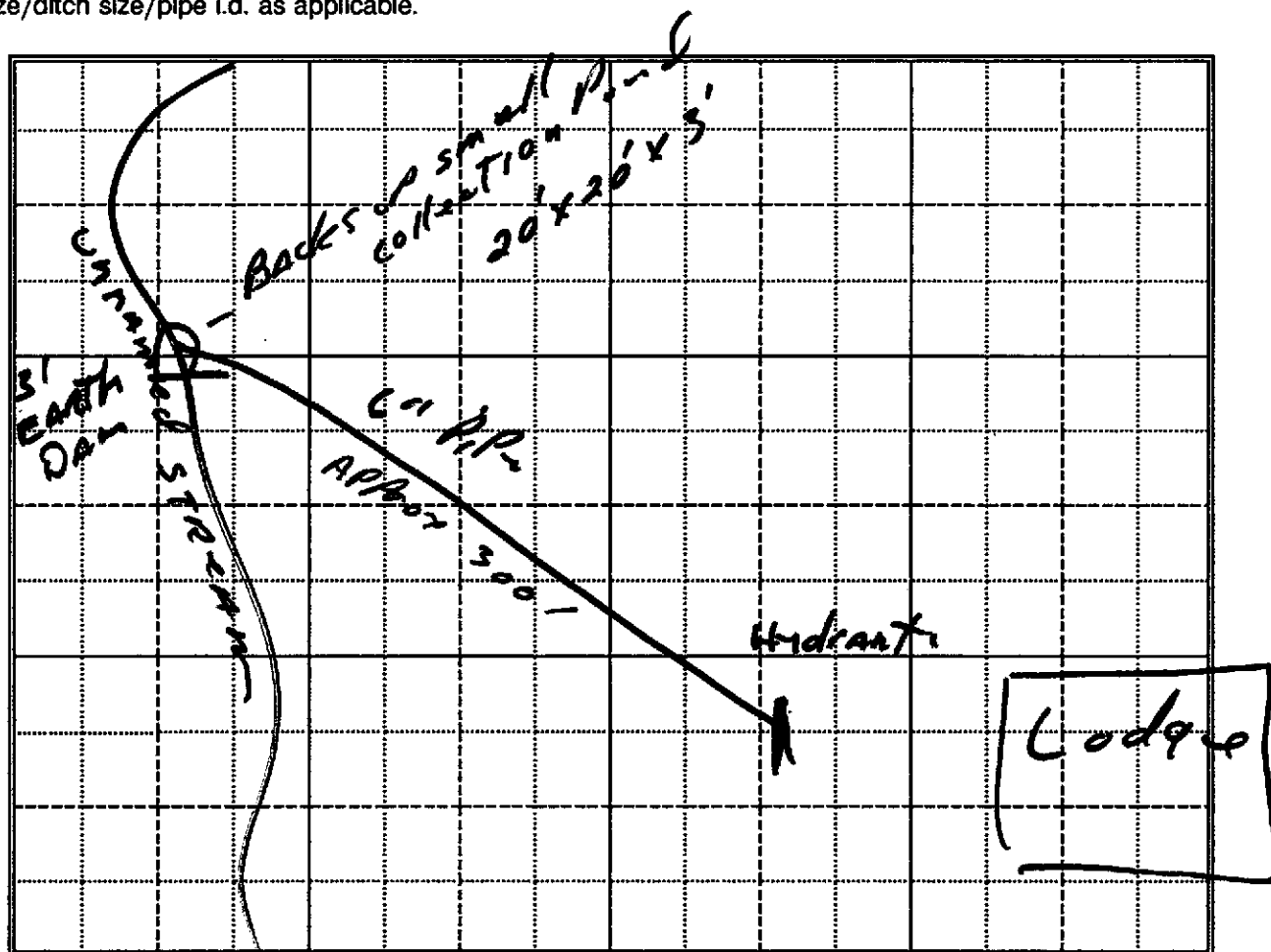
Indicate Method of Determination

TWP	RGE	SEC	NE				NW				SW				SE				Totals
			NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	NE	NW	SW	SE	
58N	02W	09					F												

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FEB 25 2002

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
	GRAVITY				

*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: _____

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E. NARRATIVE/REMARKS/COMMENTS.

A six in pipe in small collection
pond runs down to a hydrant located
behind cut bank ledge. Pond is -01AF

This Permit Originally for domestic, that
development did not occur. In 1997 permit
holder requested this usage be changed
to Fire Protection only.

I visited this site late in year flow
minimal didn't measure. at optimum
conditions I think the permit rate
could be reached .5 cfs.

