

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement ("the Agreement") is made this 27 day of Jan., 1998, by and between L & M, Inc. and Clear Lake Corporation ("Sellers"), as Sellers, and Clear Lake Country Club ("Buyer"), as Buyer.

WITNESSETH, that for and in consideration of the mutual agreements herein contained, the parties hereto covenant and agree as follows:

- A. The Sellers own the right to divert and use 1.5 cubic feet per second (cfs), or 75 inches, of water ("the Water Right"), more particularly described as follows:

State Water Right No. 36-04148A, in the amount of 1.5 cfs, with a priority date of September 19, 1912, diverted from springs in Lot 5 of Section 2, T09S R14E, B.M., in the vicinity of Clear Lake, for the irrigation of 133 acres in Sections 1, 2 and 11, T09S R14E, B.M., all in Gooding County, Idaho.

- B. The Buyer desires to purchase a portion of the Water Right in the amount of .6 cfs, or 30 inches, and the Sellers have agreed to sell upon certain terms and conditions.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual agreements and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer and Sellers agree as follows:

1. Purchase Price.

The purchase price for a portion of the Water Right in the amount of .6 cfs, or 30 inches, shall be \$28,000. This is the price agreed to between the parties hereto.

The purchase price shall be paid to the Sellers as follows:

- (a) \$1,000 at the time of signing of this Agreement; and
- (b) \$27,000 at the time of closing, on or before January 31, 1998, as agreed to by the parties.

2. Closing Documents.

Closing will be on or before Jan. 31, 1998, as agreed by the parties. At or before closing:

- (a) The Sellers will provide the Buyer copies of all documents or instruments necessary or appropriate to effect a full and complete transfer of a portion of the Water Right in the amount of .6 cfs, or 30 inches, as follows:
 - (1) An executed Quit Claim Deed to that portion of the Water Right referred to above.
 - (2) A change of ownership form to be filed with the Idaho Department of Water Resources and/or the Snake River Basin Adjudication district court for that portion of the Water Right referred to above.

(3) Any other documents reasonably required to consummate this transaction.

3. Entire Agreement.

This Agreement contains the entire understanding of the Buyer and Sellers with respect to the subject matter hereof, and no prior written or oral agreement pertaining to any such matter shall be effective for any purpose. No provision of this agreement may be amended or added to except by agreement in writing signed by the parties to this Agreement or their respective successors in interest.

4. Attorney Fees.

In the event of any dispute or litigation concerning the enforcement, validity, or interpretation of this Agreement or any part hereof, each party shall pay its own attorney fees and costs and expenses incurred.

5. Further Assurances.

The Sellers have obtained consent of the lienholders for the existing mortgages and have full authority to sell that portion of the water mentioned above (.6 cfs, or 30 inches) to the Buyer. The Buyer and Sellers agree to execute, acknowledge, deliver, file and/or record such documents, and take such other actions, as are reasonably necessary to effect the transfers contemplated by this Agreement and to otherwise give this Agreement its fullest force and effect. Both parties agree not to disturb lawful use of the source springs by the other party, and to provide written notice to the other party before commencing any repairs, maintenance, or other work which could in any way disturb the flow from the source.

6. Disclaimer of Warranties.

The Sellers make no warranty, express or implied, as to the actual amount of the Water Right that may be physically available each year. The Sellers shall not be responsible for shortages resulting from drought or other shortages for which the Seller is not responsible. The parties agree that the respective portions of the split Water Right shall have the same priority and that the available supply shall be shared proportionately (i.e., 60% to Sellers and 40% to Buyer) during times of drought or other shortage.

7. Section Headings.

Headings at the beginning of section and paragraphs of this Agreement are solely for convenience of reference and are not part of this Agreement.

8. Successors and Assigns.

This Agreement shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

9. Counterparts.

This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the Buyer and Sellers have executed this Agreement as of the day and year first above written.

"SELLERS"

L & M, INC.

By: Jon Mellen

Its: President

CLEAR LAKE CORPORATION

By: David D. Buhl

Its: President

ATTEST:

By: George Bunch

Its: Vice President

"BUYER"

CLEAR LAKE COUNTRY CLUB

By: Gary Yeet

Its: President

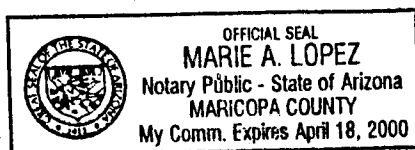
STATE OF Arizona)

)ss.

County of Maricopa)

On this 20th day of January, 1998, before me, a Notary Public, in and for said County and State, personally appeared Jon Mellen known or identified to me to be the President of L & M, INC., the corporation that executed the foregoing instrument, and acknowledged to me that such corporation 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.



Marie A. Lopez
NOTARY PUBLIC FOR Northern Trust Co
Residing at: 7001 N. Scottsdale, Scottsdale
My commission expires: April 18, 2000

STATE OF IDAHO)
)ss.
County of Twin Falls)

On this 27th day of January, 1998, before me, a Notary Public, in and for said County and State, personally appeared David Brunk and George Brunk, known or identified to me to be the President and Vice President, respectively, of CLEAR LAKE CORPORATION, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation 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.

Sherry L. Call
NOTARY PUBLIC FOR IDAHO
Residing at: Twin Falls, Id
My commission expires: 3/19/98

STATE OF IDAHO)
)ss.
County of Twin Falls)

On this 27th day of January, 1998, before me, a Notary Public, in and for said County and State, personally appeared Mary Hart known or identified to me to be the President, of CLEAR LAKE COUNTRY CLUB, the corporation that executed the foregoing instrument, and acknowledged to me that such corporation 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.

Sherry L. Call
NOTARY PUBLIC FOR IDAHO
Residing at: Twin Falls, Id
My commission expires: 3/19/98

10019705.NMS