

**First Amended and Restated Interlocal Agreement
Between
Big Sky County Water and Sewer District No. 363, Montana
and Big Sky Resort Area District, Montana**

This First Amended and Restated Interlocal Agreement (this “Agreement”), dated as of April 20, 2021, is entered into by and between Big Sky County Water and Sewer District No. 363, Montana (the “WSD”) and Big Sky Resort Area District, Montana (the “RAD”).

Witnesseth:

WHEREAS, the RAD is a resort area district located within Madison and Gallatin Counties, validly organized pursuant to Montana Code Annotated, Title 7, Chapter 6, Part 15, as amended, and duly incorporated and existing since May 15, 1998; and

WHEREAS, the WSD is a county water and sewer district located within Madison and Gallatin Counties, validly organized pursuant to Montana Code Annotated, Title 7, Chapter 13, Parts 22 and 23, as amended, and duly incorporated and existing since August 5, 1993; and

WHEREAS, the RAD and WSD are parties to that certain Interlocal Agreement dated as of February 2020 (the “Prior Interlocal Agreement”); and

WHEREAS, pursuant to the Prior Interlocal Agreement, at a mail ballot election conducted on May 5, 2020, the electors of the RAD approved the imposition of an additional 1% resort tax for infrastructure, commencing July 1, 2020 and terminating June 1, 2032 (the “Infrastructure Resort Tax”), with RAD using the proceeds of the Infrastructure Resort Tax to pay the lesser of 60% of the total costs of the WRRF Phase I Project (as hereinafter defined) as determined under Section 2.1 or \$27,000,000, plus \$12,000,000 for the costs of the Canyon Project (as hereinafter defined), while WSD shall pay the remaining total costs of the WRRF Phase I Project and none of the costs of the Canyon Project; and

WHEREAS, the WSD is in the process of undertaking certain improvements to its wastewater treatment system, including upgrading the WSD’s water resource recovery facility (as existing and as improved from time to time, the “WRRF”) using membrane bioreactor technology and related improvements (the “WRRF Phase I Project”); and

WHEREAS, on January 29, 2021, the WSD opened construction bids for the WRRF Phase I Project, pursuant to which the cost of the WRRF Phase I Project and associated financing costs, excluding interest on the Bond (as hereinafter defined), is now expected to be approximately \$52,000,000; and

WHEREAS, after being notified in the fall of 2020 by the Montana Department of Natural Resources and Conservation (the “DNRC”) that the Water Pollution Control State Revolving Fund Loan Program (the “SRF Program”) had insufficient funds available to finance the WRRF Phase I Project in full, the WSD worked with D.A. Davidson & Co., as placement agent, to secure financing for the WRRF Phase I Project; and

WHEREAS, the WSD has received a favorable preliminary commitment from First Security Bank, Division of Glacier Bank (“FSB”), pursuant to which FSB will purchase the WSD’s Sewer System Revenue Bond (Resort Tax Revenue Supported), Series 2021 (such bond, as amended, refunded or substituted, the “Bond”), in the maximum principal amount of approximately \$42,716,000, to pay a portion of the costs of the WRRF Phase I Project and associated financing costs, with the remaining costs of the WRRF Phase I Project expected to be paid from proceeds of two subordinate lien obligations to be issued to the DNRC through its SRF Program in the aggregate principal amount of \$1,400,000; \$250,000 contributed by the RAD from its 3% resort tax revenues; any amounts of the WRRF Contribution (as hereinafter defined) applied directly to costs of the WRRF Phase I Project; and funds the WSD has on hand and available therefor; and

WHEREAS, if the Canyon Project is determined to be feasible as described below, the WSD and the Canyon Area District also plan to undertake a future project generally expected to consist of a lift station near the intersection of U.S. Route 191 and Highway 64, a wastewater forcemain up the Highway 64 corridor to the WRRF, a pipeline conveying treated water back to the Canyon Area, and related improvements (together with preliminary feasibility studies relating thereto, the “Canyon Project”), which will provide wastewater treatment capacity to properties located outside the WSD but within the RAD in Gallatin Canyon (the “Canyon Area”); and