Have conditions of permit approval been met? yes ☐ no

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FEB 25 2002

F. FLOW CALCULATIONS

Additional Computation Sheets Attached

Measured Method:

*See Narrative***G. VOLUME CALCULATIONS**

1. Volume Calculations for Irrigation:

 $V_{LR} = (\text{Acres Irrigated}) \times (\text{Irrigation Requirement}) =$ _____ $V_{D.R.} = [\text{Diversion Rate (cfs)}] \times (\text{Days in Irrigation Season}) \times 1.9835 =$ _____ $V = \text{Smaller of } V_{LR} \text{ and } V_{D.R.} =$ _____

2. Volume Calculations for Other Uses:

H. RECOMMENDATIONS

1. Recommended Amounts

Beneficial Use	Period of Use		Rate of Diversion Q (cfs)	Annual Volume V (afa)
	From	To		
<i>Fire Protection</i>	<i>01-01</i>	<i>12-31</i>	<i>.5</i>	
Totals:			<i>.5</i>	

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 Baldwin* Date *10-10-00*

Reviewer _____ Date _____

SEAL

MICROFILMED

FEB 25 2002

96-07841

SCHWEITZER - DUTBACK TOPOGRAPHIC SITE SURVEY





WFF 61-0

MICROFILMED

SEP 25 2002



Recreations Utility Co. permit #
Outlet pipe/Earthen ~~dam~~ 96-7841
Schweitzer Mt.



Recreations Utility Co.
Reservoir behind earthen ~~dam~~ permit #
Schweitzer Mt. 96-7841

96-07841

MICROFILMED
FEB 25 2002



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

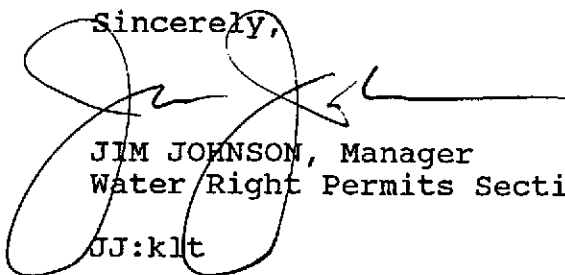
RE: Confirmation of Receipt of Letter

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:

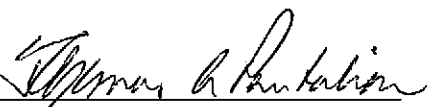
Resort Water Co., Inc., for and in consideration of \$11,491,297, has granted a security interest in all water applications, permits, licenses, claims, decreed rights or other rights or interests currently belonging to Resort Water Co., Inc. to U.S. Bank National Association, including Permits 96-08428, 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 554022.

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):

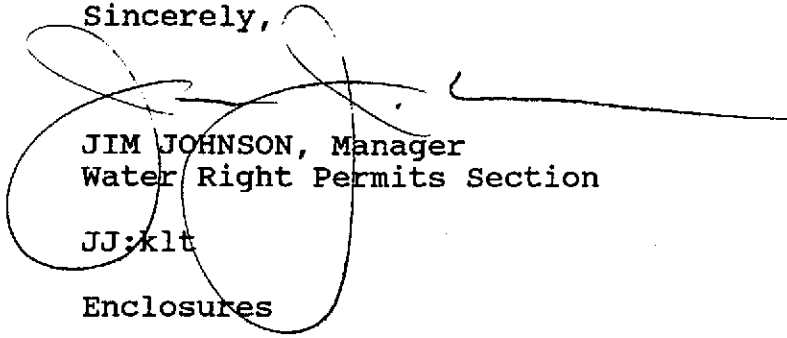
We acknowledge receipt of the correspondence changing ownership of the above referenced water rights to you. We have modified our computer records to reflect this change in ownership. A copy of a computer generated report is enclosed for each water right for your information.

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
Reslot
FEB 11 1999

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

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NOV 14 1998

U.S. Department of Water Resources

U.S. COURTS
95 NOV -1 AM 11:40

REC'D FILED
CAMERON S. BURKE
CLERK 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

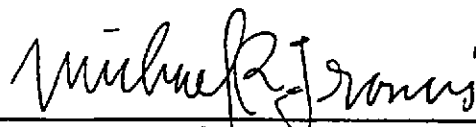
Department of Water Resources

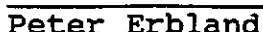
above-entitled case pursuant to 28 U.S.C. § 754, 958, 959, and
960; Fed. R. Civ. P. 66; the Local Rules of the United States
District Court for the District of Idaho, on the terms set forth
in the order below.

DATED this 31st day of October, 1996.

