

Contingency &
Development
Agreement
to follow

CONTRACT FOR PURCHASE OPTION OF REAL ESTATE

COMES NOW the parties, the City of Laramie, a Wyoming municipal corporation, hereinafter referred to as the "Purchaser", and Charles E. Coughlin, Jr., hereinafter referred to as "Seller"

WITNESSETH

IN CONSIDERATION of the mutual promises contained herein, the parties agree as follows:

1. The Seller is the owner of those certain parcels of real estate hereinafter described and generally referred to as the "property" in which the Purchaser is interested in purchasing and the Seller is interested in selling. See the map attached hereto as Attachment A, and herein incorporated by reference, for further identification of the property. The property is more specifically described as:

Approximately 149 acres (parcel 1) of the undeveloped real property owned by the Seller which lays in Section 27, Township 16N, Range 73W, Albany County, Wyoming, West of an extension of 30th Street, and North of Beaufort Street and East of an extension of 15th Street, Laramie, Wyoming and lying North of the City boundary, but specifically excluding that property owned by Seller which is commonly known as "W" Hill (parcel 2).

2. In exchange for the sum of Five Thousand Dollars (\$5,000.00), the sufficiency of which is hereby acknowledged, the Seller does hereby sell to the Purchaser an option to purchase the property for the agreed upon price of Ten Thousand Dollars (\$10,000) per acre for approximately 139 (one hundred thirty nine) acres and a reduced price per acre for an additional ten (10) acres at Seven Thousand Dollars (\$7,000) per acre for preservation as public space by the City in perpetuity to be named in recognition of the Seller's family. If the option is exercised, the sum paid for this option, \$5,000.00, shall be credited toward the cash payment to be made by Purchaser at closing. If Purchaser does not exercise this option as herein provided, the sum of Five Thousand Dollars (\$5,000.00) paid by Purchaser shall be retained by Seller free of all claims of Purchaser, and neither party shall have any further rights or claims against the other.

3. This option shall be valid for a period not to exceed one (1) year from the date of execution of this document by the parties, during which period the option must be exercised by the Purchaser in writing to the Seller at the address provided herein. Closing of the transaction shall occur not longer than ninety (90) days following the exercise of the option by the Purchaser. Closing shall take place with a title insurance company located in Laramie, Albany County, Wyoming selected by the Purchaser.

4. The Purchaser shall have the right to pay an additional Three Thousand Dollars (\$3,000.00) and obtain an extension of ninety (90) days for the exercise of the option and the time of closing of the transaction. No later than fifteen (15) days prior to the expiration of the option period, Purchaser must notify Seller in writing of its intent to extend the option and said notice shall be sent to Seller at the address provided herein or as otherwise agreed upon by both parties.

5. The Purchaser is granted permission from the Seller to enter onto the property for examination of the property and its condition for purposes of obtaining an appraisal of the property and to ascertain any defects which may affect the intended use thereof. The Purchaser shall be permitted to drill exploratory holes to determine subsurface details as it determines to be desirable, with the condition that all work done be at the expense of the Purchaser and the surface to be restored to its present condition in the event the option is not exercised. The Purchaser shall provide to the Seller, and the Seller shall provide to the Purchaser any and all subsurface information which it may have available. Purchaser hereby indemnifies and agrees

Coughlin, Charles

to hold Seller harmless of liability for any injuries incurred by individuals entering the property for purposes of the aforementioned appraisal, examination, exploration and inspection.

6. The Seller warrants that in the event that the Purchaser exercises the option for the purchase of the property that he is able to deliver marketable title to the Purchaser at closing, subject only to the standard exceptions found in a title insurance policy issued in Albany County, Wyoming.

7. The Purchaser shall have the ability to assign this Option to Purchase and the benefits which may accrue hereunder. Notice of any assignment shall be sent to the Seller at the address provided.

8. Seller shall have the ability to assign to a party subject to Seller's control this Option to Purchase and the benefits which may accrue hereunder. Notice of any assignment shall be sent to the Purchaser at the address herein provided.

9. The addresses for the parties shall be as follows:

Seller:
Charles E. Coughlin, Jr.
P.O. Box 5022
Riverside, CA 92517

Purchaser:
City of Laramie
Janine Jordan, City Manager
P.O. Box C
Laramie, WY 82073

PAID JUL 27 2012

10. It is recognized by the parties that the Purchaser is a municipal corporation in the State of Wyoming and that, as such, enjoys certain privileges and immunities. Those entitlements are not intended to be waived, except as specifically identified herein. All litigation shall be subject to the Laws of the State of Wyoming and venue shall reside exclusively in Albany County, Wyoming District Court, Second Judicial District.

11. In the event that the Seller desires to take advantage of the provisions of §1031 of the Internal Revenue Code to minimize the tax consequences of this purchase, the Purchaser has no objection to such efforts by the Seller.

