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JAN 30 1997

State of Idaho
DEPARTMENT OF WATER RESOURCES

ASSIGNMENT OF PERMIT

To change the ownership of a permit

Sinclair Oil Corporation
I, d/b/a Sun Valley Company, hereby assign to the City of Ketchum
(Permit Holder)
of 480 East Avenue North, P.O. Box 2315, Ketchum, Idaho 83340
(Full Address)

All my right, title, and interest in and to Permit No. _____
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. 37-08575 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.

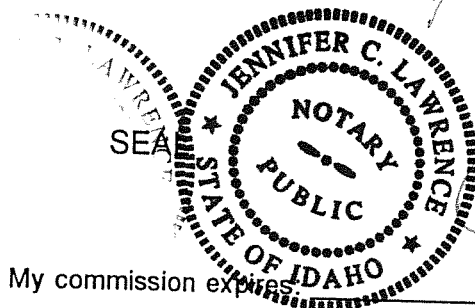
As described in the Assignment of Water Rights Agreement,
attached as Exhibit A.

Made this 29th day of January, 19 98.

Scott L. Campbell
Permit Holder(s)
Scott L. Campbell, Authorized Agent and Attorney
for Permit Holder

State of Idaho)
County of ADA) ss

On this 30 day of Jan, 199 8, personally appeared before me
the signer of the above instrument, duly acknowledged to me that he/she/they executed the same.



JENNIFER C. LAWRENCE
Notary Public
Jennifer C. Lawrence
Signature

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ASSIGNMENT OF WATER RIGHTS AGREEMENT

This Assignment of Water Rights Agreement ("Agreement") is dated this 14 day of Jan, 1998, by and among Sinclair Oil Corporation d/b/a Sun Valley Company of Sun Valley, Idaho, 83383 an entity incorporated and existing under and by virtue of the laws of the State of Wyoming ("Company"), and the City of Ketchum ("City") of 480 East Avenue North, PO Box 2315, Ketchum, Idaho, 83340, a municipality incorporated and existing under and by virtue of the laws of the State of Idaho.

RECITALS

- A. The Company owns Water Permit Number 37-08575, a true and correct copy of which is attached hereto as Exhibit A and made a part hereof ("Permit").
- B. The Company desires to assign a portion of the Permit, specifically .20 cubic feet per second ("c.f.s.") currently for commercial (non-snowmaking) use and .80 c.f.s. currently for domestic use, to the City ("Partial Assignment").
- C. The Company desires that as the River Run Project ("Project") is developed, the City will provide water services for the Project.
- D. The City desires to receive the Partial Assignment, and to change the place of use of the Partial Assignment to add the City's service area of its municipal water delivery system, and to change the nature of use of the Partial Assignment from commercial and domestic to municipal.
- E. The Company and the City desire that the City provide proof of beneficial use for water transferred under the Partial Assignment to the Idaho Department of Water Resources ("Department") before February 1, 1998.
- F. The Company and the City desire that the costs and fees associated with filing the Partial Assignment of Water Permit with the Department and the costs and fees associated with filing the Application for Transfer and Proof of Beneficial Use be borne by the Company.

NOW, THEREFORE, in consideration of the mutual benefits to be received by the Company and the City and other good and valuable consideration, which consideration and the sufficiency thereof is hereby acknowledged by the parties hereto, the Company and the City represent, covenant, undertake and agree as follows:

1. Definitions. In addition to other capitalized terms defined herein, this Agreement contains certain words which have the following meaning:

- a. "Sun Valley" means Sinclair Oil Corporation, d/b/a Sun Valley Company, a business entity doing business in Blaine County, Idaho.

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- b. "City" means City of Ketchum, a municipality organized and existing under the laws of the State of Idaho.
- c. "C.f.s." means "cubic feet per second."
- d. "Permit" means Water Permit Number 37-08575.
- e. "Partial Assignment" means that portion of Water Permit Number 37-08575 as follows:
 - (1) .20 c.f.s for commercial (non-snowmaking) use; and
 - (2) .80 c.f.s for domestic use;for a total of 1.0 c.f.s.
- f. "Project" means the River Run Project, owned by the Company.
- g. "Department" means the Idaho Department of Water Resources.

