

PETITION EXHIBIT "B"
Terms and Conditions of Annexation

The PETITIONER, having herein petitioned for the annexation into the EAGLE SEWER DISTRICT of the real property described therein ("Property"), hereby acknowledges and consents to the following terms and conditions for annexation if imposed by the DISTRICT's Board of Directors, subject to the provisions of Idaho Code § 42-3218(c):

1. PETITIONER will be responsible for all costs of publication, legal fees, engineering fees, and other related costs incurred by the DISTRICT, in the preparation, publication, hearings, and other necessary proceedings undertaken in connection with the proposed annexation of the Property, which costs shall be promptly paid when assessed by the DISTRICT. No final order approving the proposed annexation shall be completed by the DISTRICT prior to the receipt of such costs from the PETITIONER.

2. The DISTRICT's Board of Directors shall have full discretion, pursuant to Idaho Code Section 42-3218(b), to approve or deny the petition to annex the Property

3. Within ten (10) days after the announcement by the DISTRICT of the final terms and conditions under which the petition for annexation shall be approved, the petition may be withdrawn upon the request of a majority of the petitioners.

4. Sewer service to the Property must meet all Sewer District resolutions, and must comply with the master plan of the Eagle Sewer District.

5. In the event the annexation is approved, the DISTRICT shall place the Property on the DISTRICT's tax rolls, and it shall thereafter be subject to any and all taxes and assessments duly levied by the DISTRICT as provided by law.

6. PETITIONER shall be responsible, at its sole cost and expense, to complete all service lines and connections necessary to connect the Property, and any improvements thereon, to the DISTRICT's system, including payment of all fees assessed by the DISTRICT for plan review, inspection and approval for said work.

7. All stubouts for desired sewer service connections for the Property shall be clearly marked by the Petitioners with board and wire, and record drawings of all such stubouts shall be provided by the Petitioners to the Eagle Sewer District.

8. Annexation of the Property into the DISTRICT does not guarantee that sewer service will be available to that Property, or to any improvements situated thereon. Such sewer service may be limited by sewer treatment plant capacity; collection line locations or capacities; lift station availability; and similar limitations on other DISTRICT equipment and components, or their location in relation to the annexed Property. Further, the DISTRICT may refuse sewer service to the Property until such time as it can be provided without imposing unreasonable or extraordinary costs to the DISTRICT for the operation and maintenance of sewer lines, equipment and components required to provide such service.

9. Unless otherwise agreed to in writing by the DISTRICT, PETITIONER, at its sole cost and expense, shall be responsible to construct and install all sewer line extensions, and other equipment and components which the DISTRICT, in its discretion, deems necessary to provide sewer service to the Property, and to

acquire such easements or rights-of-way as may be necessary therefor. All such easements or rights-of-way shall name the DISTRICT as grantee therein, shall be perpetual, and shall be in a form approved by the DISTRICT. All such construction and installation shall be completed to applicable DISTRICT standards, and shall not be commenced until the plans and specifications therefor have been approved by the DISTRICT and all other governmental agencies whose review and approval may be necessary.

10. PETITIONER shall provide the DISTRICT with two (2) complete sets of reproducible "record" or "as-built" drawings for sewer lines, lift stations or other components constructed by PETITIONER within 30 days of completion. Failure to provide record drawings may delay the DISTRICT's certification of said improvements as complete, and could also result in the withholding of connection permits and sewer services.

11. PETITIONER warrants that all sewer lines, equipment and components constructed by PETITIONER shall conform to the specifications and requirements of the DISTRICT, and any and all other applicable codes, and standards governing such construction, and further warrants, for a period of one (1) year after the DISTRICT certifies them as complete, that the same shall be free from construction defects and shall remain within the allowable infiltration limits set by applicable state and federal regulations. Further, any repairs, replacements or major maintenance of said sewer lines, equipment and components necessary to correct any construction defects or to comply with said infiltration limits, within the one (1) year warranty period shall be performed at PETITIONER's expense, whether or not actually performed by the PETITIONER, the DISTRICT, or a contractor retained by the DISTRICT; and PETITIONER shall, upon being invoiced therefor, immediately reimburse any such costs incurred by the DISTRICT. Unless the DISTRICT notifies PETITIONER of its rejection of them, all such lines, equipment and components shall, without further documentation or conveyance, become the property of the DISTRICT upon the expiration of the warranty period, and all risk of loss or damage to said improvements, and all costs for repairing or replacing them, shall thereafter be borne by the DISTRICT.

12. DISTRICT shall be entitled to assess and collect from PETITIONER applicable service charges and/or user fees for sewer services provided to the Property, in accordance with the DISTRICT's Sewer Use Resolution and/or other resolutions of the DISTRICT, as amended from time to time.

13. DISTRICT shall be entitled to assess and collect from PETITIONER all duly established hookup, connection, or capital improvement fee(s) at the time of issuing a building permit for any building or improvement on the Property or any part thereof, or at such other time as the parties may agree, the specific amount thereof to be established by the DISTRICT. The amount and nature of said fees shall be consistent with fees charged by the DISTRICT for similarly situated property and uses within the DISTRICT.

14. The DISTRICT may impose such other and further conditions upon the proposed annexation as it deems appropriate, pursuant to Idaho Code Section 42-3218(c).