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Wednesday, December 30, 2009

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LETTER AGREEMENT

Neltje
c/o John E. Rice & Sons, Inc.
DBA Wrench Ranch
247 Decker Road
Sheridan, WY 82801

Jay Stender
Forward Sheridan, Inc.
203 South Main Street
Suite 2003
Sheridan, WY 82801

Mayor David Kinskey
City of Sheridan
55 East Grinnell Plaza
P.O. Box 848
Sheridan, WY 82801

Re: Contribution of 38.5 Acres to the City of Sheridan from John E. Rice & Sons, inc. DBA Wrench Ranch.

This letter agreement outlines the intent of the undersigned concerning the specific conditions to enable Wrench Ranch to convey 38.5 acres of land (referred to herein as the "Property" and described in Exhibit "A" attached hereto) to the City of Sheridan. The "Property" was annexed into the City of Sheridan under the Wrench Ranch annexation completed on January 19, 2009. The Wrench Ranch Master Plan was approved on November 16, 2009 (described in Exhibit "B" attached hereto). Location of the property and the proposed water and sewer infrastructure is described in Exhibit "C" attached hereto.

The City of Sheridan agrees to extend and install, at its cost, water and sewer mainline infrastructure to the water and sewer mains "Point of Terminus" (hereafter "Point of Terminus"), as shown on Exhibit "C". The "Property" has an approximate value of \$1.2 million (\$1,200,000.00). The water and sewer mainline infrastructure shall be of adequate size to accommodate the prospective light industrial and/or technology business uses as set forth in the Wrench Ranch Master Plan as described in Exhibit "B". The City of Sheridan's obligation to extend the water and sewer mainline infrastructure to the "Point of Terminus" is conditioned on the cost to extend from the Tomlinson Easements being no greater than \$1.2 million (\$1,200,000.00), the estimated value of the property. If the cost of extension is greater than \$1.2 million (\$1,200,000.00), the City of Sheridan may elect to extend the water and sewer infrastructure to the easterly boundary of the Property; provided, however that the City of Sheridan shall extend the infrastructure at least to the property regardless of cost. The infrastructure details propose approximately 5,700 linear feet of water infrastructure (12" diameter) and approximately 6,000 linear feet of sanitary sewer infrastructure (18" diameter). This infrastructure will meet performance requirements per the Wyoming Department of Environmental Quality and the U.S. Environmental Protection Agency's Clean Water Act. The City of Sheridan will provide sufficient documentation to assure Wrench Ranch that infrastructure is adequate to meet the approved uses outlined in the current master plan and subdivision agreements. Forward Sheridan, Inc. and the City of Sheridan will provide Wrench Ranch with such easements as may be necessary for Wrench Ranch to connect to the water and sewer mainline infrastructure for the benefit of the lands owned by John E. Rice and Sons, Inc.

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The City of Sheridan agrees to adhere to the following timeline with respect to the installation of the water and sewer infrastructure:

1. September 1, 2010: Water and sewer infrastructure shall be designed and permitted for construction.
2. February 1, 2011: Construction of water and sewer infrastructure shall be commenced.
3. October 1, 2011: Performance testing and acceptance of water and sewer infrastructure will be substantially completed.
4. December 31, 2011: Substantial completion of water and sewer infrastructure and formal acceptance of infrastructure by the City of Sheridan.

The above infrastructure development schedule parallels the subdivision development plan submitted to the City of Sheridan, accepted and agreed to by Wrench Ranch.

John E. Rice & Sons, Inc., DBA Wrench Ranch (hereby referred to as "Grantor") shall convey title to all lands described in Exhibit "A" to the City of Sheridan (hereby referred to as "Grantee") by warranty deed within five (5) days of the execution of this agreement by all parties. The "Grantor" shall provide title insurance to the "Grantee" insuring good marketable title to the property. Grantor and Grantee shall each pay ½ of the premium for the title insurance policy and any other costs associated with the title insurance and shall each pay ½ of the closing fee, if any. The City of Sheridan shall then, as soon as is reasonably practicable, convey title to all lands described in Exhibit "A" by warranty deed to Forward Sheridan, Inc., a nonprofit corporation with a 501(c)(6) designation.

The 38.5 acre parcel of land will be marketed for sale and lease by Forward Sheridan, Inc., the economic development organization serving Sheridan County, as the Sheridan High-Tech Business Park. Forward Sheridan, Inc. will recruit high-tech and light industrial businesses (guided by the 2007 Wadley-Donovan Target Industry Study) or other potential economic opportunities as deemed appropriate by Forward Sheridan, Inc.'s Board of Directors.

Businesses can purchase or lease space within the Sheridan High-Tech Business Park. So as not to compete with private developers, Forward Sheridan, Inc. will develop and implement a written policy that will assure that any prospective businesses have been fully advised of any private parcels of similar characteristics available for sale or lease. This policy will provide information to prospective businesses about available properties

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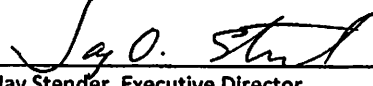
within the area as well as provide an avenue for any Sheridan County landowners to be aware of interested parties—the proposed conduit for this information is the Forward Sheridan website. It is the intent of the parties that space within the Sheridan High-Tech Business Park will only be sold or leased as approximately 4 acre parcels or larger at fair market value to prospective businesses only if other privately held parcels being offered for sale and/or lease do not meet the needs of a prospective business; however, the prospective business has sole discretion to determine if other properties do or do not meet its needs. Interested parties will seek and receive a recommendation from Forward Sheridan, Inc. as being eligible prospective business tenants.

The conveyance to the City of Sheridan shall be subject to all exceptions, reservations, rights-of-way, easements, agreements and restrictions of record and to any state of facts which would be disclosed by an accurate survey and an inspection of the Lands.

There shall be no other third party beneficiaries to this letter agreement.

This agreement shall be binding upon the parties and all heirs, successors and assigns.

Forward Sheridan, Inc.


Jay Stender, Executive Director

Date: 30 Dec 2009

John E Rice & Sons, Inc. DBA: Wrench Ranch

By: 
Nellie, President

Date: Dec. 30 09