WHEREAS, changes in facts and circumstances have occurred since the date of the Prior Interlocal Agreement, including, but not limited to, the approval by the voters of the Infrastructure Resort Tax, an increase in WRRF Phase I Project costs from an estimated \$35,000,000 to approximately \$52,000,000, a change in the primary lender with respect to the WRRF Phase I Project from the DNRC through its SRF Program to FSB, the creation of a separate water and sewer district by the Canyon Area property owners, and the development of a potential State funding source using funds allocated to Montana under the Federal American Rescue Plan Act of 2021 or other COVID-19 relief funds; and

WHEREAS, in light of these changes in facts and circumstances, the parties desire to set forth the respective agreements of the WSD and RAD with respect to the WRRF Phase I Project, the Canyon Project and the application of the Infrastructure Resort Tax; and

WHEREAS, under Section 5.6 of the Prior Interlocal Agreement, the WSD and RAD reserved the right to amend the Prior Interlocal Agreement by written amendment signed by both parties; and

WHEREAS, the WSD and RAD are political subdivisions of the State of Montana, authorized to enter into an interlocal agreement pursuant to Montana Code Annotated, Title 7, Chapter 11, Part 1, as amended.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree each WHEREAS clause set forth above shall be incorporated into the Agreement as if fully set forth below, and the parties further agree as follows:

Section 1. Undertakings of the WSD with respect the WRRF Phase I Project.

Section 1.1. The WSD will cause the WRRF Phase I Project to be designed, constructed, installed and equipped with all reasonable diligence. The WSD will own all of the WRRF Phase I Project and, to the extent there are easements or leases regarding the WRRF Phase I Project, the WSD will be the grantee or lessee under such easements or leases, respectively. The WSD agrees to provide prominent notice to the public that RAD has funded a portion of the WRRF Phase I Project by including the statement: "This project has been funded in part by resort tax funds" on materials and publications provided to the public by the WSD related to the WRRF Phase I Project.

Section 1.2. The WSD will establish and maintain a construction budget for the WRRF Phase I Project showing the dollar amount expended on project costs from time to time, which shall be provided to RAD quarterly. Following completion of construction of the WRRF Phase I Project and the determination of the debt service schedule for the Bond that shows amortizing payments of principal and interest, the WSD shall provide such debt service schedule attached to or referenced in the Bond (as it may be amended from time to time) to the RAD quarterly.

Section 1.3. During construction of the WRRF Phase I Project, the WSD and RAD joint project subcommittee shall meet monthly, unless more frequent meetings are needed or are requested by either WSD or RAD or the parties agree that less frequent meetings are appropriate, to discuss the progress with construction, collections of the Infrastructure Resort Tax, revenue collections and projections of the WSD, financing repayment, and the status of the Canyon Project. Once construction of the WRRF Phase I Project is complete, the joint project subcommittee shall meet monthly, unless the parties mutually agree that less frequent meetings are appropriate, to provide progress reports regarding operation of the infrastructure improvements comprising the WRRF Phase I Project, collections of the Infrastructure Resort Tax, revenue collections and projections of the WSD, financing repayment, and the status of the Canyon Project.

Section 1.4. Following completion of the WRRF Phase I Project, the WSD will commit capacity at the WRRF for 500 single-family equivalent (SFE) units dedicated to deed-restricted affordable housing within the WSD or otherwise served by the WSD. The WSD will continue to work collaboratively with RAD and other community members in support of deed-restricted affordable housing. The provisions of this Section 1.4 shall survive termination of this Agreement.

Section 1.5. The parties acknowledge that the WRRF Phase I Project is the first phase of a multi-phase project, and that further phases of the project will need to be developed and undertaken in the future to accommodate continued growth in the Big Sky area. The WSD will use reasonable efforts to manage treatment capacity at its WRRF over time to accommodate growth in the WSD and, if the Canyon Project proceeds as described in Section 3 below, in the Canyon Area.

Section 1.6. **The WSD agrees not to request additional resort tax revenues from the RAD during the term of this Agreement with regard to the WRRF Phase I Project;** provided however, should the RAD's revenue collections from the Infrastructure Resort Tax be

insufficient to pay the WRRF Contribution in full during the term of this Agreement, the WSD is entitled to request, but the RAD is not obligated to provide, additional funding from RAD's other revenue sources.

