

SUBDIVISION IMPROVEMENTS AGREEMENT

THIS AGREEMENT, entered into as of this 21 day of March, 2003, by and between Sheridan County, Wyoming (hereinafter called "County") and the Powder Horn Ranch - 2, 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 2, Block BB Subdivision**; 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 \$946,580.00.

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-Wiley Consultants and approved by the County Engineer.
2. All improvements designated on Addendum A shall be installed, constructed and completed by the Subdivider by December 31, 2003. 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 \$946,580.00 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

Audrey Kalkunda
County Clerk

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

SUBDIVIDER

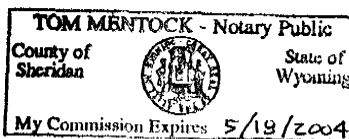
[Signature]
Homer Scott, jr. - manager
Powder Horn Ranch - 2, L.L.C.

STATE OF WYOMING)
 (ss.
COUNTY OF SHERIDAN)

The foregoing instrument was acknowledged before me by Homer Scott, jr., the manager of Powder Horn Ranch - 2, L.L.C. this 24th day of MARCH, 2003.
Witness my hand and official seal.

[Signature]
Notary Public

My Commission Expires: MAY 18, 2004



STATE OF WYOMING)
 (ss.
COUNTY OF SHERIDAN)

On this 21 day of March, ²⁰⁰³~~2002~~, before me personally appeared Ky Dixon, to me personally known, who, being by me duly sworn, did say that she 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 she acknowledged said instrument to be the free act and deed of said Board.

Given under my hand and official seal this 21 day of March, 2003.


Clerk of District Court

My term of office expires: Jan 8, 2007.

POWDER HORN RANCH II, PHASE 2

November 20, 2002

BID SCHEDULE 1 - Utilities

Item No.	Quantity	Unit	Description	Unit Price	Unit	Total Price
101	4909	LF	8" Waterline	\$ 22.00	/LF	\$ 107,998.00
102	664	LF	6" Waterline	\$ 17.00	/LF	\$ 11,288.00
103	1	Ea	16x16x8 Live Tap	\$ 1,500.00	/Ea	\$ 1,500.00
104	1	LS	PRV (Complete in Place)	\$ 7,500.00	/Ea	\$ 7,500.00
105	2	Ea	8"x8" Cross	\$ 550.00	/Ea	\$ 1,100.00
106	2	Ea	8"x8" Tee	\$ 450.00	/Ea	\$ 900.00
107	3	Ea	8"x6" Tee	\$ 425.00	/Ea	\$ 1,275.00
108	2	Ea	8"x6" Reducer	\$ 250.00	/Ea	\$ 500.00
109	4	Ea	6x6x6 Swivel Tee	\$ 300.00	/Ea	\$ 1,200.00
110	9	Ea	8x8x6 Swivel Tee	\$ 330.00	/Ea	\$ 2,970.00
111	4	Ea	8" 45° Bend	\$ 375.00	/Ea	\$ 1,500.00
112	3	Ea	8" 22½° Bend	\$ 350.00	/Ea	\$ 1,050.00
113	12	Ea	8" Gate Valve	\$ 950.00	/Ea	\$ 11,400.00
114	3	Ea	6" Gate Valve	\$ 750.00	/Ea	\$ 2,250.00
115	13	Ea	Fire Hydrant Assembly w/GV	\$ 2,050.00	/Ea	\$ 26,650.00
116	27	Ea	Thrust Block	\$ 225.00	/Ea	\$ 6,075.00
117	3	Ea	8" Plug	\$ 225.00	/Ea	\$ 675.00
118	3	Ea	6" Plug	\$ 220.00	/Ea	\$ 660.00
119	64	Ea	Water Service (Corp & Curb Stops)	\$ 410.00	/Ea	\$ 26,240.00
120	2935	LF	3/4" Type K Copper	\$ 13.00	/LF	\$ 38,155.00
121	4747	LF	8" Sewer Main	\$ 23.00	/LF	\$ 109,181.00
122	64	Ea	4" Sewer Service Wye	\$ 200.00	/Ea	\$ 12,800.00
123	2935	Ea	4" Sewer Service Line	\$ 12.50	/Ea	\$ 36,687.50
124	21	Ea	Standard Manhole	\$ 1,600.00	/Ea	\$ 33,600.00
125	105	LF	Manhole Extra Depth	\$ 125.00	/LF	\$ 13,125.00
126	834	CY	Type A Bedding	\$ 16.00	/CY	\$ 13,344.00
127	1050	CY	Type B Bedding (Sewer)	\$ 16.00	/CY	\$ 16,800.00
128	1	LS	Cathodic Protection	\$ 5,000.00	/LS	\$ 5,000.00

Construction Cost \$ 491,423.50

10% Contingency \$ 49,142.35

Total Cost \$ 540,565.85

561

BID SCHEDULE 2 - Asphalt Street

Item No.	Quantity	Unit	Description	Unit Price	Unit	Total Price
101	12,831	CY	Unclassified Excavation	\$ 2.75	/CY	\$ 35,285.25
102	2,991	CY	Base Gravel	\$ 7.50	/CY	\$ 22,432.50
103	10,199	LF	Curb & Gutter Type A	\$ 11.00	/LF	\$ 112,189.00
104	3,268	SF	Valley Gutter & Fillets	\$ 5.50	/SF	\$ 17,974.00
105	17,004	SY	3" Asphalt Pavement	\$ 5.50	/SY	\$ 93,522.00
106	21	Ea	Manhole Adjustment	\$ 400.00	/Ea	\$ 8,400.00
107	16	Ea	Valve Adjustment	\$ 350.00	/Ea	\$ 5,600.00
108	1	Ea	18" Flared End	\$ 500.00	/Ea	\$ 500.00
109	100	LF	18" RCP	\$ 45.00	/LF	\$ 4,500.00
110	1	Ea	Type A Storm Sewer Inlet	\$ 1,200.00	/Ea	\$ 1,200.00
111	1	LS	Rip Rap (Rock /Outlet 18")	\$ 500.00	/LS	\$ 500.00
112	1	Ea	60 LF 2-4'x8' Box culvert w/ rip rap	\$ 67,000.00	/Ea	\$ 67,000.00

Construction Cost \$ 369,102.75

10% Contingency \$ 36,910.28

Total Cost \$ 406,013.03

MDU (gas & electric), QWest - \$1,075/Lot x 66 Lots

\$ 70,950



First Interstate Bank
Sheridan Office
4 South Main Street
P.O. Box 2007
Sheridan, WY 82801-2007
307 674-7411

FIRST INTERSTATE BANK
SHERIDAN OFFICE
P.O. BOX 2007
SHERIDAN, WY 82801

DATE OF ISSUE: March 25, 2003

IRREVOCABLE DOCUMENTARY LETTER OF CREDIT NO. ~~10569496~~ 10569496

FOR THE ACCOUNT OF APPLICANT:
POWER HORN RANCH - 2 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 \$946,580.00

EXPIRY DATE: APRIL 30, 2004

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. 10569496 DATED March 25, 2003.

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 ADDEDUM "A" ENGINEER'S ESTIMATE OF PROBABLE COST POWDER HORN
RANCH - 2, BLOCK BB 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.

503

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, COMMERCIAL BANKING DEPARTMENT, P.O. BOX 2007, SHERIDAN, WYOMING 82801.

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, SENIOR VICE PRESIDENT