

Springs & Water at The Sanctuary

As part of the overall plan for environmental sustainability, special care was given to water supply and, as a result, there are four sources of water on the property.

The main house and the garage are supplied by a deep spring located in the northwest corner of the property, which goes into a 1,000-gallon cistern and then feeds the house at 50 pounds of pressure with no pump necessary.

The retreat kitchen, cottage, bath house and irrigation system are supplied by a second spring that is located adjacent to Dower Creek on the northern boundary of the property. It also goes into a separate 1,000-gallon cistern adjacent to the pond and requires a pump to maintain pressure.

The third water source is the pond itself, which has been estimated to hold as much as 40,000 gallons of water. The pond is fed by the overflow of the retreat center spring and is piped to the main house, where a pump can add that water to the water system. After filtration, the pond water is drinkable but has a noticeable taste. A carbon filter should be able to remove that taste.

The fourth water source is a well of 1,000 feet and has a capacity of 3 gallons a minute. We have not needed to use the well since occupying the property and, because of disuse, it will need a new pump in order to be utilized.

All water goes through sediment filters and then through ultraviolet filtration to kill any bacteria. The main house also has a water softener.

There is a crossover between the main house and the retreat site so that one spring may be used to supply both locations if necessary. In the 10 years of living at The Sanctuary, we have never run out of water; we did, however, utilize a small amount of pond water for irrigation purposes one very dry hot summer.

Information is provided by seller and deemed reliable but not warranted by listing agent or PureWest Real Estate. It is recommended that all buyers and buyers' agents verify all information provided to them regarding this property to their satisfaction.

COPY

WATER USE AND EASEMENT AGREEMENT

THIS AGREEMENT, made and entered into this 10th day of June, 2003, by and between BARBARA FITZWATER of Kila, Montana (hereinafter referred to as "FITZWATER"); and, DONALD J. ANDERSON and SHERI L. ANDERSON of P.O. Box 10063, Kalispell, Montana 59904 (hereinafter referred to as "ANDERSON").

WITNESSETH:

WHEREAS, Fitzwater owns the real property situated in Flathead County, Montana, which is more particularly described as Tract 1 of Exhibit "A" attached hereto; and,

WHEREAS, Anderson owns the real property situated in Flathead County, Montana, which is more particularly described as Tract 2 of Exhibit "A"; and,

WHEREAS, there is a spring and water collection system situated on Tract 1 above-described, and it is intended that said spring and water collection system shall be for the benefit of and serve Tract 1 and Tract 2 of Exhibit "A"; and,

WHEREAS, the parties desire to enter this Water Use and Easement Agreement regarding the ownership, use, and management of said spring and water collection system and the water rights appurtenant thereto.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the parties do hereby agree as follows:

1. The above-referenced spring and water collection system, including the water transmission facilities used in connection therewith, and the water right(s) associated therewith, shall hereafter be commonly owned and used by the owners of Tract 1 and Tract 2 of Exhibit "A", for the use and benefit of Tract 1 and Tract 2 of Exhibit "A". Said spring and water collection system shall be divided into no more than two (2) ownership interests for the benefit of Tract 1 and Tract 2 of Exhibit "A".

2. There shall be no transfer of an ownership interest in the spring and water collection system separate from the ownership of Tract 1 and Tract 2 of Exhibit "A".

3. The owner(s) of Tract 2, their heirs, personal representatives, successors, and assigns, shall have a permanent easement and right of way along and across Tract 1 for the purpose of conveying water from said spring and water collection system along and across Tract 1 to Tract 2 of Exhibit "A", including the right to enter Tract 1 for the purpose of maintenance and repair of said spring, water collection and water transmission system for the purpose of conveying water from said spring and water collection system to Tract 2. It is agreed and understood that said easement and

right of way for the conveyance of water shall be ten feet (10') in width, the center of which shall be the center of the present water line running across Tract 1 to Tract 2 for the purpose of constructing, maintaining and repairing underground water line to convey water from said water collection system to Tract 2. Said easement shall be for the benefit of and appurtenant to Tract 2 of Exhibit "A".

The water collection system located on Tract 1 shall not be enlarged in any manner from its presents size, the water lines shall be installed and maintained underground, and in no event shall any structure be constructed or located within the easement herein granted. Fitzwater reserves the right to use the easement property in common with Anderson for all purposes which will not interfere with Anderson's rights hereby granted. Anderson shall promptly repair any damage caused by constructing, maintaining or repairing the water line from Tract 1 to Tract 2.

