

SUBDIVISION IMPROVEMENTS AGREEMENT

THIS AGREEMENT, entered into as of this 24th day of July, 2006, by and between Sheridan County, Wyoming (hereinafter called "County") and the Powder Horn Ranch, L.L.C. (hereinafter called "Subdivider").

WITNESSETH:

1. That the Subdivider has submitted to the County for approval an application for a subdivision permit and a subdivision plat of the **Powder Horn Ranch, The Pointe**; and
2. That certain public improvements are required by the *Sheridan County Subdivision Resolution*, (hereinafter called "Regulations") to be installed by the Subdivider; and
3. That the Subdivider is required by the Regulations to install or guarantee the installation of all required public improvements according to plans and specifications approved by the County Engineer, the Wyoming Department of Environmental Quality, or other governing authority prior to approval of the subdivision plat; and
4. That the amount of the guarantee is based on an estimate approved by the County Engineer and is in an amount not less than one hundred percent (100%) of the estimated cost of all required public improvements remaining to be installed and approved; and
5. That the Subdivider has furnished to the County a guarantee of the proper installation of public improvements in the following form:

Letter of Credit

from the First Interstate Bank of Commerce in the amount of \$206,230.00.

That the expiration date of the **Letter of Credit** is no less than 120 days after the date of completion of the improvements as specified herein.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

1. All public improvements designated on Addendum A to this contract, attached hereto and incorporated herein by this reference, and being a list of the required improvements and Engineer's estimate of construction costs as approved by the County Engineer, shall be constructed and completed by the Subdivider according to the plans and specifications prepared by Mentock Engineering and approved by the County Engineer.
2. All improvements designated on Addendum A shall be installed, constructed and completed by the Subdivider by May 31, 2007. All construction shall be performed in a good and workmanlike manner in accordance with applicable County and State standards, rules, and regulations governing such construction.
3. The Subdivider shall inform the County Engineer at least once a month as to the progress of construction, shall give written notice to the County Engineer of completion of improvements or categories thereof and shall cooperate in the reasonable inspection of improvements by the County Engineer.
4. Within ten (10) days after receipt of the above notice of completion, the County Engineer shall inspect the improvements to which notice of completion applies and, within ten (10) days after receipt, give the Subdivider either written notice of approval or disapproval and corrective action required. Upon completion of corrective action, notice, inspection, and approval or disapproval shall be required in a like manner as above. Written notice of approval of the County Engineer of an improvement or corrective action, or failure of the County engineer to inspect and approve or disapprove the same, within ten (10) business days from receipt of the compliance notice, shall constitute approval by Sheridan County under the terms of this agreement.

5. The estimated cost of construction of the public improvements is agreed to be as set forth on Addendum A. **The Letter of Credit** from the First Interstate Bank of Commerce in the amount of \$206,230.00 is to guarantee that the funds are available for the completion of the public improvements described in Addendum A. Upon completion of all public improvements and approval of the public improvements by the County Engineer, this agreement shall become null and void and of no force and effect in which event the **Letter of Credit** shall be returned to the Subdivider. If the improvements are not completed and approved on or before the end of the contract period, then the County shall take action necessary to obtain funds from the **Letter of Credit** to complete the described improvements and to recover the cost thereof including administrative costs incurred as a result of the failure of timely completion. In the event the amount of the **Letter of Credit** is not sufficient to complete the improvements as designated in Addendum A to the approval of the County Engineer then the Subdivider shall be liable for any such insufficiency. In the event the County does bring legal action to enforce such liability, then it shall be entitled to all its cost of suit and reasonable attorney fees. The liability of the institution issuing the **Letter of Credit** shall not exceed the face amount thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate, each of which is deemed an original, as of the date first above written.

ATTEST

SHERIDAN COUNTY, WYOMING

Carla J Raymond
Dep. County Clerk

[Signature]
Chairman, Board of County Commissioners
Sheridan County, Wyoming

SUBDIVIDER

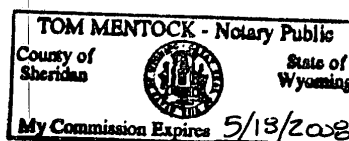
[Signature]
Homer Scott, jr. - manager
Powder Horn Ranch, L.L.C.

