

FIRST RIGHT OF REFUSAL

PATRICK S. PEARCE and DANA ELIZABETH PEARCE, husband and wife, (herein referred to as "Grantors"), hereby grant unto **PEARCE RANCH LLC**, a Wyoming limited liability company, (herein referred to as "Grantee"), whose address is P. O. Box 698, Ranchester, WY 82839, a first right of refusal, subject to the terms and conditions set forth below, in the following described property, to-wit:

A tract of land situated in the $W\frac{1}{2}SW\frac{1}{4}$ of Section 30, Township 57 North, Range 85 West, 6th Principal Meridian, Sheridan County, Wyoming; as shown on Exhibit "B" attached hereto and by this reference made a part hereof; said tract being more particularly described as follows:

Commencing at the west quarter corner of said Section 30; thence $S36^{\circ}47'58''E$, 1128.66 feet the POINT OF BEGINNING of said tract, said point lying on the southerly line of a tract of land described in Book 290 of Deeds, Page 40; thence $S88^{\circ}51'06''E$, 108.83 feet to a point; thence $S58^{\circ}38'12''E$, 114.82 feet to a point; thence $S82^{\circ}11'24''E$, 227.26 feet to a point; thence $S27^{\circ}15'17''E$, 434.98 feet to a point, said point lying on the easterly line of a tract of land described in Book 327, Page 332; thence $S09^{\circ}49'32''E$, 58.04 feet along said easterly line described in Book 327, Page 332 to a point, said point being the southeast corner of said tract described in Book 290 of Deeds, Page 40; thence $S83^{\circ}31'53''W$, 249.72 feet along the southerly line of said tract described in Book 327, Page 332 to a point; thence $S68^{\circ}16'44''W$, 99.09 feet along said southerly line described in Book 327, Page 332 to a point; thence $N66^{\circ}39'05''W$, 378.47 feet along said southerly line described in Book 327, Page 332 to a point, said point being the southwest corner of said tract described in Book 327 of Deeds, Page 332; thence $N33^{\circ}27'21''E$, 61.36 feet along the westerly line of said tract described in Book 327, Page 332 to a point; thence $N01^{\circ}49'12''E$, 400.52 feet along said westerly line described in Book 327, Page 332 to the POINT OF BEGINNING of said tract.

Said excepted tract contains 6.28 acres of land, more or less.

SUBJECT TO an existing access easement twenty (20) feet wide being a strip of land situated in the $NW\frac{1}{4}SW\frac{1}{4}$ of Section 30, Township 57 North, Range 85 West, 6th P.M., Sheridan County, Wyoming; the southerly line of said strip being more particularly described as follows:

Commencing at the west quarter corner of said Section 30; thence $S36^{\circ}47'58''E$, 1128.66 feet the POINT OF BEGINNING of said easement, said point lying on the west line of a tract of land described in Book 327 of Deeds, Page 332; thence $S88^{\circ}51'06''E$, 108.83 feet to a point; thence $S58^{\circ}38'12''E$, 114.82 feet to a point; thence $S82^{\circ}11'24''E$, 73.26 feet to the POINT OF TERMINUS of said easement, said point being $S44^{\circ}24'10''E$, 1365.62 feet from said west quarter corner.

TOGETHER WITH all improvements located thereon or appurtenant thereto.

SUBJECT, HOWEVER, to all easements, licenses, restrictive covenants, and encroachments of record.

FURTHER SUBJECT TO discrepancies, conflicts in boundary lines, shortage in area, encroachments, and any facts which a correct survey and inspection of the premises would disclose and which are not shown in the public records.

This First Right of Refusal shall commence on January 21, 2005, and shall last until the required notice, which is specified below, has been given and the time for Grantee to exercise this right has lapsed, or the Grantee has released this right, whichever shall first occur.


During Grantors' Lives: In the event that Grantors, or either one (1) of them, receive an offer to purchase the said property which they desire to accept, they shall first offer the property to Grantee on the same terms and conditions as the offer which they have received. When Grantors receive such an offer, they shall advise Grantee in writing of the name and address of the offeror and the terms of the offer. Such notice shall constitute an offer by Grantors to sell the property to Grantee on the same terms and conditions. The Grantee shall have a period of thirty (30) days from delivery of such notice to accept such offer. Notice of acceptance shall be in writing and must be delivered to Grantors within said thirty (30) day period.

After Grantors' Death: If Grantors still own this property at the time of their deaths, Grantee shall have an option to purchase the property for its fair market value. The purchase price shall be paid at the closing in cash or by certified funds. Immediately after the death of the last of the Grantors to die, Grantors' successors in interest shall give notice of such death to Grantee. Grantee shall have ninety (90) days from and after the date on which such notice is given to Grantee to give notice to Grantors' successors in interest of Grantee's intent to purchase the property. Notice of intent to exercise this option shall be given to Grantors' successors in interest. The notice (1) shall contain the legal description of the property, (2) shall state unequivocally that Grantee intends to exercise its option, and (3) shall be notarized. If Grantee fails to give notice of its intent to purchase the property within said time period this option shall terminate and be of no further force and effect. If Grantee gives such notice, then the transaction shall be closed as quickly as reasonably practical. Grantors shall provide Grantee with an owner's policy of title insurance for the amount of the purchase price. Title shall be passed free and clear of all liens and encumbrances. Real estate taxes shall be prorated to the date of closing. A standard form Personal Representative's Deed or Trustee's Deed (without warranties of title) shall be used to convey title to Grantee. And the property shall be sold in its "AS IS" condition. Grantee shall pay all costs associated with the closing of the transaction.

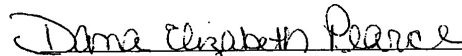
Clearing Title if Right Not Exercised: If Grantee fails to accept said offer, or fails to exercise its right to purchase the property, it shall immediately execute and deliver a quitclaim deed to the property in order to enable the Grantors to prevent this First Right of Refusal from being a cloud on the title. By accepting this First Right of Refusal, Grantee agrees that if it fails or refuse to execute and deliver such quitclaim deed, it shall be liable for all costs and damages incurred by Grantors as a result of such failure or refusal including, but not limited to the cost of clearing the title and any and all associated attorney's fees and costs. Notice by Grantors to Grantee shall be deemed to have been given on the date that it is delivered in person to any Manager of the Grantee, or on the second business day after it

is mailed to the Grantee at the address set forth above, by certified mail, postage prepaid, regardless of the date that it is actually received. Acceptance of an offer shall be deemed to have been given to Grantors on the day that it is delivered in person to either one of the Grantors, or on the second business day after it is mailed to them at Ranchester, Wyoming, by certified mail, postage prepaid, regardless of the date it is actually received.

Dated this 21st day of January, 2005.



 Patrick S. Pearce



 Dana Elizabeth Pearce

STATE OF WYOMING)
 : ss.
 County of Sheridan)

The above and foregoing First Right of Refusal was subscribed, sworn to and acknowledged before me this 21st day of January, 2005, by Patrick S. Pearce and Dana Elizabeth Pearce, husband and wife.

WITNESS my hand and official seal.



 Notary Public

My Commission expires: March 12 2005