Section 2. Application of the Infrastructure Resort Tax Revenues.

Section 2.1. The RAD agrees to contribute Infrastructure Resort Tax revenues to the WSD (1) in the amount of sixty percent (60%) of the total costs of the WRRF Phase I Project (which costs include financing costs and principal and interest on the Bond¹) from revenues collected from the Infrastructure Resort Tax, provided, however, in no event shall its contribution exceed the maximum amount of \$27,000,000 to pay costs of the WRRF Phase I Project and/or to pay debt service on the Bond (the "WRRF Contribution"), and, (2) provided the conditions in Section 3 below are satisfied, in an amount up to \$12,000,000 to pay costs of the Canyon Project and/or to pay debt service on a bond or other obligation issued to pay all or a portion of the costs of the Canyon Project (the "Canyon Project Contribution"). WSD shall pay all costs of the WRRF Phase I Project and/or debt service on the Bond which exceed the WRRF Contribution. WSD shall not be obligated to pay any costs of the Canyon Project. The RAD has created or will create a separate fund or account into which the Infrastructure Resort Tax receipts will be deposited and will provide to the WSD upon request the balance of such fund or account and an accounting of disbursements made from such fund or account. The RAD further agrees to provide to the WSD the financial statements of the RAD upon request.

In the event WSD receives any funds allocated to the State of Montana under the federal American Rescue Plan Act of 2021 or other COVID-19 relief funds (collectively, the "ARPA Funds") for application toward the costs of the WRRF Phase I Project, the parties agree to renegotiate and amend this Agreement to ensure the payment obligations of the RAD hereunder with regard to the WRRF Phase I Project approximate the original cost-sharing allocation set forth in and calculated in accordance with the first sentence of Section 2.1 above, unless the parties mutually agree there is no need to so renegotiate and amend this Agreement. Notwithstanding the foregoing or any other provision of this Agreement to the contrary, if any change or amendment to the RAD's payment obligations under this Agreement affects the WRRF Contribution or otherwise affects the security for the repayment of the Bond, the parties acknowledge and agree that this Agreement may not be amended except by the prior written consent of FSB to any proposed amendment to this Agreement. The parties further acknowledge and agree that any amendment to this Agreement that regards a change or amendment to the RAD's payment obligations hereunder will likely require an amendment of the Bond Resolution and the Bond.

In the event WSD, Canyon Area District, and/or RAD receive any ARPA Funds for application toward the costs of the Canyon Project, the parties agree they shall determine whether receipt of such funds results in the need to adjust the Canyon Project Contribution, and if it does, the parties agree to renegotiate and amend the terms of this Agreement to adjust the

¹ The total costs of the WRRF Phase I Project equal the sum of (i) the total project costs (i.e., design, engineering, construction, and acquisition costs, contingencies, and the reserve amount for and costs of issuance of the Bond) set forth in the uses (or application) of funds portion of the sources and uses (or application) of funds table prepared in connection with the closing of the Bond, plus (ii) the total interest cost on the Bond set forth in the preliminary debt service schedule prepared by FSB delivered under Section 2.7 of this Agreement.

Canyon Project Contribution; provided, however, if such an amendment affects the WRRF Contribution or otherwise affects the security for the repayment of the Bond, the parties acknowledge and agree that the prior written consent of FSB to any such proposed amendment to this Agreement is required for this Agreement to be effectively amended.

Section 2.2. As part of its underwriting analysis with respect to the Bond, FSB has determined a minimum fiscal year amount of Infrastructure Resort Tax revenues that must be pledged to the repayment of the Bond as a condition to FSB's purchase of the Bond, which minimum fiscal year amount is set forth on Exhibit A.