STATE OF WYOMING)
 (ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Homer Scott, jr., the manager of Powder Horn Ranch, L.L.C. this 16th day of JUNE, 2006
Witness my hand and official seal

[Signature]
Notary Public

My Commission Expires: May 18, 2008



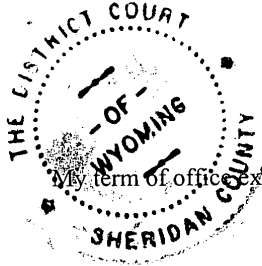
STATE OF WYOMING)
 (ss.
COUNTY OF SHERIDAN)

On this 24 day of July, 2006, before me personally appeared Terry Cram, to me personally known, who, being by me duly sworn, did say that he is the Chairman of the County Commissioners of Sheridan County, Wyoming, and that said instrument was signed on behalf of said County by Authority of its Board of Commissioners and he acknowledged said instrument to be the free act and deed of said Board.

Given under my hand and official seal this 24 day of July, 2006.

DORIS KOBOLD

Sue Dixon, Deputy
Clerk of District Court



My term of office expires: January 8, 2007



First Interstate Bank
1613 South Coffeen Ave.
P.O. Box 6499
Sheridan, WY 82801-1899
307-672-1501
Fax: 307-672-1505
www.firstinterstatebank.com



FIRST INTERSTATE BANK
SUGARLAND OFFICE
P.O. BOX 6499
SHERIDAN, WY 82801

DATE OF ISSUE: JUNE 27, 2006

IRREVOCABLE DOCUMENTARY LETTER OF CREDIT NO. 200007644

FOR THE ACCOUNT OF APPLICANT:
POWER HORN RANCH, LLC
51 POWDER HORN ROAD
SHERIDAN, WY 82801

IN FAVOR OF BENEFICIARY:
SHERIDAN COUNTY WYOMING
SHERIDAN COUNTY
224 SOUTH MAIN STREET
SHERIDAN, WY 82801

AMOUNT: USD \$ 206,230.00

EXPIRY DATE: SEPTEMBER 30, 2007

EXPIRY PLACE: AT OUR COUNTERS

AVAILABLE FOR NEGOTIATION OF YOUR DRAFT (S)

AT: SIGHT

DRAWN ON: FIRST INTERSTATE BANK

FOR PAYMENT BY: FIRST INTERSTATE BANK

BEARING THE CLAUSE "DRAWN UNDER FIRST INTERSTATE BANK, SHERIDAN, WY,
LETTER OF CREDIT NO. 200007644 DATED JUNE 27, 2006.
ACCOMPANIED BY THE FOLLOWING DOCUMENT (S):

1. STATEMENT SIGNED BY THE COUNTY ENGINEER OF SHERIDAN COUNTY, WYOMING STATING "WE HEREBY CERTIFY THAT THE PUBLIC IMPROVEMENTS DETAILED UNDER ADDENDUM "A" ENGINEER'S ESTIMATE OF PROBABLE COST POWDER HORN RANCH, THE POINTE SUBDIVISION ON THE ATTACHED INVOICE HAVE NOT BEEN COMPLETED BY THE SUBDIVIDER, AND/OR NOT APPROVED BY THE COUNTY ENGINEER, ON OR BEFORE THE END OF THE CONTRACT PERIOD, AS SPECIFIED IN THE SUBDIVISION IMPROVEMENTS AGREEMENT BETWEEN THE COUNTY AND THE SUBDIVIDER."
2. INVOICE DETAILING IMPROVEMENTS AND COSTS NOT COMPLETED BY SUBDIVIDER AND/OR NOT APPROVED BY THE COUNTY ENGINEER ON OR BEFORE THE END OF THE CONTRACT PERIOD.

PARTIAL DRAWS ACCEPTED. EACH DRAWING HEREUNDER SHALL REDUCE BY THE AMOUNT OF THE DRAWING THE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT.

