

PURCHASE AGREEMENT

This Purchase Agreement ("Agreement") is entered into this 27th day of April, 2006, ("Effective Date") between Vidler Water Company, Inc., a Nevada corporation, ("Vidler") and **Big Star Ranch, P.U.D., Danny Middleton, Summit County, Colorado** ("Purchaser").

Recitals

A. Vidler owns the following water rights (collectively the "Vidler Water Rights"):

(i) an undivided 18/25 interest in the Valaer Ditch, Water District No. 36, Priority No. 351, for 25 cfs with an appropriation date of February 2, 1941, and an adjudication date of March 10, 1952, as said water rights were changed by the District Court in and for Water Division No. 5 ("Water Court") in Case No. 79CW145. By virtue of the decree in Case No. 79CW145, Vidler's interest in the Valaer Ditch was quantified at 140 consumptive acre feet per year and 12.96 cfs, and was changed to year-round domestic, municipal and other uses;

(ii) an undivided ½ interest in the Columbus Ditch, Water District No. 36, Priority No. 194, for 3 cfs with an appropriation date of October 12, 1911, and Water District No. 36, Priority No. 329, for 4 cfs (subsequently reduced to 0.2 cfs) with an appropriation date of August 1, 1920, as changed by decree of the Summit County District Court, dated December 29, 1969, in Civil Action No. 2380, and as subsequently changed by Water Court Case No. 87CW257. By virtue of the decree in Case No. 87CW257, Vidler's interest in the Columbus Ditch was quantified at 27 consumptive acre feet per year, and was changed to domestic, municipal, commercial, irrigation, and all other beneficial uses; and

(iii) 8.381 acre feet per year of the 100 acre feet per year of augmentation water to be released to the Blue River from Dillon Reservoir (the "Dillon Storage Water") pursuant to paragraph 6(b) of the Agreement dated September 18, 1985 (the "Summit County Agreement"), between Denver and the Board of Commissioners of Summit County, Colorado, recorded at Reception No. 357033 of the Summit County real property records. Pursuant to paragraph 6(b) of the Summit County Agreement, 1.4 acre feet of replacement water must be furnished to Denver for every one acre foot of Dillon Storage Water.

B. The Vidler Water Rights were included in a plan for augmentation decreed in Water Court Case No. 97CW305 ("Augmentation Plan"). By virtue of the Augmentation Plan, Vidler may augment the out of priority depletions of existing and future water users located throughout portions of Summit County, Colorado using the Vidler Water Rights. Pursuant to paragraphs 5(B)(2) and 6(H) of the Augmentation Plan, each acre foot of Dillon Storage Water allocated and/or used under the Augmentation Plan is replaced with 1.4 acre feet of the Columbus Ditch water right.

C. Purchaser desires to obtain its water supply from a well located in Summit County (the "Well"). The Well permit number (if applicable) and the street address or legal description of Purchaser's property to be served by the Well are set forth in the attached Exhibit A (the "Property").



D. Purchaser's planned water use includes uses that are not permitted by the Well's existing permit or by any exempt well permit available pursuant to Colorado law. Purchaser's planned uses are described in the attached Exhibit B.

E. Purchaser seeks to acquire sufficient Vidler Water Rights, and to augment Purchaser's out of priority depletions under the Augmentation Plan. Vidler is willing to sell to Purchaser such Vidler Water Rights and an interest in the rights, benefits, and obligations in the Augmentation Plan, on the terms and conditions contained herein.