MILLER, NASH, WIENER, HAGER &
CARLSEN LLP

PAINE, HAMBLIN, COFFIN,
BROOKE & MILLER, LLP

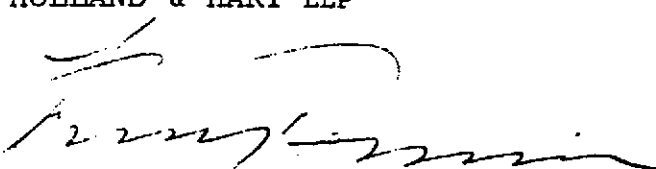

Peter S. Holmes
WSBA #15787
Michael R. Francis
WSBA #18032


Peter Erbland
ISBA #
Shaun Cross
WSBA #9469
John T. Powers, Jr.
WSBA #14629

Attorneys for Plaintiff
U. S. Bank of Washington,
National Association

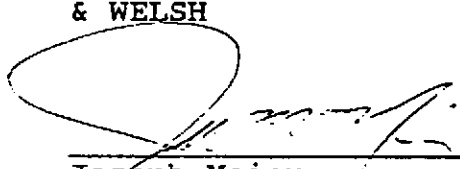
Attorneys for Defendants
Pack River Ltd. Co., Pack
River Management Company,
Recreations' Utility
Company, Inc., Barbara
Huguenin, Jean O. Brown,
Patricia Powell,
Josephine H. Bopp, and
Jacqueline Gran

HOLLAND & HART LLP


Larry E. Prince
ISBA #1759

Attorneys for Plaintiff
U. S. Bank of Washington,
National Association

COSHO, HUMPHREY, GREENER
& WELSH


Joseph Meier
ISBA # 314

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

PAINE, HAMBLIN, COFFIN,
BROOKE & MILLER, LLP

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DEC 14 1998

Department of Water Resources

8
9 _____
Peter S. Holmes
WSBA #15787
10 Michael R. Francis
WSBA #18032

11 Attorneys for Plaintiff
12 U. S. Bank of Washington,
13 National Association

14 HOLLAND & HART LLP

15
16 _____
17 Larry E. Prince
ISBA #1759

18 Attorneys for Plaintiff
19 U. S. Bank of Washington,
20 National Association

by Michael R. Francis for
Peter Erbland
ISBA # _____
Shaun Cross
WSBA #9469
John T. Powers, Jr.
WSBA #14629

Attorneys for Defendants
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
Schweitzer, Inc.

COSHO, HUMPHREY, GREENER
& WELSH

21 _____
22 Joseph Meier
ISBA # _____

23 Attorneys for Ford
24 Elsaesser in his capacity
25 as Receiver
26

STIPULATION AND ORDER APPOINTING RECEIVER - 2

MILLER, NASH, WIENER,
HAGER & CARLSEN LLP
ATTORNEYS AND COUNSELORS AT LAW
TELEPHONE (206) 422-3434
4400 TWO UNION SQUARE
601 UNION STREET, SEATTLE, WASHINGTON 98101-2332

DEC 14 1998

Department of Water Resources

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.

DEC 14 1998

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

DEC 14 1998

Department of Water Resources

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

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

STIPULATION AND ORDER APPOINTING RECEIVER - 6

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MILLER, NASH, WIENER,
HAGER & CARLSEN LLP
ATTORNEYS AND COUNSELORS AT LAW
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440 TWO UNION SQUARE
601 UNION STREET, SEATTLE, WASHINGTON 98101-2352

DEC 14 1998

Department of Water Resources

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

ZHC007609

MILLER, NASH, WIENER,
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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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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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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

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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

Department of Water Resources

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.

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Department of Water Resources

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 15th day of ^{November} ~~October~~, 1996.

19
20 EDWARD J. LODGE

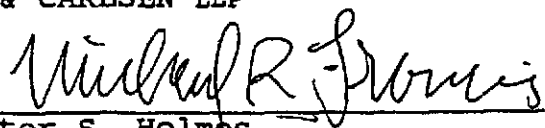
21 UNITED STATES DISTRICT
22 JUDGE/MAGISTRATE
23
24
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Department of Water Resources

1 MILLER, NASH, WIENER, HAGER
& CARLSEN LLP

2 
3 Peter S. Holmes

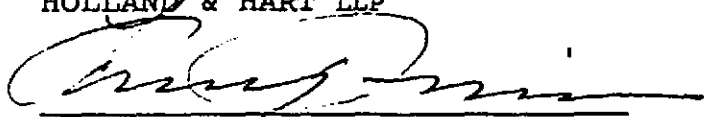
4 WSBA #15787

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6 Attorneys for Plaintiff U. S. Bank of Washington,
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7 HOLLAND & HART LLP

8 
9 Larry E. Prince

10 ISBA #

11 Attorney for Plaintiff U. S. Bank of Washington,
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12 PAINE, HAMBLIN, COFFIN, BROOKE
13 & MILLER, LLP

14
15 Peter Erbland

16 ISBA #

17 Shaun M. Cross

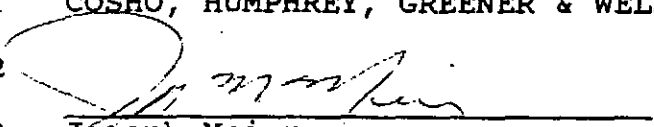
WSBA #9469

18 John T. Powers, Jr.

WSBA #14629

19 Attorneys for Defendants Pack River Ltd. Co., Pack River
Management Company, Recreations' Utility Company, Inc.,
20 Barbara Huguenin, Jean O. Brown, Patricia Powell,
Josephine H. Bopp, and Jacqueline Gran

