

CONTRACT OF SALE

THIS AGREEMENT, Made and entered this 11th day of February, 1999, by and between THE DAVID RAY SANDERS FAMILY TRUST, c/o Geneva Sanders, Trustee, of Hamer, Idaho, hereinafter called "Seller," and SID E. BROWN and JAN A. BROWN, husband and wife, of 2251 E. 2350 N., Hamer, Idaho, 83425; BLAKE N. KIRKPATRICK and LISA M. KIRKPATRICK, husband and wife, of P. O. Box 1, Hamer, Idaho, 82345; SPENCER E. BROWN and KAMI L. BROWN, husband and wife, of 2259 E. 2350 N., Hamer, Idaho, 83425, hereinafter called "Buyers,"

WITNESSETH:

1. Property.

Seller agrees to sell to Buyers, and Buyers agree to buy from Seller, on the terms and conditions herein specified, the following described real property situated in Jefferson County, State of Idaho, to-wit:

PARCEL NO. 1:

The NW1/4 of the SW1/4 in Section 4, Twp. 7 N., Rge. 36 E.B.M.

PARCEL NO. 2:

Lots 1 and 5 in Section 1 of Twp. 7 N., Rge. 35 E.B.M.

PARCEL NO. 3:

Lots 1, 2, 3, and 4; E1/2 of the W1/2; W1/2 of the E1/2, all Sec. 31, Twp. 8 N., Rge. 36 E.B.M.

PARCEL NO. 4:

Lots 3, 4, and 5, and the SE1/4 of the NW1/4, all in Sec. 6, Twp. 7 N., Rge. 36 E.B.M.

LESS THE FOLLOWING: Beginning at the SE corner of the NW quarter of Twp. 7 N., Rge. 36 E.B.M., Sec. 6, and running thence N. 275 feet; thence West 1043 feet; thence in

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Department of Water Resources
Eastern Region

a Southeasterly direction, more or less, 334.82 feet to a point 852 feet West of the point of beginning; thence East 852 feet to the point of beginning.

PARCEL NO. 5:

Lots 3 and 4; the E1/2 of the SW1/4; and the S1/2 of the SE1/4; all in Sec. 30, Twp. 8 N., Rge. 36 E.B.M.

LESS THE FOLLOWING FROM THE ABOVE DESCRIBED PARCELS:

LESSED-OUT PARCEL NO. A:

T7N R 35 E and R.36 E, BOISE MERIDIAN

BEGINNING at the 1/4 Section Corner of Sections 1 and 6, a found 3" concrete post with a U.S. Biological Survey brass cap marked T7N R35E R36E 1/4 S1 S6 1936" from which point the Northwest corner of Township 7 North, Range 36 East, a found stone 10 x 6 inches, projecting 4 inches above the ground, with visible marks "7N" visible on South face, "3 " visible on East face and six notches visible on the Southeast corner, bears North 0°14'07" East, 2318.95 feet, and from which point U.S. Coast and Geodetic Survey Triangulation Station "REFUGE, 1959", a found 3 1/2" brass tablet bears South 48°45'48" East, 6899.44 feet;

thence in Township 7 North, Range 35 East, along the now and former land of UNITED STATES OF AMERICA and the East and West centerline of Section 1,

North 89°44' 59" West, 172.45 feet,
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked "153, TR 83, 1998", from which point the Center-West 1/16 Section Corner of Section 1, Township 7 North, Range 35 East, a found 3" concrete post with a U.S. Biological Survey brass cap marked C-C W1/16, S1, 1936", at the Corner of a fence which runs South and East, bears North 89°44'59" West, 3695.40) feet;

thence, through the land of Sanders,

North 22°56'40", East, 196.33 feet,
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked "109, TR 83, 1998";

thence,

North 50°57' 56" East, 631.50 feet,
passing the line between Township 7 North, Ranges 35 and 36 East at 124.85 feet;