Agreement

Now, therefore, in consideration of the premises, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Purchase and Sale. In accordance with and in consideration of the terms and conditions contained herein, and subject to the contingency described in paragraph 2(a) below, Purchaser agrees to buy and Vidler agrees to sell 0.866 consumptive acre foot of Vidler Water Rights, consisting of:

a. 0.391 acre foot of the Valaer Ditch water right described in Recital A(i) above, in the following monthly allocations: 30% in May, 10% in June, 20% in July, and 40% from July 31 through April 30. In the event that Purchaser does not utilize any portion of its May and June allotments during the above permitted periods of use, such unused portion may be utilized anytime after July 15 of any year. Further, the above monthly limitations in the amount of use shall not apply when Denver's Dillon Reservoir is full and not less than 50 cfs or the natural flow, whichever is less, is being passed at Dillon Dam;

b. 0.475 acre foot of Dillon Storage Water described in Recital A(iii) above, which Dillon Storage Water will be replaced with 0.665 acre foot of the Columbus Ditch water right that Vidler will dedicate for such use pursuant to the Augmentation Plan; and

c. a proportionate, undivided interest in the rights, benefits, and obligations of the Augmentation Plan.

2. Purchase Price. Purchaser will pay Vidler a one-time, non-refundable administration fee of \$300 ("Administration Fee"), payable upon execution of this Agreement, and Purchaser will pay Vidler a total of an additional \$56,520.00 for the Vidler Water Rights purchased ("Purchase Price"), payable at closing.

a. Contingency. The Purchase that is the subject of this Agreement is subject to the thirty (30) day notice and objection provisions of ¶ 6(B)(2) of the Augmentation Plan ("Objection"). In the event that no Objection is filed within said thirty (30) day period (the "Contingency"), Purchaser shall be obligated to close, and to pay the Purchase Price in full, within fifteen (15) days after the occurrence of the Contingency. If the Contingency does not occur because an Objection is filed, then Purchaser may elect to terminate this Agreement, and Vidler will retain the Administration Fee. Alternatively, Purchaser may elect to proceed with its

application to augment its out of priority depletions under the Augmentation Plan, and thereby challenge any such Objection and waive the Contingency ("Waiver"). Purchaser shall notify Vidler in writing of such Waiver within fifteen (15) days after Purchaser receives notice of any Objection. Upon making such Waiver, Purchaser shall be obligated to close, and to pay the Purchase Price in full, within fifteen (15) days after notifying Vidler of such Waiver. In the event of a Waiver, Purchaser shall be solely responsible for all costs associated with challenging any Objection.

b. Closing: Closing on the sale of the Vidler Water Rights and interest in the Augmentation Plan shall occur within fifteen (15) days of the occurrence of the Contingency or Waiver. Closing shall occur at a time and at a location mutually agreeable to the parties. At closing, the parties shall simultaneously perform the following:

(i) Vidler shall execute and deliver to Purchaser a quit claim deed for that amount of the Valaer Ditch Rights and the Dillon Storage Water described in paragraph 1 above, free and clear of all liens, encumbrances and assessments;

(ii) Vidler shall execute and deliver to Purchaser an assignment of an undivided interest in the Augmentation Plan; and

(iii) Purchaser shall pay to Vidler the Purchase Price in cash or certified funds.

3. Augmentation Plan. Purchaser will provide Vidler with all information and records regarding the Well and Purchaser's water use as required pursuant to the Augmentation Plan, and any additional information reasonably required and requested by Vidler in connection with the Augmentation Plan. If required by the State Engineer or Water Court, Purchaser will install and maintain at Purchaser's own expense a totalizing flow meter on the Well, and any other measuring and/or recording device(s), and will provide Vidler readings therefrom. Purchaser shall comply with, and this Agreement shall automatically incorporate the terms and conditions of the Augmentation Plan.

4. Physical Supply. Purchaser shall be solely responsible for operating the Well and obtaining the physical supply of water needed by Purchaser. Vidler does not make any warranties, and has no responsibility, regarding whether the Well does or will continue to provide water in the amount or quality needed by Purchaser.

5. Well Permit Application/Amendment. Purchaser shall be required to prepare for submission to the State Engineer an application for each well permit contemplated hereunder. Purchaser will be solely responsible for completing all well permit applications, paying all well permits fees directly to the State Engineer, and securing all related permits. Vidler will notify the parties to the Augmentation Plan regarding the amount of water, types of uses, and number of wells contemplated hereunder.