21 COSHO, HUMPHREY, GREENER & WELSH

22 
23 Joseph Meier

24 ISBA # 3314

25 Attorneys for Ford Elsaesser
in his capacity as Receiver

26
STIPULATION AND ORDER APPOINTING RECEIVER - 14

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Department of Water Resources

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by Michael J. Cat for #4327
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Co., Pack River Management Company, Recreations' Utility
Company, Inc., Barbara Huguenin, Jean O. Brown, Patricia
Powell, Josephine H. Bopp, and Jacqueline Gran

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Joseph Meier
ISBA #

Attorneys for Ford Elsaesser
in his capacity as Receiver

STIPULATION AND ORDER APPOINTING RECEIVER - 14

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Department of Water Resources

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FAX: (208) 338-3290
Attorneys for Receiver

UNITED STATES DISTRICT COURT
DISTRICT OF IDAHO

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

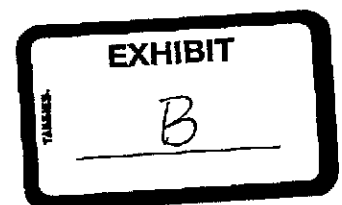
v.)

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. CIV96-0478-N-EJL

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



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

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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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Department of Water Resources

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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Tonkon Torp, LLP
1600 Pioneer Tower
888 SW Fifth Ave.
Portland, OR 97204

Larry Prince
Holland & Hart
101 S Capitol Blvd., Ste 1400
Boise, ID 83701

Peter Holmes
Miller, Nash, Wiener
Hager & Carlsen, LLP
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Ford Elsaesser
Elsaesser, Jarzabek & Anderson
P.O. Box 1049
Sandpoint, ID 83864-0855

Anderson Logging
c/o Lowell Anderson
HCR-01 Box 291
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John C. Black
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K.C. Construction
c/o Edward Kok Lukins & Annis
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J-U-B Engineers
c/o Robert E. Covington III
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Robert Somma
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Coeur D'Alene, ID 83816

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

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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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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
BLACK 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 88°44'31" West 20.0 feet from the South one-quarter corner of said Section 1; thence continuing North 88°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 89°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 #3916.

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 80°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
BLACK 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 Polson City Center Addition to the City of Polson, 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
BLACK POINT PROPERTY LEGAL DESCRIPTION
Page 2 of 2

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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, 262 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 1 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 11 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 11 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 11 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 11 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 11 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 11 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.

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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°59'00" 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°59'00" 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°59'00" 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-7
RAPID LIGHTNING PROPERTY LEGAL DESCRIPTION
Page 2 of 2

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 right-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 Southerly of a line parallel with and distant 50 feet Southerly, 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 587.85 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 00°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 1682.66 feet and the end of this centerline description.

EXHIBIT A-8
SANDPOINT INDUSTRIAL PARK PROPERTY LEGAL DESCRIPTION

RECEIVED

DEC 14 1998

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, 12 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

RECREATIONS' UTILITY COMPANY, INC.