North 50°57'56" East, 506.65 feet,
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked
"110, TR 83, 1998";

thence, continuing through Township 7 North, Range 36 East,
South 89°59' 50" East, 758.64 feet,
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked
"112, TR 83, 1998";

thence, along an existing fence line,
South 81°18'14" East, 331.43 feet.
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked
"117, TR 83, 1998";

thence, along an existing fence line
South 19°11'30" East 256.71 feet
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap
marked "151, TR 83, 1998", common with the Northwest corner of F.B. Downs,
as described in the Warranty Deed from The David Ray Sanders Family Trust
c/o David Ray Sanders and Geneva Sanders, Trustees, to J. William and Sylvia
Kay Edington, dated July 16, 1984, being recorded in the Official Records of
Jefferson County, Idaho, as instrument number 225328;

thence, along the westerly boundary of F.B. Downs, and an existing fence line,

South 34°41'17" East, 332.70 feet,
to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap
marked "152, TR 83, 1998", common with the Southwest corner of F.B. Downs,
on the East and West centerline of Section 6, from which point the center 1/4
section corner of Section 6, a found 3" concrete post with a U.S. Biological
Survey brass cap marked "T7S, R36E, C1/4, S6, 1936", bears N. 89°34'20" E.,
852.00 feet;

thence, along the land now and formerly of UNITED STATES OF AMERICA
and the East and West centerline of Section 6

South 89°34' 20" West, 1754.66 feet,

to the point of BEGINNING, containing 19.88 acres, more or less, and,

LESSED-OUT PARCEL NO. B:

BEGINNING at the 1/4 Section Corner of sections 1 and 6, a found 3" concrete

post with a U.S. Biological Survey brass cap marked T7N R35E R36E 1/4 S1 S6 1936" from which point the Northwest corner of Township 7 North, Range 36 East, a found stone 10 x 6 inches, projecting 4 inches above the ground, with visible marks "7N" visible on South face, "3 " visible on East face and six notches visible on the Southeast corner, bears North 0°14'07" East, 2318.95 feet, and from which point U.S. Coast and Geodetic Survey Triangulation Station "REFUGE, 1959", a found 3 1/2" brass tablet bears South 48°45'48" East, 6899.44 feet;

thence in Township 7 North, Range 35 East, along the now and former land of UNITED STATES OF AMERICA and the East and West centerline of Section 1, North 89°44' 59" West, 172.45 feet, to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked "153, TR 83, 1998", from which point the Center-West 1/16 Section Corner of Section 1, Township 7 North, Range 35 East, a found 3" concrete post with a U.S. Biological Survey brass cap marked C-C W1/16, S1, 1936 ", at the Corner of a fence which runs South and East, bears North 89°44'59" West, 3695.40) feet;

thence, through the land of Sanders, North 22°56'40", East, 196.33 feet, to a set 5/8" rebar with a 3 1/4" U.S. Fish and Wildlife Service aluminum cap marked "109, TR 83, 1998";

thence, North 50°57' 56" East, 631.50 feet, passing the line between Township 7 North, Ranges 35 and 36 East at 124.85 feet to the true point of beginning, thence,

South 89°59'50" East, 758.64 feet, thence,
South 81°18'14" East 331.43 feet, thence,
South 19°11'30" East 256.71 feet, thence,
North 89°24'20" East, 1043 feet, thence,
North 00°20'38" East, 994.20 feet, thence,
South 89°34'20" West, 2220.00 feet, thence,
South 00°20'38"W, 700 feet,

to the true point of BEGINNING.

TOGETHER WITH all water rights, and irrigation equipment, including but not limited to, all wells, motors, pumps, panels, pivots, main lines, pipes, and sprinkler heads.

TOGETHER WITH all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

AND TOGETHER WITH an access easement, 30 feet in width, across the entire southerly side of the property described as "Lessed-out Property No. B".

SUBJECT TO easements, if any, of record or in existence for roads streets, ditches, canals, pipelines and utilities.

2. Price.

Buyer shall pay Seller for said property a purchase price of \$400,000.00, payable as follows:

The sum of \$50,000.00 cash paid down on execution hereof, receipt of which is hereby acknowledged.

The balance of \$350,000.00 principal, plus accruing interest on the unpaid balance at the rate of seven and one-half per cent (7.5%) per annum from date hereof, until paid, shall be payable directly to Seller, in the following manner: The sum of \$13,400.53 principle plus \$23,301.37 interest on January 1, 2000 and fourteen (14) equal annual amortized installments of principle and interest, each in the sum of \$39,650.53, with the first of said fourteen installments of \$39,650.53 due and owing on January 1, 2001, and like sum payable on the first day of January of each year thereafter until January 1, 2014, when all principle and interest shall have been paid in full.