4. It is agreed and understood that the owner of Tract 1, their heirs, personal representatives, successors, and assigns, shall own one-half ($\frac{1}{2}$) interest in said spring and water collection system, and shall bear one-half of all expenses incurred for the operation, maintenance, and repair of said spring and water collection system, including the water right(s) associated therewith, and the owner of Tract 2, their heirs, personal representatives, successors, and assigns, shall own a one-half ($\frac{1}{2}$) interest in said spring and water collection system, and shall bear one-half of all expenses incurred for the operation, maintenance, and repair of said spring, including the water right(s) associated therewith. Any party, at their sole expense, may cause water or electricity to be separately metered. Each party shall bear all expenses necessary to convey water from said spring and water collection system to their own tract, including maintenance and repair. The parties further agree that in the event of damage to the water distribution system by the negligence of one party (i.e. line breaks due to freezing, etc.), the negligent party shall be responsible for the entire expense to repair such damage. Upon receipt of bills incurred in repairing, maintaining, and operating said spring and water collection and transmission system, and other accessories thereto, the parties shall pay the same as set forth above.

5. The parties shall use said spring and water collection system solely as a source of domestic water on their respective tracts, including household and stock watering, but not for irrigation.

6. None of the parties hereto, their heirs, personal representatives, successors, and assigns, shall be liable to any of the other parties for the quality of the water or the performance of the spring and water collection system.

7. In the event that any household on a property voluntarily ceases to use said spring and water collection system and the water therein, and such property owner wishes to be relieved from the terms of this Agreement and withdraw therefrom, the owners of such property may convey to the other users their interest in said spring and water collection system site, spring and water collection system, water therein, pump, and equipment affixed thereto; and upon said conveyance by said owner, the rights and obligations of the withdrawing property under the terms hereof shall terminate, and said agreement shall be of no further force and effect as to the withdrawing property. Provided,

however, that the provisions of this paragraph in no way relieves said withdrawing owners from any obligations or duties arising and occurring prior to said termination as herein provided.

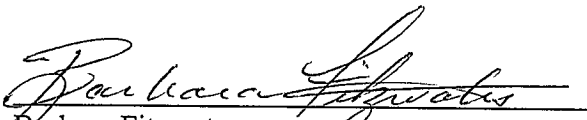
8. If a property owner breaches any term of this Agreement, such property owner(s) shall be sent a thirty (30) day written notice of default by the other property owners or their designated agent setting forth the default. If the default is not cured within thirty (30) days of receipt of the notice, the other property owners shall have the right to terminate such defaulting party's right to use the spring and water collection system, in addition to the remedies set forth above. Such use right shall not be reinstated until such time as the defaulting party cures the default and pays any costs associated with the giving of the notice of default. It is agreed that any written notice required hereunder may be served personally or by certified mail, return receipt requested, upon the defaulting property owner, at the address of said property owner as first hereinabove set forth or given to the other property owners as their proper address. If notice is given by mailing, it is agreed that the date of mailing shall be considered the date of service.

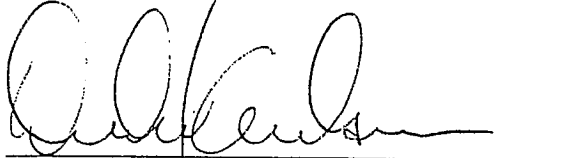
9. In the event that any property owner brings legal action to interpret or enforce any of the terms or provisions of this Agreement, the prevailing party in said legal action is entitled to recover, as a part of their costs and disbursements, such sum as the court may find reasonable as attorney fees in said controversy.


10. This Agreement cannot be amended except with the unanimous consent of the owners of Tract and Tract 2.

11. The rights and obligations herein set forth shall be appurtenant to the above-described real property, and shall inure to the benefit of and be binding upon the parties hereto, their heirs, personal representatives, successors, and assigns.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the date the year first above written.

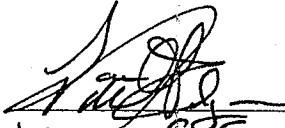

Barbara Fitzwater


Donald J. Anderson


Sheri L. Anderson

STATE OF MONTANA)
) :ss.
County of Flathead)

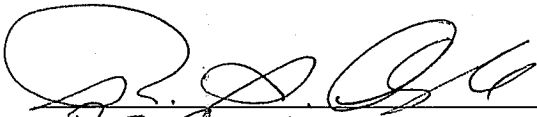
This instrument was acknowledged before me on this ____ day of June, 2003, by BARBARA FITZWATER.



WILLIAM G. EDGAR
(Type or Print Name)
Notary Public for the State of Montana
Residing at BIGFORK
My Commission expires: MARCH 22, 2005

STATE OF MONTANA)
) :ss.
County of Flathead)

This instrument was acknowledged before me on this 10th day of June, 2003, by DONALD J. ANDERSON and SHERI L. ANDERSON.