6. Default. In the event that Purchaser fails to comply with the terms of this Agreement and/or the Augmentation Plan, Vidler may terminate this Agreement and terminate Purchaser's rights in and to the Augmentation Plan.

7. Term/Survival. This Agreement shall be perpetual. The obligations set forth in this Agreement shall survive closing and shall not be merged with the deed that conveys the Vidler Water Rights.

8. Appurtenance. Purchaser's Vidler Water Rights are and shall remain appurtenant to the Property. Purchaser may not transfer Purchaser's Vidler Water to any person other than a future owner(s) of the Property, and any transfer of the Property and its appurtenances shall be deemed a transfer of Purchaser's Vidler Water Rights and Purchaser's rights and obligations hereunder.

9. Notices. Any notices or payments required or permitted hereunder shall be sent to the parties at their addresses set forth below or such other address as may be specified by a party in a notice properly given to the other party. Notices shall be deemed given three days after deposited in the U.S. Mail, delivered with first class, registered or certified postage, addressed to the other party, or upon hand delivery, to the following:

To Vidler at:

Vidler Water Company, Inc.
Attn. Dorothy Timian-Palmer
~~704 W. Nye Lane, Suite 201~~
Carson City, NV 89703

3480 GS RICHARDS BLVD, SUITE 101

with a copy to:

Glenn E. Porzak, Esq.
Porzak Browning & Bushong LLP
929 Pearl Street, Suite 300
Boulder, Colorado 80302

To Purchaser at:

Big Star Ranch, P.U.D.
Danny Middleton
Summit County, Colorado

All Correspondence to be sent to: Rodney Allen, Broker
PO Box 7097
100 North Main Street
Breckenridge, CO 80424

10. Miscellaneous.

(a) Purchaser hereby certifies that Purchaser's use of the Well does and will not exceed the uses contracted for herein.

(b) This Agreement constitutes the entire agreement of the parties and all prior discussions, representation, agreements, and drafts related hereto are merged herein. This Agreement may not be amended except by a written document signed by both parties which expressly references this Agreement.

(c) This Agreement shall be construed under and governed by the laws of the State of Colorado.

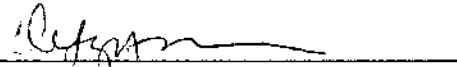
(d) In the event of any litigation regarding the parties' rights and obligations under this Agreement, the prevailing party shall be entitled to recover its costs and expenses of litigation, including its reasonable expert witness and attorney's fees, and any costs and expenses, including attorney's fees, incurred in any appeal or collection actions related thereto.

Executed to be effective the date first set forth above.

Big Star Ranch, P.U.D.

By: 
Danny Middleton
Owner

VIDLER WATER COMPANY, INC
A Nevada Corporation

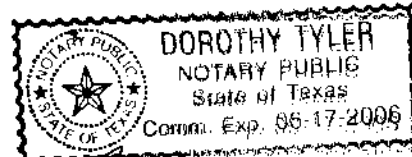
By: 
Dorothy A. Timian-Palmer
Chief Operating Officer

STATE OF Texas COLORADO)
) ss.
COUNTY OF Harris)

The foregoing instrument was acknowledged before me this 28 day of April, 2005, by **Big Star Ranch, P.U.D., Danny Middleton** as Purchasers.

My commission expires 06-17-2006.

Witness my hand and official seal.



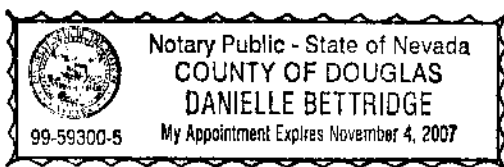
Dorothy Tyler
Notary Public

STATE OF NEVADA)
) ss.
COUNTY OF CARSON CITY)

The foregoing instrument was acknowledged before me this 3rd day of May, 2007,
by Dorothy A. Timian-Palmer, Chief Operating Officer of Vidler Water Company, Inc.

My commission expires 11-4-07.

Witness my hand and official seal



Danielle Bettridge
Notary Public