2. Ownership of Water Permit No. 37-08575. The Company is the sole owner of Water Permit No. 37-08575. That permit allows for the diversion of 4.46 c.f.s of groundwater from, NE ¼ of the NE ¼ of Section 24, Township 04 North, Range 17 East, for commercial snowmaking and firefighting use; the diversion of .20 c.f.s of water for commercial use; and .80 c.f.s of water for domestic use.

3. Partial Assignment of Water Permit No. 37-08575. The Company hereby assigns to the City a portion of the Permit, to wit, .20 c.f.s. of water for commercial (non-snowmaking) use and .80 c.f.s of water for domestic use. The Company does not assign and therefore retains 4.46 c.f.s of water for commercial snowmaking and firefighting use under the Permit. The use of water by the City under the assigned portion of the Permit shall not interfere with the Company's exercise of its retained right to use 4.46 c.f.s. of water for commercial snowmaking use under the Permit.

4. Assignment of Permit Form Filing. The Company shall file a completed "Assignment of Permit" form with the Department, reflecting the Partial Assignment set forth in Paragraph 4. The Company shall pay the filing fee and related processing and delivery costs, and shall pay any attorney fees associated with preparation and approval of the Assignment of Permit form.

5. River Run Project. In consideration for the Partial Assignment by the Company, the City agrees to provide water to all of the Company-owned buildings that are present at the time of the execution of this Agreement and the property located in the NE 1/4 of the NE 1/4 of Section 24, Township 04N, Range 17E, commonly known as the River Run Project.

6. City Water Supply to River Run. The City shall provide water service to the River Run Project, pursuant to the terms of paragraph 5 hereof, immediately upon final approval of the City's Application for Transfer by the Department, as described in paragraph 7 hereof.

7. Transfer. The City shall file an Application for Transfer with the Department, to change the nature of use from commercial and domestic to municipal, and to make any other necessary changes to the point of diversion or place of use of the assigned portion of the permit. The Company shall pay filing fees and related processing and delivery costs, and shall employ an attorney to prepare and process the Application for Transfer.

8. Beneficial Use. It shall be the responsibility of the City to put the water obtained under the Partial Assignment to beneficial use before the February 1, 1998 deadline set by the Department. The City shall file a Proof of Beneficial Use form with the Department before the February 1, 1998 deadline or obtain an extension from the Department. The City shall pay any costs and expenses associated with putting the water obtained under the Partial Assignment to beneficial use, the Company shall pay any costs or fees associated with filing the Proof of Beneficial Use form with the Department, or obtaining an extension.

9. Reconveyance. The Company retains the right to require from the City a reconveyance of the assigned portion of the Permit or any subsequent water license upon the delivery of a written request to the City. The written request may be made at any time within five (5) years from the date of this Agreement. If the written request is not made within this time period, the reconveyance right terminates. No consideration shall be required from the City if the Company elects to exercise this right.

10. Limitations on Liability. The parties hereto agree that nothing herein contained shall be construed to create a joint venture, partnership or other similar relationship which might subject any party to liability for the debts and/or obligations of the other, except as in connection with this Agreement. In the event any party hereto shall bring any action to enforce a breach of this Agreement, the prevailing party shall be entitled to recover reasonable costs and attorneys' fees from the nonprevailing party.

11. Notices. All notices, demands, requests, and other communications under this Agreement shall be in writing, and shall be deemed properly served or delivered, if delivered by hand to the party to whose attention it is directed, or when sent, 3 days after deposit in the U.S. Mail, postage prepaid, addressed as follows:

Company: Sinclair Oil Corporation
d/b/a Sun Valley Company
Sun Valley, Idaho 83383

City: City of Ketchum
480 East Avenue North
PO Box 2315
Ketchum, Idaho 83340

Each party may change its address for delivery of written notice in the manner provided herein.

12. Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter of this Agreement. Amendments to this Agreement shall be made only by written instrument executed by each of the parties hereto.

13. Severability. If any part of this Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be given effect to the fullest extent reasonably possible.

14. Survival. The terms, representations, provisions, covenants, and agreements shall survive the delivery of the Assignment of Permit form to the Idaho Department of Water Resources and shall remain binding upon and for the parties hereto until fully observed, kept or performed.

15. Limited Liability. No director, officer, staff member, agent, or designee of the Company shall incur any liability hereunder to the City, or any other party in their individual capacities by reason of their actions hereunder or execution hereunder. No director, officer, staff member, agent, or designee of the City shall incur any liability hereunder to the Company or any other party in their individual capacities by reason of their actions hereunder or execution hereunder.

16. Representations and Warranties.

(a) Company -- The Company represents and warrants that: (i) it is a corporation incorporated and in good standing in the State of Wyoming; (ii) it has the capacity to enter into and perform its obligations under this Agreement; (iii) all actions required to authorize the Company to enter into and perform this agreement have been properly taken; (iv) this Agreement has been properly executed and delivered by the Company and is valid and binding upon the Company in accordance with its terms; and (v) The Company has obtained or will obtain all permits, licenses, and acknowledgments required to conduct its activities under the terms of the Agreement.

(b) City -- The City represents and warrants that: (i) it is an Idaho municipal corporation incorporated and in good standing in the State of Idaho; (ii) it has the capacity to enter into and perform its obligations under this Agreement; (iii) all actions required to authorize the City to enter into and perform this Agreement have been properly taken; (iv) this Agreement has been properly executed and delivered by the City and is valid and binding upon the City in accordance with its terms; and (v) this City has obtained or will obtain all permits, licenses, and acknowledgments required to conduct its activities under the terms of the Agreement.

17. Governing Law. This agreement shall be construed under, and governed by, the laws of the state of Idaho.

18. Binding Effect. This Agreement shall bind the parties hereto and their respective heirs, personal representatives, successors and assigns.

19. Attorney Fees -- In the event of any suit or proceeding by either party herein against the other party arising out of this Agreement, the nonprevailing party in such suit or proceeding shall pay to the prevailing party such sum or sums as the court shall adjudge reasonable for attorney fees and costs, including such fees and costs on appeal.

IN WITNESS WHEREOF, the parties have hereunto caused their names to be subscribed
this Jan day of JAN, 1998.
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SINCLAIR OIL CORPORATION
d/b/a SUN VALLEY COMPANY

By: Wallace A. Huffman
Wallace A. Huffman, Vice President, General Manager
W

STATE OF IDAHO)
County of Blaine) ss.

On this 14th day of January, 1998, before me, the undersigned, a
Notary Public in and for said State, personally appeared WALLACE A. HUFFMAN, known or
identified to me to be as the Vice President/General Manager of SINCLAIR OIL CORPORATION
d/b/a SUN VALLEY COMPANY, the person who executed the instrument and acknowledged to
me that he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the
day and year in this certificate first above written.

Julie Quayle
Notary Public for Blaine County, Idaho
Residing at 240-25-94 Hefner
My commission expires: 10-25-99

CITY OF KETCHUM

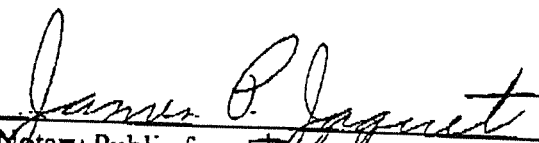
By: 
Guy P. Coles Mayor

STATE OF IDAHO)
County of Blaine) ss.

On this 14th day of January, 1998, before me, the undersigned, a Notary Public in and for said State, personally appeared Guy P. Coles, known or identified to me to be the MAYOR of the CITY OF KETCHUM, the person who executed the within instrument on behalf of said City, and acknowledged to me he executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.




Notary Public for Idaho
Residing at Ketchum
My commission expires: March 24, 2003

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