All payments shall be applied first to accrued interest and the balance to principle. Buyers shall not have the privilege of making additional payments of any size at any time, without the express written consent of the Seller.

3. Possession.

Buyers are granted immediate possession of the premises.

4. Maintenance.

Buyers agree that they will, at their own expense, maintain said premises in good condition, order and repair during the life of this contract, reasonable wear and tear excepted. In particular, Buyers shall maintain the irrigation equipment according to the manufacturer's specifications on said equipment, and not operating the same at either high or low voltage.

5. Taxes.

Seller shall pay all of the 1998 taxes, assessments, and all prior taxes and assessments levied and assessed against the premises, and Buyers shall pay all of the 1999 and all subsequent taxes and assessments levied and assessed against the premises when the same are due and payable and before the same shall become delinquent.

6. Deed, Escrow and Title Insurance.

Seller shall execute a good and sufficient Warranty Deed to Buyers to the premises, free from all encumbrances except any placed thereon by Buyers, and the deed shall be delivered to Buyers when the purchase price has been fully paid to Seller.

Seller shall immediately order and deliver to Buyers a policy of title insurance insuring such title subject to payment of this contract and the standard printed exceptions. Said deed shall convey to the Buyers Sid E. Brown and Jan E. Brown, and undivided 36% interest; to Buyers Blake N. Kirkpatrick & Lisa M. Kirkpatrick an undivided 32% interest; and to the Buyers Spencer E. Brown and Kami L. Brown, an undivided 32% interest in and to the premises.

7. Default Remedies.

Time and punctuality of payment are the essence and material part of this contract; and in

the event Buyers shall default in the performance of the terms of this agreement, Seller may cause notice in writing to be given to Buyers, specifying the matters in which such default occurred. The notice shall be served upon Buyers by depositing the same in any United States Post Office, addressed to Buyers at their addresses shown above, certified mail, postage prepaid, and such notice shall be deemed served upon its deposit in the post office as aforesaid. If Buyers shall fail to cure such default within thirty (30) days after the service of such notice as aforesaid, then Seller may elect to:

A. Declare the entire unpaid balance on the contract including principal, interest, taxes, assessments, attorneys' fees, and any other sums owing Seller to be immediately due and owing, and

B. Elect to either:

(1) Bring suit to establish the balance owing hereunder as a debt due by Buyers to Seller, and to foreclose this contract as a real estate mortgage securing said debt, in accordance with the laws of the State of Idaho relating to the foreclosure of real estate mortgages, including the right to a deficiency judgment; no notice to Buyers of election to pursue this remedy is required prior to suit, or,

(2) Declare this contract to be terminated due to said default. In that event this contract shall be immediately terminated, and Buyers shall forfeit all rights to said premises, and all payments made hereon shall be retained by Seller as liquidated damages for the breach of this contract. In that event Buyers agree to immediately surrender possession of the premises, and any improvements made thereon shall attach to and become a part of the real property, and shall be retained as liquidated damages. If notice of election of this remedy is not given in the notice of default, then an additional certified mail notice of the election to terminate the contract shall be given, and Buyers agree to immediately vacate the premises upon receipt of the notice, and

C. To pursue any other remedy in law or equity to enforce the performance of this contract, or to recover damages for the breach thereof.

8. Attorneys' Fees.

In the event either party hereto shall be required to employ an attorney for the enforcement of this contract, with or without suit, the defaulting party agrees to pay the

prevailing party's reasonable attorneys' fees. In the event of default by Buyers, Buyers agree to pay attorneys' fees of Seller in issuing notice of default, or otherwise enforcing the contract without suit.

9. Binding Effect.

This agreement is not only binding upon the parties hereto, but upon their respective successors, heirs, administrators and assigns.

10. Costs of Transaction.

The parties shall share equally the attorneys' fees for the preparation of the contract and other documents, and all escrow fees.

11. Transfer Restricted.

It is expressly agreed that no sale of the premises or any assignment of this contract shall be valid or binding unless same is in writing and has been approved in writing by Seller, and Buyers agree that they shall not mortgage said premises nor allow any liens upon same without the written permission of Seller. Provided, however, consent to assignment of this contract or sale of the premises to responsible parties shall not be unreasonably withheld.