DATED this 27th day of July, 2012.

Charles E. Coughlin, Jr.
Charles E. Coughlin, Jr.

Janine Jordan
Janine Jordan, City Manager

AFFIDAVIT AND RECEIVING REPORT

I, _____, under penalty of perjury, declare that the above information is true and correct, and that I am a resident of the City of Laramie, Wyoming, and that I am not a partner, officer, director, or agent of any person or entity who is a partner, officer, director, or agent of the City of Laramie, Wyoming.

[Signature]
SIGNATURE

DATE: 072612

VENDOR NO: 396747 \$ 5,000.00

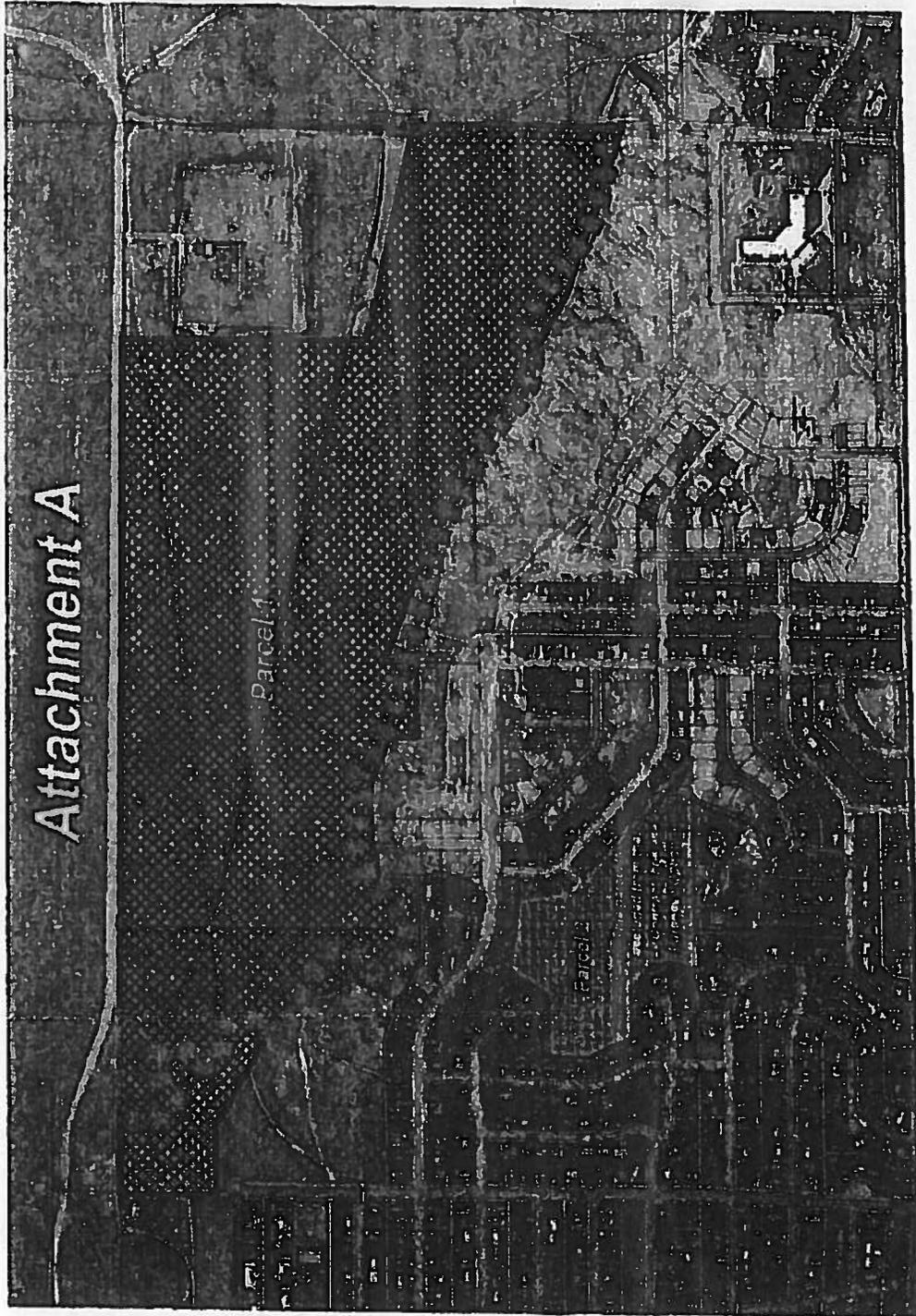
ASST. NO: 30033154107360 \$

ASST. NO: Project & CCTWW \$

ASST. NO: _____ \$

Holder for Finance

Attachment A



1. The map is a reproduction of a map prepared by the City of San Jose, California, and is not a survey. It is not to be used for any purpose other than that for which it was prepared.

