

**MEMORANDUM OF UNDERSTANDING
FOR IMPROVEMENT AND MAINTENANCE OF CROOK COUNTY ROADS PROVIDING
ACCESS TO THE ROSS ISR PROJECT**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made on the undersigned date, between Strata Energy, Inc. ("Strata") and the County of Crook, of the State of Wyoming, whose mailing address is P.O. Box 37, Sundance, WY 82729, ("County").

Whereas, Strata is engaged generally in the business of uranium recovery and processing; and

Whereas, Strata is seeking permits for in-situ recovery of uranium in Section 17,18 and 19 of Township 53 North, Range 67 West and in Section 13 and 24 of Township 53 North, Range 68 West near the community of Oshoto on New Haven Road in Crook County ("Ross ISR Project"); and

Whereas, said in-situ uranium recovery may continue from said location for as long as thirty (30) years; and

Whereas, Strata has filed application for the necessary permits with the proper agencies; and

Whereas, Crook County has several County roads that provide access to the Ross ISR Project and that are used the public, including D Road (Crook County Road No. 68), New Haven Road (Crook County Road No. 164), Deadman Road (Crook County Road No. 211), Oshoto Connection (Crook County Road No. 193) and Cabin Creek Road (Crook County Road No. 116); and

Whereas, the County and Strata mutually desire for Strata to mitigate potential impacts to the citizens of Crook County caused by its mining and exploration activities;

Whereas, it is the desire of the County and Strata to work cooperatively;

In consideration of the mutual covenants hereinafter set forth, Strata and County agree as follows:

**SECTION ONE
IMPROVEMENT and MAINTENANCE**

- A. Strata agrees to:
- i. Educate and emphasize speed limits, potential hazards for sightseers, local

traffic and wildlife with their employees, contractors, truckers and all contracted trucking firms and to assist the County in speed limit modifications by providing technical information when requested by the County.

- ii. Provide dust control for existing and increased traffic caused by the Ross ISR Project as dictated and required by Wyoming Department of Environmental Quality permit. In addition, Strata agrees to apply dust control over ¼ mile of County roadways fronting residential properties along any road designated by the County for access to the Ross ISR Project in order to minimize dust impacts on area residents beyond the project permit area.
- iii. Designate a single point of authority contact with respect to road issues in order to maintain a high level of communication with the County.
- iv. Properly permit for industrial use all access roads to County roads associated with the Ross ISR Project. Strata agrees to review all potential accesses to County roads from its planned building sites before the structures and roads are built to ensure safe access, giving consideration to the use of extra width lanes where appropriate for merging truck traffic into faster traffic.
- v. Comply with the County's Set Back Policy, ensuring that structures, wind breaks and screening are set back far enough from County roads to prevent snow drifting and to prevent blocking the view of access roads to County roads.
- vi. Require that its employees, contractors and vendors comply with the County Size and Weight Limit Resolution, and to assist the County in weight limit modifications by providing technical information when requested by the County.
- vii. Obtain appropriate permits to cross the County road with pipelines or other utilities and to comply with County standards for installation of said crossings.
- viii. Provide electronic warning signs with suitable battery back up to be activated by Strata or the Crook County Sheriff to close County roads into the Ross ISR Project area in case of an emergency.

- ix. Enlarge cattle guards from 16 foot to 24 feet to accommodate passing truck traffic on County roads that provide access to the Ross ISR Project.
 - x. Maintain and repair damage caused by Strata trucks or contracted trucks as a result of their use as dictated and regulated by the County.
 - xi. Work with the county to repair reported damage and provide related maintenance within fifteen (15) days of notice as described in Paragraph B(v) below.
 - xii. Coordinate emergency management and hazardous materials management with the Crook County Homeland Security Director.
 - xiii. Coordinate fire suppression planning with the Crook County Fire Warden and Fire Zone Warden.
 - xiv. Coordinate traffic control with the Crook County Sheriff and Road and Bridge Supervisor.
- B. The County is responsible for the general administration of County Roads within Crook County, WY. The County agrees to:
- i. Collect taxes.
 - ii. Monitor and maintain the roads as allowed by limited County funds.
 - iii. Monitor complaints and convey them to Strata.
 - iv. Impose rules and monitor existing rules.
 - v. Inspect the county roads from time to time and report to Strata, in writing, all concerns about necessary repairs and maintenance caused by Strata or its ancillaries.
 - vi. Post speed limit, stop sign and other control signs as necessary on roads leading to the Ross ISR Project.
 - vii. The Crook County Homeland Security Director shall coordinate emergency management and hazardous materials management with Strata.
 - viii. The Crook County Fire Warden shall coordinate fire suppression planning with Strata.
 - ix. The Road and Bridge Supervisor shall coordinate traffic control with the Strata and request assistance from the Crook County Sheriff if necessary.

