

WATER WELL AGREEMENT

THIS AGREEMENT made and entered into this 15th day of November, 1996, by and between HAVACA RANCH, LLC, a Montana limited liability company with its principal place of business in Bigfork, Montana, herein referred to as "Havaca," and JUSTIN HAVEMAN and SHAUNEY M. HAVEMAN, husband and wife, of Bigfork, Montana, herein referred to as "Haveman".

WHEREAS Havaca is the owner of a tract of real property located in Lake County, Montana, more particularly described on Exhibit A attached hereto and by this reference incorporated herein, sometimes herein referred to as "Havaca Parcel");

AND WHEREAS Haveman is the owner of a tract of land located in Lake County, Montana, more particularly described as The Amended Plat of Lot 1, Block 2 Flowerree's Orchard Tracts, S18-T26N-R19W, Reception No. 370900 records of Lake County, Montana;

AND WHEREAS a water well exists upon Havaca's property for the use and benefit of the parties hereto, the approximate location of said water well being designated as Lot 7 of Block 3 of the Flowerree Orchard Tracts, according to the map or plat thereof on file and of record with the Clerk and Recorder of Lake County, Montana, and the parties have agreed to share in the operational costs as hereinafter set forth.

NOW, THEREFORE in consideration of the mutual covenants and agreements herein contained, the parties agree as follows:

1. Operational, Maintenance, Repair and Replacement Costs: It is agreed that all operational, maintenance, repair and replacement costs necessary to keep the water well and pump in operational condition shall be paid for and shared equally between the parties. Any operational, maintenance, repair or replacement costs necessary to keep any water main in operational condition shall be paid for by the Parcel owner for whose benefit the water main exists.

2. Ownership and Water Rights: It is agreed that the owners of each of the two parcels shall be the owners of undivided one-half (½) interests each in and to the common system, including water pump. It is agreed that water rights shall be applied for and owned by all parties hereto in the following proportions: Haveman - up to a maximum of 10 gallons per minute; Havaca - one-half (½) plus everything over 10 gallons per minute. Said water rights, and ownership in the common system, and individual ownership of specific water mains as agreed to above, shall be appurtenant to the parcels owned by the parties. Said rights shall run with the land and each parcel

owner shall be considered as having transferred its/their rights and interests in said system, and its/their rights, duties and obligations under this Agreement, to the Assignee of respective parcel. It is agreed that Havemans may not furnish water to parcels other than their own without the written consent of the other owner, nor may they assign or transfer their ownership and interest in the common system or in and to this Agreement to anyone other than the purchaser of their parcel. All present and future water laws, statutes, ordinances and regulations of the County of Lake or the State of Montana, or the government of the United States shall be complied with and all costs, expenses and attorney's fees that may be incurred in bringing said well and water mains into such compliance shall be borne equally by the parties.

3. Easement: Havaca does hereby give and grant unto Haveman, and to their heirs, successors and assigns, a perpetual water line easement over and across that portion of the Havaca parcel where the current water line from the residence located on the Haveman property runs over and across the Havaca parcel to the well existing on the Havaca parcel identified as Lot 7 of Block 3 of the Flowerree Orchard Tracts, according to the map or plat thereof on file and of record with the Clerk and Recorder of Lake County, Montana.

4. Heirs, Successors and Assigns: It is agreed that the terms, conditions, and covenants herein set forth shall be binding upon all future owners of said parcels. It is agreed that when a party hereto has divested itself/themselves of all of its/their interest in its/their respective parcel, such party shall have no further interest in this Agreement or in said water system, although such selling party may still remain liable for its/their proportionate share of costs or expenses incurred prior to the sale or transfer of its/their parcel.

5. Additional Parties: It is agreed that additional persons or entities may become parties to this or subsequent agreements upon the unanimous agreement of both parties hereto. Such new parties shall agree to the proportional ownership and expense equations herein, shall pay all costs and expenses necessary to perfect their rights, including, but not limited to, the drafting of a new Agreement, and shall make a lump sum payment to the parties herein, in an amount to be determined by the parties herein, as reimbursement for the well and pump installation costs.

The parties acknowledge that the Haveman parcel and Havaca parcel are comprised of several potential residential tracts and that neither party is entitled to use the common water system to service more than one (1) single family residence without the written consent of the other party hereto.

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6. Bank Account: The parties agree that they may open a bank account, to be held in undivided shares, for the payment of any and all costs and expenses herein contemplated.

IN WITNESS WHEREOF, we have hereunto set our hands the day and year first above written.