82-0311204

Q.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	DOS. PCT.	CURRENT	PREVIOUS	PRIOR	BASIS REDUCTN	SALVAGE VALUE	DEPR. MASTR	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT
						1797 DNRIS	1797 DNRIS	DEC. VAL. DEPR.								DEPR.
ORIG 11209 (20MT)																
32	91 SINK IMPROVE.	1/01/91		635							635	315	15000 HY	15	.05900	37
3	91 LACQUER COSTS	1/01/91		19,917							19,917	9,921	15000 HY	15	.05900	1,175
33	91 STAIN SYST COSTS	1/01/91		12,532							12,532	6,242	15000 HY	15	.05900	739
35	90 ADD'L WATER COST	6/30/91		5,620							5,620	2,800	15000 HY	15	.05900	312
36	91 WATER IMPROVEMENT	1/01/91		110,696							110,696	55,323	15000 HY	15	.05900	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	405	20000 HY	7	.04460	28
39	90 OFFICE DESK	2/11/91		167							167	160	20000 HY	7	.04460	7
40	90 IMPROVE. COSTS	5/26/91		13,291							13,291	6,620	15000 HY	15	.05900	704
41	5 INTERCOM SYSTEMS	1/15/91		3,020							3,020	2,895	20000 HY	7	.04460	135
42	1992 SUB SINK INSTALL.	12/31/92		2,331							2,331	971	15000 HY	15	.05900	137
43	1992 TANGUARD 111 RIGID	12/31/92		8,392							8,392	3,499	15000 HY	15	.05900	495
44	1992 LACQUER IMPROVEMENTS	12/31/92		11,900							11,900	4,963	15000 HY	15	.05900	702
45	1992 SPRAY IRRIGATION	12/31/92		50,506							50,506	24,429	15000 HY	15	.05900	3,157
46	92 WATER SYSTEM IMPROVE.	2/29/92		5,200							5,200	2,402	15000 HY	15	.05900	307
47	NEW WELL	12/31/92		20,570							20,570	8,578	15000 HY	15	.05900	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		4,226							4,226	1,763	15000 HY	15	.05900	240
	111 ELIMINATION - NEW 10X	9/30/93		31,547							31,547	11,629	15000 HY	15	.05900	1,971
51	SPRAY IRRIGATION	11/30/93		12,765							12,765	4,496	15000 HY	15	.05900	827
52	CABLE SERVICE EXPANSION	11/30/93		2,425							2,425	1,816	20000 HY	7	.04730	212
53	CABLE REMOVAL/LINE EXT.	11/30/93		3,894							3,894	2,916	20000 HY	7	.04730	340
54	10X NETWORK	12/31/93		840							840	628	20000 HY	7	.04730	73
55	FIREPROOF FILE CABINET	11/30/93		982							982	734	20000 HY	7	.04730	84
56	1992 WATER WELL	1/01/93		4,901							4,901	1,766	15000 HY	15	.05900	294
57	EXTEND SINK STR MAIN	9/30/94		122,865							122,865	37,701	15000 HY	15	.05900	8,515
58	REDUCE SINK PUMP	10/31/94		5,802							5,802	1,704	15000 HY	15	.05900	402
59	111 ELIMINATION	9/30/94		110,339							110,339	36,389	15000 HY	15	.05900	8,201
60	PERFECTED INTERCOM	7/30/94		2,930							2,930	2,021	20000 HY	7	.04730	262
61	UNDERLINE EXTEND SERVICE	8/31/94		6,350							6,350	4,366	20000 HY	7	.04730	367
62	ADD SATELLITE CABLE	12/30/94		6,789							6,789	4,640	20000 HY	7	.04730	606

RECEIVED

DEC 14 1998

Department of Water Resources

CLIENT 10110

RECREATIONS' UTILITY COMPANY, INC.

02-0311204

Q.	DESCRIPTION	DATE	DATE	COST/ BASE	M/S. PCT.	COMMENT	PRIOR	PRIOR	DEC. BAL. DEPR.	BASIS REMAINING	SALVAGE VALUE	DEPR.	PRIOR	METHOD	LIFE	RATE	CUMULATIVE DEPR.	
		ACQUIRED	SCD									DEPR.						
ITEM 11205 (CONT)																		
04	LANEWAY ROAD	12/31/97		13,531								13,531	169	1500H M	35	.00000	1,337	
05	ENGINEERING	12/31/97		8,205								8,205	103	1500H M	15	.09880	811	
06	03-580 INITIAL	1/01/97		62,535								62,535	5,672	1500H M	15	.09130	5,709	
TOTAL TOTAL DEPRECIATION				2,994,419			0	1,671	0	0	0	2,992,751	1,311,039					189,390

RECEIVED

DEC 14 1998

Department of Water Resources

RECEIPT
For Monies Paid
to the
Idaho Department of Water Resources

Receipt No: C044124

Date: 12/15/1998
Time: 09:38:41

Received
From: HOLLAND & HART LLP

Type of Payment	Program Acct	Amount
PERMIT 96-07841	56103 229 21 1155	25.00
CHECK 0590	Total	\$ 25.00

Region: STATE

Signature: 

MICROFILMED
FEB 11 1999

MICROFILMED
JAN 04 1999

March 14, 1990

RECREATION UTILITIES INC.
P.O. BOX 815
SANDPOINT, ID 83864

PROOF ACKNOWLEDGMENT LETTER

RE: PERMIT NO. 96-07841

Dear Permit Holder:

The department acknowledges receipt of the proof of beneficial use form submitted for the above referenced permit. Enclosed is an order advancing the priority of the permit since the proof was received after the proof due date. 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 questions concerning this matter, please feel free to contact the NORTHERN Regional Office in Coeur D' Alene at (208)765-4639.

Sincerely,

Rita Fleck
Secretary/Records Manager

c: IDWR - Region

Enclosure

MANUSCRIPT FILMED

MAR 26 1990

1/88

PROOF OF BENEFICIAL USE

ANALYSIS SHEET

Permit No. 96-7841

Date: 2-9-90

General Considerations:

- ☒ Name same as permit
☒ Signature the same as permit holder
☒ Address change If yes, prepare a data entry
☒ Proof received timely
☒ Reinstated

Source of Water:

- ☒ Surface water
☐ Groundwater
☒ 1. well log in file
☒ 2. drilling permit
☒ A. amount of drilling fee paid for proposed uses

Extent of Use and Rate of Diversion:

- ☒ Rate of diversion appropriate for uses
☒ Is rate or volume and fee appropriate?
☒ Has permit holder indicated when water was first put to a beneficial use?