**SECTION TWO
NO AGENCY RELATIONSHIP CREATED**

Nothing in this MOU shall be interpreted as authorizing Strata or its agents, contractors and or employees to act as agents or representatives of or on behalf of the County or to incur any obligation of any kind on behalf of the County, nor shall anything in this agreement shall be interpreted as authorizing the County or its agents, contractors and or employees to act as agents or representatives of or on behalf of Strata or to incur any obligation of any kind on behalf of Strata.

**SECTION THREE
NON EXCLUSIVE AGREEMENT**

This MOU does not grant Strata an exclusive right to improve or maintain County Roads.

**SECTION FOUR
DISPUTE RESOLUTION**

The County and Strata agree that they shall cooperate in good faith with each other regarding all matters necessary to carry out this MOU. Any concerns shall be directed to the County Road and Bridge Superintendent. The County will pursue a solution to the concern by contacting the parties involved. If a mutual solution cannot be agreed upon the party disagreeing with the results may ask the Board of County Commissioners resolve the dispute. The Boards decision is final and not appealable.

**SECTION FIVE
INDEPENDENT CONTRACTOR**

The parties intend that an independent contractor relationship shall exist between the parties to this MOU.

**SECTION SIX
GENERAL PROVISIONS**

- A. **Termination of MOU.** This MOU may be terminated by the County on 60 days written notice by the County to Strata.
- B. **Compliance with Applicable Laws and Industry Standards.** The parties agree to comply with all applicable federal, state, and local laws, rules and regulations in

the performance of this MOU.

- C. **Wyoming Law Governs.** The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of Wyoming. The District Court of Crook County, Wyoming shall have jurisdiction over any action arising out of this MOU.
- D. **No Kick-backs.** The Company certifies and warrants that no gratuities, kick-backs or contingency fees were paid, sought or solicited in connection with this MOU, nor were any fees, commissions, gifts or other considerations contingent upon the award of this MOU.
- E. **Third Party Beneficiaries.** The Parties do not intend to create in any other individual or entity the status of a third party beneficiary, and this MOU shall not be construed so as to create such status. The rights, duties and obligations contained in this MOU shall operate only between the parties to this MOU, and shall inure solely to the benefit of the parties to this MOU. The provisions of this MOU are intended only to assist the parties in determining and performing their obligations under this MOU. The parties to this MOU intend and expressly agree that only parties signatory to this MOU shall have any legal or equitable right to seek to enforce this MOU, to seek any remedy arising out of a party's performance or failure to perform any term or condition of this MOU, or to bring an action for the breach of this MOU.
- F. **Amendments.** Any changes, modifications, revisions or amendments to this MOU which are mutually agreed upon by the parties to this MOU shall be incorporated by written instrument, executed and signed by all parties to this MOU.
- G. **Assignment/Contract Not Used as Collateral.** Neither party shall assign or otherwise transfer any of the rights or delegate any of the duties set forth in this MOU without the prior written consent of the other party. Neither party shall use this MOU, or any portion thereof, for collateral for any financial obligation without the prior written permission of the other.
- H. **Force Majeure.** Neither party shall be liable for failure to perform under this MOU if such failure to perform arises out of causes beyond the control and without the fault or negligence of the nonperforming party. Such causes may include, but are not limited to, acts of God or the public enemy, fires, floods,

epidemics, quarantine restrictions, freight embargoes, and unusually severe weather. This provision shall become effective only if the party failing to perform immediately notifies the other party of the extent and nature of the problem, limits delay in performance to that required by the event, and takes all reasonable steps to minimize delays. This provision shall not be effective unless the failure to perform is beyond the control and without the fault or negligence of the nonperforming party.

