

AGREEMENT FOR SALE OF WELL

Agreement made June 24, 1996, between G.T. Investments, an Idaho partnership, here referred to as seller, and Red Fir Water Association, Inc., an Idaho corporation, here referred to as buyer.

RECITALS

A. Seller has developed and now owns a water well that is being used in connection with providing domestic water at Parcels 1 through 7 as shown on Exhibit 1 which is attached to this Agreement. Those parcels are located in Section 11 and 12, T. 53N, Range 3 W. B. M., in Kootenai County, Idaho.

B. Seller wishes to sell and buyer wishes to purchase the above-described well, associated pumping and electrical equipment, distribution lines, meters, leases, and easements.

For the reasons set forth above, and in consideration of the mutual covenants and promises contained in this agreement, the parties agree as follows:

SECTION ONE DESCRIPTION OF PROPERTY TRANSFERRED

For the consideration provided in this agreement, seller will sell to buyer and buyer will buy from seller:

- (a) Seller's water well located at Red Fir Road, in the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 12, Twp. 53N., Range 3 W.B.M., Kootenai County, Idaho.
- (b) The pumps, motors, motor controls, and associated electrical equipment used in connection therewith;
- (c) The pump house and reservoir used in connection with the well;
- (d) The distribution pipes running from the well to each parcel, and the easements associated with those distribution pipes; and
- (e) The lease for the land on which the well and pump house are located. A copy of that lease is attached as Exhibit 2.

SECTION TWO FUTURE HOOKUPS

Seller hereby retains the first twenty hookups after the hookups for the seven parcels described in Exhibit 1. Those hookups shall be made at seller's expense. Seller may sell or otherwise dispose of any or all of those additional hookups as it desires at its sole discretion. At those times as seller desires to utilize any of the hookups, seller shall identify to buyer the parcel(s) that will be utilizing the hookup(s). Buyer shall then issue a certificate of membership in Red Fir Water Association, Inc. for each such parcel and shall provide water to each parcel upon completion of the water distribution line to each parcel. Except as otherwise provided in this Section, buyer may not make additional hookups, or issue additional memberships in Red Fir Water Association, Inc., until seller has utilized all twenty of the additional hookups, without the express written authorization of seller.

SECTION THREE MAINTENANCE OF PROPERTY

Buyer shall keep and maintain the properties sold to or installed by buyer under this agreement in good condition and repair, and shall pay all costs and expenses incurred in connection with the maintenance, repair or operation of the property.

SECTION FOUR EASEMENTS

To the extent that seller has been granted easements for the maintenance and operation of the water system which is the subject matter of this Agreement, seller shall grant to buyer those easements

SECTION FIVE ASSIGNMENT

This agreement shall be assignable by either party without the consent of the other, and shall be binding on and inure to the benefit of the successors and assigns of the parties.

SECTION SIX LIABILITY FOR FLUCTUATIONS IN FLOW AND PRESSURE

Buyer shall responsible be for maintaining adequate water flow and pressure to each parcel for which it is now, and will be in the future, responsible for providing

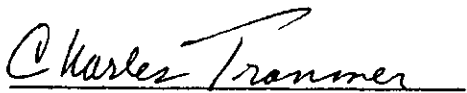
water from the water system described in this Agreement.

SECTION SEVEN
INTERPRETATION

This Agreement shall be interpreted according to the law of the State of Idaho.

In witness whereof, the parties have executed this agreement the day and year first above-written.

For G.T. Investments


CHARLES TRANMER
Partner

For Red Fir Water Association, Inc.


CHARLES TRANMER
Director


LARRY GILMAN
Partner


LARRY GILMAN
Director