Measuring Device:

- ☒ Is a measuring device or access port required?
☒ Has one been installed?
☒ Waiver or modification of measuring device requested

Remarks:

Reinstated

Priority Calculation:

Date proof received	<u>Dec 7, 1989</u>	<u>341</u>
Date proof due	<u>Dec 1, 1989</u>	<u>- 335</u>
No. of days late		<u>= 6</u>
Priority date	<u>Nov 16, 1979</u>	<u>+ 320</u>
NEW PRIORITY DATE	<u>Nov 22, 1979</u>	<u>= 326</u>

SEND FILES TO DATA ENTRY AND THEN TO MICROFILM

address change

RECREATION UTILITIES INC.
P.O. BOX 815
SANDPOINT, ID 83864

September 30, 1989

138728

PROOF DUE NOTICE

RE: PERMIT NO. 96-07841

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 December 1, 1989. (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,

Rita Fleck
Secretary/Records Manager

Enclosures

INDEXED
FILMED

MAR 26 1990

November 2, 1984

Recreations' Utility Company, Inc.
P. O. Box 993
Sandpoint, ID 83864

Gentlemen:

Re: Permit No. 96-7841

Enclosed is a copy of the approved request for extension of time. The time within which to submit the statement of beneficial use postcard is extended to December 1, 1989.

Sincerely,

RITA I. FLECK
Secretary/Records Manager

Enclosure

MICROFILMED

STAFF REVIEW OF REQUESTS FOR EXTENSION OF TIME

Permit Number 96-7841

- Y Date received stamp
Y Fee received and receipted
Y Name on request same as on permit
N Address same permit as on latest correspondence
Y Proof due date within six months of due date
Y Signature same as permit
Y Source of water the same
N Permit holder named in Swan Falls lawsuit
Y Proceed diligently
N Is delay caused by litigation:

Date lit. completed _____

Date lit. began _____

Period of delay _____

New proof due date _____

ACTION: Recommend approval based on due diligence

- Y Is the extension timely received?
N/A Reinstate: Extension received _____
 Proof due date _____
 Days late _____
 Priority date _____
 Adjusted priority date _____
Y Is there commencement of works?
 Cover letter _____
 Coding sheet - address
 Rolodex card updated and refiled _____

Reviewed by [Signature] Date: 10-25-84

10/25/84



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 450 W. State Street, Boise, Idaho

JOHN V. EVANS

Governor

A. KENNETH DUNN

Director

Mailing address:
Statehouse
Boise, Idaho 83720
(208) 334-4440

EXTENSION OF TIME

October 26, 1984

Recreations' Utility Company Inc.
P. O. Box 993
Sandpoint, ID 83864

PERMIT NO. 96-7841

We are in receipt of the \$15 extension fee for Extension(s) of Time to provide additional time in which to submit proof of beneficial use on a water right permit.

Your request for extension(s) of time is being reviewed by staff. You will be informed of our decision when review has been completed.

Enclosed is our receipt No. 35176.

Roberta Garrett
Records Supervisor

Enclosure

RECEIVED
OCT 27 1984

STATE OF IDAHO
DEPARTMENT OF WATER RESOURCES

STATEHOUSE
BOISE, IDAHO 83720
(208) 334-4440
CERTIFIED MAIL

138337

RECREATION UTILITIES, INC.
P.O. BOX 815
SANDPOINT, ID 83864

PROOF DUE NOTICE

SEPTEMBER 30, 1984

DEAR PERMIT HOLDER:

ONE OF THE CONDITIONS OF APPROVAL OF YOUR WATER PERMIT NO. 96-7841 WAS THAT PROOF OF THE EXTENT OF YOUR BENEFICIAL USE MUST BE SUBMITTED TO THIS OFFICE ON OR BEFORE DECEMBER 01, 1984. (SEE LAST PAGE OF YOUR APPROVED PERMIT OR YOUR LAST APPROVED EXTENSION REQUEST). ENCLOSED IS A POSTCARD WHICH 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, MORE THAN ONE EXTENSION OF TIME CAN BE GRANTED. AN EXTENSION OF TIME REQUEST FORM IS ENCLOSED FOR YOUR CONVENIENCE.

EITHER THE BENEFICIAL USE POSTCARD OR A 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,

RITA FLECK
SECRETARY/RECORDS MANAGER

ENCLOSURES

MICROFILMED



State of Idaho

DEPARTMENT OF WATER RESOURCES

STATE OFFICE, 373 W. Franklin Street, Boise, Idaho

JOHN V. EVANS

Governor

C. STEPHEN ALLRED

Director

Mailing address:

Statehouse

Boise, Idaho 83720

(208) 384-2215

December 21, 1979

Recreation Utilities Inc.
Box 815
Sandpoint, Idaho 83864

Dear Sirs,

RE: Permit No. 96-7841

Enclosed is a copy of your approved Application for Permit. We direct your attention to the conditions of approval as listed on the fourth page.