R. S. OGLE
(Type or Print Name)
Notary Public for the State of Montana
Residing at Calvin, MT
My Commission expires: 2/14/2007

EXHIBIT "A"

Tract 1

All those portions of the East Half Southeast Quarter (E½SE¼) and the North Half Northwest Quarter Southeast Quarter (N½NW¼SE¼), Section 14, Township 27 North, Range 23 West, Flathead County, Montana, lying North of the Northerly line of the former Great Northern Railroad right of way, more particularly described as follows:

Beginning at the East Quarter corner of Section 14; thence along the North line of the East Half Southeast Quarter (E½SE¼), Section 14, South 88°59'28" West 1315.08 feet; thence along the North line of the North Half Northwest Quarter of the Southeast Quarter (N¼NW¼SE¼), Section 14, South 88°59'28" West 1315.09 feet; thence along the West line of the North Half Northwest Quarter Southeast Quarter (N½NW¼SE¼), Section 14, South 0°09'50" West 662.97 feet; thence along the South line of the North Half Northwest Quarter Southeast Quarter (N¼NW¼SE¼), Section 14, North 88°52'20" East 1316.36 feet; thence along the West line of the East Half of the Southeast Quarter (E½SE¼), Section 14, South 0°03'32" West 1319.86 feet to the Northerly line of the former Great Northern Railroad right of way, said point being on the 816.20 foot radius curve concave to the South having a radial bearing of North 17°57'39" West; thence along said Northerly line Northeasterly and Southeasterly along said curve thru a central angle of 40°13'19" 572.98 feet; South 67°44'20" East 200.00 feet to the beginning of a 616.78 foot radius curve to the left; along said curve thru a central angle of 21°10'00" 227.86 feet to the beginning of a 3337.75 foot radius curve to the left and along said curve thru a central angle of 6°01'42" 331.18 feet to the East line of the East Half Southeast Quarter (E½SE¼), Section 14; thence along the East line North 0°02'49" West 2134.15 feet to the Point of Beginning. Parcel C on Certificate of Survey No. 1264.

EXCEPTING THEREFROM that portion of the Southeast Quarter (SE¼) of Section 14, Township 27 North, Range 23 West, P.M.M., Flathead County, Montana, described as follows:

Beginning at the Central ¼ corner, Section 14; thence along the West line of the Southeast Quarter South 0°09'50" West 662.97 feet to the Southwest corner of the North Half of the Northwest Quarter of the Southeast Quarter (N½NW¼SE¼); thence along the South line of the North Half of the Northwest Quarter of the Southeast Quarter (N½NW¼SE¼) North 88°52'20" East 1316.36 feet to the Southeast corner of the North Half of the Northwest Quarter of the Southeast Quarter (N½NW¼SE¼); thence along the East line of the Northwest Quarter of the Southeast Quarter (NW¼SE¼) North 0°03'32" East 119.43 feet; thence North 57°18'09" West 127.86 feet; thence North 71°08'22" West 219.63 feet; thence South 76°13'14" West 140.80 feet; thence North 75°26'18" West 273.06 feet; thence North 51°48'34" West 192.91 feet; thence North 33°27'37" West 159.47 feet; thence North 65°52'36" West 125.12 feet; thence North 1°00'32" West 42.85 feet to the North line of the Southeast Quarter (SE¼); thence along the North line South 88°59'23" West 243.75 feet to the point of beginning.

As shown on Certificate of Survey No. 1529.

SUBJECT TO easement recorded June 15, 1971, in Book 525, Page 235, records of Flathead County, Montana.

Tract 2

That portion of the South $\frac{1}{2}$, Section 14, Township 27 North, Range 23 West, Flathead County, Montana, described as follows:

Beginning at the Northeast corner of the South $\frac{1}{2}$ Northwest $\frac{1}{4}$ Southeast $\frac{1}{4}$, then along the East and South lines of the South $\frac{1}{2}$ Northwest $\frac{1}{4}$ Southeast $\frac{1}{4}$ South $0^{\circ}03'32''$ West 660.21 feet and South $88^{\circ}45'10''$ West 1317.64 feet to the Southeast corner of the Northeast $\frac{1}{4}$ Southwest $\frac{1}{4}$; then along the South and West lines of the Northeast $\frac{1}{4}$ Southwest $\frac{1}{4}$ South $88^{\circ}45'13''$ West 1309.51 feet and North $0^{\circ}05'32''$ East 665.68 feet; then South $76^{\circ}51'19''$ East 1344.30 feet; then North $74^{\circ}49'04''$ East 1364.69 feet to the Point of Beginning, containing 29.977 acres of land. Parcel B of Certificate of Survey No. 1789.