



Date: May 9, 2013

**IRREVOCABLE LETTER OF CREDIT / West Rim, LLC / River Rim Ranch, Teton County Idaho**

Beneficiary:  
Teton County Idaho  
Planning and Building  
150 Courthouse Dr., Suite 107  
Driggs, ID 83422

To Teton County Idaho:

For the account of West Rim, LLC we hereby authorize you to draw on us at sight up to an aggregate amount of Four Million Three Hundred Ten Thousand Eight Hundred Forty Eight & No Cents (\$4,310,848.00).

Drafts drawn under this Letter of Credit must specify the date and the name of the Letter of Credit and must be presented at the identified office below. In accordance with Teton County Code, this Letter of Credit shall remain in force for a period of 12 months with guaranteed extensions until such time as the public improvements are completed and accepted by Teton County. Drafts under this letter must be accompanied by your certified statement that the client did not complete the required work and further supported by proper documentation and costs that you have had the work completed.

This Letter of Credit sets forth in full the terms of our obligations to you, and such undertaking shall not in any way be modified or amplified by any agreement in which this Letter of Credit relates, and any such reference shall not be deemed to incorporate herein by reference of any agreement.

This Letter of Credit is irrevocable, unconditional and non-assignable.

We hereby agree with you that sight drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored at:

Big Sky Western Bank  
4150 Valley Commons Dr.  
PO Box 818  
Bozeman, MT 59718

Unless otherwise expressly stated, this Letter of Credit is subject to the International Chamber of Commerce, Uniform Customs and Practice for Commercial Documentary Credits; 1993 Revision – International Chamber of Commerce Publication No. 500.

Sincerely,

Big Sky Western Bank

Marsha Ferraro  
Vice President

Online Banking @ [www.bigskybank.com](http://www.bigskybank.com)

Branch  
PO Box 10000  
Big Sky, MT 85701  
307-586-1111  
www.bigskybank.com

Bozeman Branch  
PO Box 818  
Bozeman, MT 59718  
307-586-1111  
www.bigskybank.com

Driggs Branch  
PO Box 100  
Driggs, MT 83422  
307-586-1111  
www.bigskybank.com

Helena Branch  
PO Box 100  
Helena, MT 59601  
307-586-1111  
www.bigskybank.com

Idaho Falls Branch  
PO Box 100  
Idaho Falls, MT 83401  
307-586-1111  
www.bigskybank.com

Missoula Branch  
PO Box 100  
Missoula, MT 59701  
307-586-1111  
www.bigskybank.com

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WWW.RACINELAW.NET

SENDER'S E-MAIL ADDRESS: DAN@RACINELAW.NET

**BOISE OFFICE**  
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**IDAHO FALLS OFFICE**  
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**ALL OFFICES TOLL FREE**  
(877) 232-6101

LOUIS F. RACINE (1917-2005)  
WILLIAM D. OLSON, OF COUNSEL  
JONATHAN S. BYINGTON, OF COUNSEL

May 30, 2013

Kathy Spitzer, Teton County Attorney  
150 Courthouse Drive, Room 208  
Driggs, ID 83422

Angie Rutherford, Teton County Planning Administrator  
Planning and Building  
150 Courthouse Drive, Suite 107  
Driggs, ID 83422

Re: *West Rim Letter of Credit*

Dear Kathy and Angie:

Big Sky Western Bank (the "Bank") has referred your May 13, 2013, email concerning the Irrevocable Letter of Credit (the "LOC") sent to Marsha Ferraro to me for response. With just one exception the County requests are acceptable and the Bank is pleased to renew the LOC. The exception is the request that the LOC be modified to permit the County to draw on the LOC prior to the completion of work covered by the LOC.

Historically, each LOC issued by the Bank for the West Rim project has required that requests for payment under the LOC be accompanied by (i) certified statements that the work covered by the LOC was not completed as agreed requiring the County to complete the work, and (ii) invoices, billing statements, bids or similar documentation reflecting the actual cost for completion of the work. Upon presentation of this information, the Bank will either set aside the amount of the bid for payment upon completion of the work or pay the amount for completed work.

This arrangement actually protects both the County and the Bank. The Bank does not have to pay more than what is actually incurred for the work and the County is contractually assured that such payment will be made. Changing that arrangement makes it possible that the County could request that the Bank remit the full amount of the LOC without regard to the actual cost necessary to complete the work. That has never been our intention before and we trust that the County agrees.

Please let me know if this is agreeable and, if so, the Bank will send another LOC.

Very truly yours,



DANIEL C. GREEN

DCG: ded

c. Don Chery  
Mike Potter  
Bob Ablondi