Justin L. Haveman
JUSTIN HAVEMAN

Shauney M. Haveman
SHAUNEY HAVEMAN

HAVACA RANCH, LLC

Bill T. Cross
BILL T. CLOSS

Dan Averill
DAN AVERILL

Doug Averill
DOUG AVERILL

Justin L. Haveman
JUSTIN HAVEMAN

Return to: Havaca Ranch, LLC
Box 275
Bigfork, MT 59911

STATE OF MONTANA, COUNTY OF LAKE
Recorded At 2:41 O'Clock P. M. NOV 12 1996
Microfilm 378126 RUTH E. HODGES Recorder
Fees \$ 24.00 By Justin M. Jones Deputy

TRACT 1:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 of Block 2; and Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 of Block 3 all in Flowerrees Orchard Tracts, according to the map or plat thereof as on file in the office of the Clerk and Recorder of Lake County, Montana.

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TRACT 2:

A tract of land in the E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 26 North, Range 19 West, P.M.M., Lake County, Montana, described as follows: Commencing at the North Quarter corner of Section 18, thence S. 0°44'10" E. along the east boundary of the NW $\frac{1}{4}$ of said Section 18, 1332.76 feet to the northeast corner of SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence N. 89°50'00" W., along the north boundary of the said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 665.77 feet to the northwest corner of E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence South 0°34'13" E. along the west boundary of the E $\frac{1}{2}$, 965.30 feet to a point on the southerly R/W of Montana Highway 35, said point being the true point of beginning of the tract herein described; thence South 0°34'13" E. continuing along said west boundary 365.61 feet to the south boundary of the NW $\frac{1}{4}$ thence S. 89°40'52" E. along said south boundary 545.39 feet to the southerly R/W of Montana Highway 35; thence N. 56°07'16" W. along said southerly R/W 661.30 feet to the true point of beginning. Further identified as being "Bygren" on Certificate of Survey No. 3656, on file in the office of the Clerk and Recorder of Lake County, Montana.

TRACT 3:

A tract of land in Government Lot 1 of Section 18, Township 26 North, Range 19 West, P.M.M., Lake County, Montana, lying west of Montana Highway No. 35, described as follows: Beginning at the northwest corner of said Section 18; thence S. 0°04'57" W., along the west boundary of said Section 18, 1325.70 feet to the southwest corner of said Government Lot 1 of Section 18; thence, S. 89°50'00" E., along the south boundary of said Government Lot 1, 1058.34 feet to the westerly R/W of Montana Highway No. 35; thence N. 17°37'09" W., along said R/W, 1394.04 feet to the north boundary of said Section 18; thence N. 89°59'15" W., along said north boundary, 634.47 feet to the point of beginning. Further identified as being "Schenck" on Certificate of Survey No. 3656, on file in the office of the Clerk and Recorder of Lake County, Montana.

TRACT 4:

A tract of land in the W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 18, Township 26 North, Range 19 West, P.M.M., Lake County, Montana, described as follows: Commencing at the North Quarter Corner of Section 18; thence S. 0°44'10" E., along the east boundary of the NW $\frac{1}{4}$ of said Section 18, 1332.76 feet to the Northeast corner of the SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence N. 89°50'00" W., along the north boundary of the said SE $\frac{1}{4}$ NW $\frac{1}{4}$, 665.77 feet to the northeast corner of the W $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$; thence, S. 0°34'13" E., along the east boundary of the said West half; 977.43 feet to a point on the southerly R/W of Montana Highway No. 35, said point being the true point of beginning of the tract herein described; thence, S. 0°34'13" E., continuing along said E. boundary, 353.49 feet to the south boundary of the NW $\frac{1}{4}$; thence, N. 89°40'52" W., along said south boundary, 115.50 feet; thence, N. 0°34'13" W., 430.92 feet to the southerly R/W of Montana Highway No. 35; thence, S. 56°07'16" E., along said R/W, 140.05 feet to the true point of beginning. Further identified as being "Pittett" on Certificate of survey No. 3656, on file in the office of the Clerk and Recorder of Lake County, Montana.

EXCEPTING THEREFROM a tract of land situated, lying and being in Government Lots 1 and 2 of Section 18, Township 26 North, Range 19 West, P.M.M., Lake County, Montana, more particularly as being The Amended Plat of Lot 1, Block 2 of Flowerree's Orchard Tracts. ALSO EXCEPTING THEREFROM Lot 2 Block 2 and Lot 3 Block 2 of Flowerree's Orchard Tracts. Section 18, Township 26 North, Range 19 W. Lake County