12. Inspection; Disclaimer of Warranty.

Buyers covenant that they have thoroughly and carefully inspected the premises, and all parts and portions of the property included in this sale, and accept the same on an "as is" basis so far as the condition thereof is concerned. ANY WARRANTY AS TO CONDITION OF ANY PROPERTY IS EXPRESSLY DISCLAIMED.

SELLER MAKES NO WARRANTIES OF ANY KIND AS TO ANY ADVERSE ENVIRONMENTAL CONDITION OR HAZARD REGARDING THE PREMISES.

13. Insurance.

Buyers shall keep all insurable improvements on the property, including the insurable portions of the irrigation equipment, insured against loss by fire and other casualty, with extended coverage, with a reputable insurer, in the full reasonable insurable amount, and with a loss payable clause in favor of Seller.

A certificate of insurance shall be furnished to Seller and a further certificate furnished on each renewal of the policy.

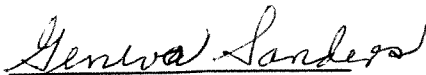
14. Right of First Refusal.

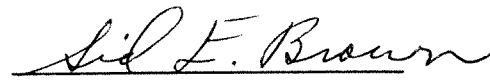
Seller for and in behalf of itself and its assigns, hereby grants to the Buyers the first right to purchase the property described above as "Lessed-out Parcel No. B", if the same is offered for sale by Seller herein or by D. Reed Sanders and Ellen Sanders, his wife (to whom Seller intends to, simultaneously herewith, convey said parcel, subject to the provisions of this paragraph), at the same best price, and upon the same best terms as Seller or the said Sanders can legitimately obtain from any other purchaser. Notice shall be served upon Buyers of any such intention to sell, giving the full particulars of the offer of price and terms of a bonafide purchaser, and Buyers herein shall have 30 days time to match said offer.

IN WITNESS WHEREOF, The parties have executed this contract.

Seller

Buyers


Geneva Sanders, Trustee
of the David Ray Sanders Trust


Sid E. Brown

Jan A. Brown

Jan A. Brown

Blake N. Kirkpatrick

Blake N. Kirkpatrick

Lisa M. Kirkpatrick

Lisa M. Kirkpatrick

Spencer E. Brown

Spencer E. Brown

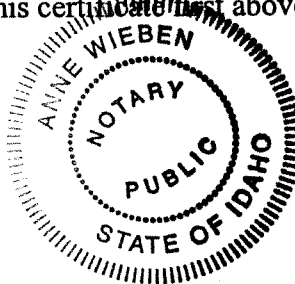
Kami L. Brown

Kami L. Brown

STATE OF IDAHO,)
ss.
County of Madison.)

On this 11th day of February, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Geneva Sanders, known to me to be the person whose name is subscribed to the within instrument as Trustee of the David Ray Sanders Family Trust, and acknowledged to me that she executed the same as such Trustee of said Trust.

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

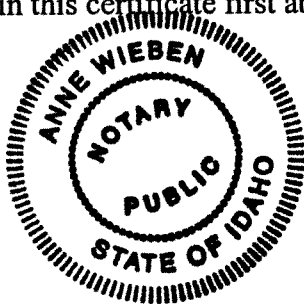


Anne Wieben
Notary Public for Idaho
Residing at: Rexburg, Idaho
My Commission Expires: 7/27/01

STATE OF IDAHO,)
ss.
County of Madison.)

On this ____ day of February, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Sid E. Brown and Jan A. Brown, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they 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.



Anne Wieben
Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 7/27/01

STATE OF IDAHO,)
 ss.
County of Madison.)

On this 11th day of February, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Blake N. Kirkpatrick & Lisa M. Kirkpatrick, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they 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.

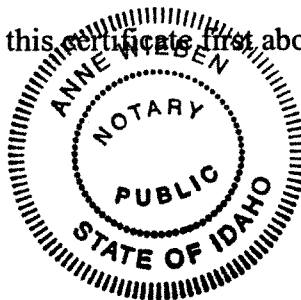


Notary Public for Idaho
Residing at Rexburg, Idaho
My Commission Expires: 7/27/01

STATE OF IDAHO,)
 ss.
County of Madison.)

On this 11th day of February, 1999, before me, the undersigned, a Notary Public in and for said State, personally appeared Spencer E. Brown and Kami L. Brown, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they 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 Rexburg, Idaho
My Commission Expires: 7/27/0