Sincerely,

A handwritten signature in cursive script that reads "David R. Tuthill, Jr.".

DAVID R. TUTHILL, JR.
Supervisor, Water Allocations Section

DRT:lr

Enclosure

MICROFILMED

State of Idaho
Department of Water Resources

APPLICATION FOR PERMIT ANALYSIS SHEET

INITIAL REVIEW BY: JK

APPLICATION NUMBER: 96-7841

CHECK:

- ☒ Source.
☒ Point of diversion.
☒ County.
☒ Description of diverting works.
☒ Time required for beneficial use of water.
☒ Place of use or acres irrigated.
☒ Map.
☒ Signature.
☒ Fee.
☐ Yes ☒ No Field check required.
☐ Yes ☒ No Critical groundwater area.
☐ Yes ☒ No Request dam safety information. Sent by: _____ Date: _____
☒ Yes ☐ No* In form to receipt.

Field check by: _____

Date: _____

Comments: _____

*REQUEST THE FOLLOWING ADDITIONAL INFORMATION FROM THE APPLICANT: _____

SEND COPIES TO:

- ☐ Idaho State Health Department. Copies sent by: _____ Date: _____
☐ Idaho Fish and Game Department. _____
☐ Idaho Department of Lands. _____
☐ U.S. Bureau of Land Management. _____
☐ U.S. Forest Service. _____
☐ Other _____

PROCESSING:

- ☐ Yes ☐ No Platted by: _____ Map No. _____
☐ Yes ☒ No Other rights on same place of use. _____
☒ Yes ☐ No* In form for advertising.
Final date for protests: 12-17-79
☐ Yes ☒ No Protests received. If yes, record information on 4th page of application.

FINAL REGIONAL PROCESSING REVIEW:

- ☒ Affidavit of publication received. Date: 12-14-79
☒ Application published correctly. If not, record action taken: _____
☒ Fee amount, receipt date & number, recorded on application.
☒ Publication dates and paper, recorded on application.
☒ Protests, dates, withdrawal, etc., recorded on application.
☒ Recommendation & initial, recorded on application.
☐ Yes ☒ No Measuring device required.
☐ Yes ☒ No Access port required.
☐ Yes ☒ No Will water be delivered by watermaster? If yes, what district? _____
11/16/79 Date of priority recommended.
Special conditions of approval or cover letter. _____

By: JK Date: 12/17/79

STATE OFFICE REVIEW:

04,

Short letter w/o conditions

- ☐ See attached sheet for more information.

By: Juni Date: 12/20/79

RECEIVED

96-2841-

RECREATION UTILITIES, INC.

P.O. BOX 815, SANDPOINT, ID 83864

Source: UNNAMED STREAM tributary to COLBURN CREEK

Date Filed: 11/16/1979

Amount: 0.50 CFS

Diversion Point: NWNW Sec 09 T 58N R 02W, BONNER Co.

Use: DOMESTIC (0.50 CFS) from 01/01 to 12/31

Place of Use: NWNW NENW SENW SWSW Sec 09 T 58N R 02W

Diversion Means: DAM, RESERVOIR & LINE

MICROFILMED

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES
Northern Region

JOHN V. EVANS
Governor
C. STEPHEN ALLRED
Director

4055 Government Way
Coeur d'Alene, ID 83814
(208) 667-6484

November 21, 1979

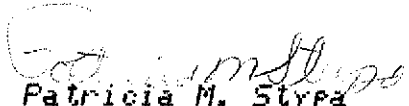
Recreation Utilities Inc.
Box 815
Sandpoint, ID 83864

RE: 96-7841

Gentleman:

Enclosed is Receipt No. 15125 in the amount of \$35.00 which was received by this office for the filing fee on the above-referenced item.

Sincerely,


Patricia M. Strpa

PMS

Enclosure

RECEIVED
NOV 22 1979
FBI - COEUR D'ALENE

RECEIVED

NOV 18 1979

Deputy Clerk
Bonner District Office

A G R E E M E N T

IT IS HEREBY MUTUALLY UNDERSTOOD AND AGREED by and between Pack River Company, Inc., a Washington Corporation, duly qualified to do business in Idaho, hereinafter referred to as "First Party", and Recreations Utilities, Inc., an Idaho Corporation, hereinafter referred to as "Second Party", that:

1. First Party owns the following described real property in Bonner County, Idaho:

The NW⁴ of the NW⁴, Section 9, Township 58 North, Range 2 West B.M.