DOCUMENTS MUST BE FORWARDED TO US ONE (1) REGISTERED AIRMAILING OR COURIER ADDRESSED TO: FIRST INTERSTATE BANK, SUGARLAND BRANCH, P.O. BOX 6499, SHERIDAN, WYOMING 82801-6499.

THIS LETTER OF CREDIT SETS FORTH IN FULL THE TERMS OF OUR UNDERTAKING AND SUCH UNDERTAKING SHALL NOT IN ANY WAY BE MODIFIED, AMENDED OR AMPLIFIED BY REFERENCE TO ANY DOCUMENTS, INSTRUMENT, OR AGREEMENT REFERRED TO HEREIN OR IN WHICH THIS LETTER OR CREDIT IS REFERRED TO OR TO WHICH THIS LETTER OF CREDIT RELATES, AND ANY SUCH REFERENCE SHALL NOT BE DEEMED TO INCORPORATED HEREIN BY REFERENCE ANY DOCUMENT, INSTRUMENT, OR AGREEMENT.

WE HEREBY ENGAGE WITH YOU THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT WILL BE DULY HONORED, IF DRAWN AND PRESENTED FOR PAYMENT AT OUR OFFICE IN SHERIDAN, WYOMING ON OR BEFORE THE EXPIRATION DATE OF THIS CREDIT.

EXCEPT SO FAR AS OTHERWISE EXPRESSLY STATED, THIS DOCUMENTARY CREDIT IS SUBJECT TO "UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS (1993 REVISION), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION 500".

SINCERELY,

FIRST INTERSTATE BANK
SHERIDAN, WYOMING


MARK S. KINNER, BRANCH PRESIDENT



MENTOCK ENGINEERING

Consulting Engineers and Land Surveyors

ENGINEER'S ESTIMATE OF PROBABLE COST POWDER HORN RANCH The Pointe

March 20, 2006

ITEM NO.	ESTIMATED QUANTITY	UNIT	DESCRIPTION	UNIT PRICE	TOTAL PRICE
101	640	CY	Unclassified Excavation	@ \$6.00 /CY=	\$ 3,840.00
102	1,800	LF	Curb and Gutter	@ \$ 15.00 /LF=	\$ 27,000.00
103	2,400	SY	Asphalt pavement	@ \$11.00 /SY=	\$ 26,400.00
104	480	CY	Gravel Base	@ \$10.00 /CY=	\$ 4,800.00
105	760	LF	8" Sanitary Sewer Main	@ \$23.00 /LF=	\$ 17,480.00
106	5	EA	Sanitary Sewer Manholes	@ \$3,800.00 /EA=	\$ 19,000.00
107	650	LF	4" Service Line	@ \$11.00 /LF=	\$ 7,150.00
108	34	EA	Sanitary Sewer Service Wyes	@ \$100.00 /EA=	\$ 3,400.00
109	900	LF	8" Water Main	@ \$21.00 /LF=	\$ 18,900.00
110	3	EA	Fire Hydrant Assemblies	@ \$3,800.00 /EA=	\$ 11,400.00
111	34	EA	Water Service Corporation Stops	@ \$175.00 /EA=	\$ 5,950.00
112	34	EA	Water Service Curb Stops	@ \$175.00 /EA=	\$ 5,950.00
113	600	LF	Copper Service Line	@ \$10.00 /LF=	\$ 6,000.00
114	3	EA	Water Valves	@ \$1,250.00 /EA=	\$ 3,750.00
115	1	LS	Cathodic Protection	@ \$1,500.00 /LS=	\$ 1,500.00
116	13	EA	Thrust Blocks	@ \$150.00 /EA=	\$ 1,950.00
117	4	EA	8" Angle Fittings and Valves	@ \$225.00 /EA=	\$ 900.00
118	1,028	SF	Valley Gutter and Fillets	@ \$ 7.50 /SF=	\$ 7,710.00
119	8	EA	Adjust Manhole and Valves to Grade	@ \$300.00 /EA=	\$ 2,400.00
120	1	LS	MDU	@ \$18,000.00 /LS=	\$ 18,000.00
121	1	LS	US West	@ \$12,750.00 /LS=	\$ 12,750.00

CONSTRUCTION COSTS = \$ 206,230.00