- I. **Indemnification.** Neither the County nor Strata shall assume the risk of any liability arising from, and shall not be liable for, any activity associated with the repair, improvement or maintenance of County Roads or the acts or omissions of the other party. It does not, and is not expected to, insure, defend or indemnify the County for any liabilities which are associated with or occur as a result of the County's repair, improvement or maintenance of County Roads. The County and Strata may insure their own risk as each sees fit.
- J. **Notices.** All notices arising out of, or from, the provisions of this MOU shall be by fax, e-mail or in writing and given to the parties at the address provided under this MOU, or by certified mail, postage prepaid and return receipt requested.
- K. **Severability.** Should any portion of this MOU be judicially determined to be illegal or unenforceable, the remainder of this MOU shall continue in full force and effect, and either party may renegotiate the terms affected by the severance.
- L. **Time is of the Essence.** Time is of the essence in all provisions of the MOU.
- M. **Titles Not Controlling.** Titles of sections are for reference only, and shall not be used to construe the language in this MOU.
- N. **Waiver.** The waiver of any breach of any term or condition in this MOU shall not be deemed a waiver of any prior or subsequent breach.
- O. **Signatures.** The parties to this MOU, either personally or through their duly authorized representatives, have executed this MOU on the dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU.

**SECTION SEVEN
CONTACT PERSON and NOTICES**

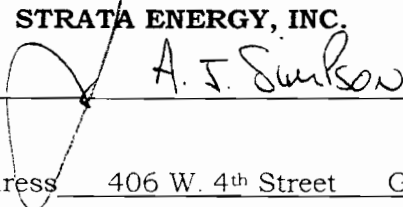
The following named persons shall be the point of contact for any issues concerning the MOU:

County: Crook County, Wyoming
% Morgan Ellsbury
Road and Bridge Superintendant
PO Box 995
Sundance, WY 82729
Telephone: (307) 283-1441
Cell Phone (307) 290-2614
Fax: (307) 283-2323
E-mail: morgane@crookcounty.wy.gov

Company Strata Energy, Inc.
% Anthony J. Simpson
Chief Operating Officer
406 West 4th Street
P.O. Box 2318
Gillette, WY 82716
Telephone: (307) 686-4066
Cell Phone (307) 689-6080
Fax: (307) 686-4066
E-mail: ajs@pel.net.au

IN WITNESS WHEREOF, the parties have executed this MOU on the undersigned dates.

COMPANY: STRATA ENERGY, INC.

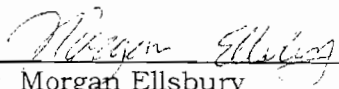
By  A. J. Simpson 4/6/2011
Date

Physical Address 406 W. 4th Street Gillette WY 82717

Mailing Address PO Box 2318 Gillette WY 82717

Tax ID No. 20-5686205

Approved by the Crook County Road and Bridge Superintendant:

 Morgan Ellsbury 4-6-11
By: Morgan Ellsbury Date

BOARD OF COUNTY COMMISSIONERS IN AND FOR CROOK COUNTY, WYOMING

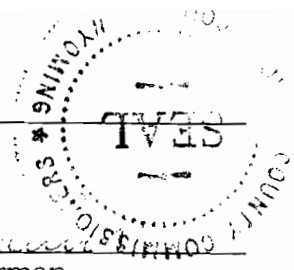
**MEMORANDUM OF UNDERSTANDING
ROSS ISR PROJECT**

PAGE 7 OF 8

J. W. Hadley
J. W. HADLEY Chairman

Kelly B. Dennis
KELLY B. DENNIS, Vice Chairman

Jeanne A. Whalen
JEANNE WHALEN, Member



State of Wyoming }
County of Crook }

Signed or attested before me on (date) April 6, 2011
by J. W. HADLEY, Chairman and KELLY B. DENNIS, Vice Chairman, and JEANNE A. WHALEN, Member of the Board of County Commissioners in and for Crook County, WY



Connie D. Tschetter
CONNIE D. TSCHETTER, COUNTY CLERK

My commission expires:

**MY TERM EXPIRES THE FIRST
MONDAY IN JANUARY 2015**