2. Second Party desires to construct water control diversion impounding pipelines and other related items relating to water distribution as it relates to Second Party's operations at Schweitzer, Inc.'s operations in Bonner County, Idaho.

3. WHEREAS, IT IS MUTUALLY UNDERSTOOD AND AGREED that Second Party shall have the right to enter onto First Party's aforescribed real property and construct, maintain, collect, store and distribute water as Second Party deems reasonably necessary along with the right of maintenance, pumping, and anything reasonably related thereto, including the removal of water from said real property up to 0.5 c.f.s., and to such locations as Second Party deems reasonable.

4. IT IS MUTUALLY UNDERSTOOD AND AGREED that this is a covenant running with the land and binding upon the heirs, successors and assigns of each party hereto.

Consideration for this agreement is TEN DOLLARS (\$10.00) and other good and valuable consideration. This agreement may be mutually terminated by mutual agreement of the parties hereto.

That if necessary to record this agreement, it shall be interpreted as an instrument granting, bargaining, selling, conveying and/or quitclaiming the appropriate interests stated herein.

DATED this 7th day of November, 1979.

PACK RIVER COMPANY, INC.

BY: [Signature]

VICE PRESIDENT

ATTEST:

[Signature]
Secretary

RECEIVED

AGREED TO:

RECREATIONS UTILITIES CO., INC.

BY:

Dan Larsen
DAN LARSEN, PRESIDENT

ATTEST:

Pierre Huguenin
PIERRE HUGUENIN, SECRETARY

STATE OF WASHINGTON)

County of Spokane) ss.

On this 7th day of November, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dennis Horan and Richard Chastek to me known to be the Vice President and Secretary, respectively, of The Pack River Company the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Barbara L. Jackson
Notary Public in and for the State
of Washington, residing at Spokane.

STATE OF IDAHO)

County of Bonner) ss.

On this 6th day of November, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dan Larsen and Pierre Huguenin to me known to be the President and Secretary, respectively, of Recreations Utilities Co., Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Patti Heath
Notary Public in and for the State
of Idaho, residing at Sandpoint.

RECEIVED

NOV 11 1979

Department of Water Resources
Northern District Office

A G R E E M E N T

IT IS HEREBY MUTUALLY UNDERSTOOD AND AGREED by and between Pack River Company, Inc., a Washington Corporation, duly qualified to do business in Idaho, hereinafter referred to as "First Party", and Recreations Utilities, Inc., an Idaho Corporation, hereinafter referred to as "Second Party", that:

1. First Party owns the following described real property in Bonner County, Idaho:

The NW⁴ of the NW⁴, Section 9, Township 58 North, Range 2 West B.M.

2. Second Party desires to construct water control diversion impounding pipelines and other related items relating to water distribution as it relates to Second Party's operations at Schweitzer, Inc.'s operations in Bonner County, Idaho.

3. WHEREAS, IT IS MUTUALLY UNDERSTOOD AND AGREED that Second Party shall have the right to enter onto First Party's aforescribed real property and construct, maintain, collect, store and distribute water as Second Party deems reasonably necessary along with the right of maintenance, pumping, and anything reasonably related thereto, including the removal of water from said real property up to 0.5 c.f.s., and to such locations as Second Party deems reasonable.

4. IT IS MUTUALLY UNDERSTOOD AND AGREED that this is a covenant running with the land and binding upon the heirs, successors and assigns of each party hereto.

Consideration for this agreement is TEN DOLLARS (\$10.00) and other good and valuable consideration. This agreement may be mutually terminated by mutual agreement of the parties hereto.

That if necessary to record this agreement, it shall be interpreted as an instrument granting, bargaining, selling, conveying and/or quitclaiming the appropriate interests stated herein.

DATED this 7th day of November, 1979.

PACK RIVER COMPANY, INC.

BY: [Signature]
VICE PRESIDENT

ATTEST:

[Signature]
Secretary

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AGREED TO:

RECREATIONS UTILITIES CO., INC.

BY:

Dan Larsen
DAN LARSEN, PRESIDENT

ATTEST:

Pierre Huguenin
PIERRE HUGUENIN, SECRETARY

STATE OF WASHINGTON)

: ss.

County of Spokane)

On this 7th day of November, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dennis Horan and Richard Chastek to me known to be the Vice President and Secretary, respectively, of The Pack River Company the Corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Barbara L. Mackey
Notary Public in and for the State
of Washington, residing at Spokane.

STATE OF IDAHO)

: ss.

County of Bonner)

On this 6th day of November, 1979, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Dan Larsen and Pierre Huguenin to me known to be the President and Secretary, respectively, of Recreations Utilities Co., Inc., the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed (if any) is the corporate seal of said corporation.

Witness my hand and official seal hereto affixed the day and year first above written.

Patti Heath
Notary Public in and for the State
of Idaho, residing at Sandpoint.