2. The map is not a survey and does not constitute a warranty of any kind. It is not to be used for any purpose other than that for which it was prepared.

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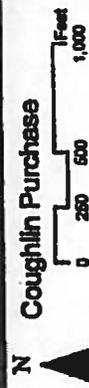
7. The map is not a survey and does not constitute a warranty of any kind. It is not to be used for any purpose other than that for which it was prepared.

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- Parcel 1
- Parcel 2
- 100' Trail Corridor (Approximate)
- Trail/Open Space



MOU with UW

To follow

August 28, 2012

Janine Jordan
City Manager
City of Laramie
PO Box C
Laramie, Wyoming 82073

Dear Ms Jordan,

Please accept this letter as our commitment to provide rights-of-way for 22nd and 30th Streets across the property owned by Gemstone Holdings LLC. This will come in the form of a donation via right-of-way deed. We understand that other parties are also being asked to donate rights-of-way. We only ask that we will be granted equal footing. If the City purchases any right-of-way for this project from other parties, we would expect compensation at the same rate for any right-of-way provided.

Since the exact roadway alignments have not been finalized, we will transfer the deeds when an exact legal description of the right-of-way donation is determined.

Finally, please understand that our commitment is based upon the Cirrus Sky program as currently planned, the receipt of the grants as proposed, and the purchase of the "Coughlin" tract by the City of Laramie.

Sincerely,



Paul Greaser
Managing Member
Gemstone Holdings LLC
1267 North 15th Street, Suite 101
Laramie, Wyoming 82072

NICHOLAS & TANGEMAN, LLC
ATTORNEYS AT LAW

PHILIP A. NICHOLAS*
JASON M. TANGEMAN**
STACY L. ROSTAD**
MITCHELL H. EDWARDS
JULIE M. WICKETT***
KERRY LUCK-TORRY**

*ALSO ADMITTED IN COLORADO AND OREGON
** ALSO ADMITTED IN COLORADO
***ALSO ADMITTED IN COLORADO AND NEVADA

JEFF ANTHONY (1956-2007)
DAVID R. NICHOLAS (1945-2004)

170 NO. FIFTH STREET
P.O. BOX 928
LARAMIE, WYOMING 82073-0928
WWW.WYOLEGAL.COM
TELEPHONE (307) 742-7140
FAX (307) 742-7160

August 30, 2012

Ms. Janine Jordan, City Manager
City of Laramie
P.O. Box C
Laramie, WY 82073

VIA Hand Delivery and E-Mail to jjordan@cityoflaramie.org

Re: Property North of Laramie, Wyoming
Lodgepole Ranch, LLC; Pilot Peak, LLC; Warren Livestock, LLC; JHD Ranch LLC.

Dear Ms. Jordan:

We received your letter, addressed to Mr. Doug Samuelson, regarding the City of Laramie's and the LEDC's cooperative efforts to plan and promote future development North of City limits from the Laramie River to 30th Street, and the City's desire to acquire easements for public roads and utilities from our client as part of the project. As an initial matter, while our client has no current desire or plans to develop its property, we would like to express our and our client's support for the broad infrastructure vision (Laramie River to 30th Street), which if funded and completed will greatly enhance Laramie's economic development opportunities, make Laramie a more competitive and attractive community for businesses to locate and expand, and provide the ability for the community to expand its tax base. In addition, we believe the overall project will provide the community with the ability to assist its existing businesses expand, specifically some whose work we believe is a benefit to the future well being of Wyoming.

As you are aware, our client recently experienced a great loss in the family and then was out of the country. As a result, we have not had an opportunity to discuss the specifics (size, location, etc.) of your request for easements with our client. However, as previously expressed, our client is willing to continue to negotiate with the City and LEDC for the City's acquisition of reasonable easements that will support the overall project and provide substantial public benefit. We understand that your deadline to apply to the Wyoming Business Council for grant monies is fast approaching, and our client is willing to engage in discussions that would provide the City with the ability to acquire reasonable easements, contingent upon the City's grant application being approved, funding being available, and as the infrastructure is being completed.

Ms. Janine Jordan, City Manager
City of Laramie
Letter, date August 30, 2012
Re: Property North of Laramie, Wyoming
Page 2 of 2

We wish the City and LEDC our best in your pursuit of grant funding; if there is anything we can do to lend our support before the Wyoming Business Council, please do not hesitate to ask. If you have any questions, please contact me at (307) 742-7140.

Sincerely,

NICHOLAS & TANGEMAN, LLC



Mitchell H. Edwards

cc: Ms. Gaye Stockman, LEDC
Client

ROW Agreements

To follow with;

- Rawstone
- Warren Livestock
- Lodgepole
- Meyer