Section 2.3. In each fiscal year, commencing with the fiscal year ending June 30, 2021, the first Infrastructure Resort Tax revenues received by the RAD, up to the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A, constitute part of the WRRF Contribution and must be provided by the RAD to the WSD to pay costs of the WRRF Phase I Project and/or to pay debt service on the Bond. For purposes of this Agreement, references to "Infrastructure Resort Tax revenues received" by the RAD in any fiscal year mean dollar amounts resulting from imposition of the Infrastructure Resort Tax actually remitted to and received by the RAD in the period commencing July 1 of any year and ending on June 30 of the subsequent year, regardless of when such dollar amounts were received by the businesses or short-term vacation rental owners directly collecting the Infrastructure Resort Tax. WSD shall in each fiscal year pay the amount by which principal of and interest on the Bond exceeds the fiscal year amount of the WRRF Contribution received by the WSD in that fiscal year from revenues pledged to the repayment of the Bond that are other than the WRRF Contribution. The WSD agrees that to the extent that fiscal year amounts of the WRRF Contribution received by the WSD exceed the corresponding fiscal year scheduled payments of principal of and interest on the Bond, the WSD will use such excess amounts of the WRRF Contribution to prepay in part the outstanding principal of the Bond or to pay a portion of the costs of the WRRF Phase I Project.

Section 2.4. Infrastructure Resort Tax revenues received by the RAD in any fiscal year in excess of the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A are available, in the discretion of the RAD, to be used for the Canyon Project as part of the Canyon Project Contribution, subject to the provisions of Section 3 below.

Section 2.5. If in any fiscal year Infrastructure Resort Tax revenues received by the RAD are equal to or less than the minimum fiscal year amount of Infrastructure Resort Tax revenues for that fiscal year as shown on Exhibit A, all Infrastructure Resort Tax revenues received in that fiscal year constitute the WRRF Contribution and no Infrastructure Resort Tax revenues received in that fiscal year are available to be used for the Canyon Project as part of the Canyon Project Contribution, subject to the provisions of Section 3 below.

Section 2.6. If Infrastructure Resort Tax revenues received by the WSD under this Agreement total less than \$27,000,000 as of June 30, 2029, then all Infrastructure Resort Tax revenues as received by the RAD from and after July 1, 2029 shall constitute a part of the WRRF Contribution until the earlier to occur of (i) the date the WRRF Contribution received by the WSD totals \$27,000,000, or (ii) July 31, 2032. If implementation of the terms of this Section 2.6 impacts the ability of the RAD to use the Infrastructure Resort Tax revenues for the Canyon

Project, thereby placing the Canyon Project in financial jeopardy, the parties agree to meet and confer with FSB, and attempt to negotiate a different resolution.

Section 2.7. As of January 31, 2021, RAD has collected \$1,636,751 from the Infrastructure Resort Tax. The RAD agrees to provide, as part of the WRRF Contribution, all Infrastructure Resort Tax revenues received by the RAD through March 31, 2021 to the WSD on or before May 15, 2021.

Commencing on August 15, 2021, the RAD agrees to provide, from Infrastructure Resort Tax revenues then on hand, dollar amounts forming part of the WRRF Contribution to the WSD on a quarterly basis, on or before the 15th day of August, November, February, and May.

WSD shall provide to RAD the bond resolution relating to the Bond, which shall include the form of the Bond, and a preliminary debt service schedule prepared by FSB, once such documents are available. Within fifteen (15) days after the date of issuance and delivery of the Bond, the WSD will provide to the RAD copies of the final closing documents relating to the Bond that are signed as of the date of issuance and delivery of the Bond. Once a final debt service is established at the end of the 30-month draw-down period, the WSD will provide to the RAD the revised debt service schedule relating to the Bond showing amortizing payments of principal and interest.

Section 2.8. The WSD acknowledges and agrees that the RAD cannot control the amount of Infrastructure Resort Tax revenues generated in any fiscal year, and that less than the minimum fiscal year amount of the Infrastructure Resort Tax revenues set forth on Exhibit A may be received by the RAD in any fiscal year, and in such event, notwithstanding any provision in this Agreement to the contrary, RAD shall have no obligation to pay the fiscal year amount of the WRRF Contribution in an amount which exceeds its actual collections of the Infrastructure Resort Tax revenues in that fiscal year.

Section 2.9. The RAD acknowledges and agrees that the receipt by the WSD as part of the WRRF Contribution of the first Infrastructure Resort Tax revenues received in each fiscal year, in an amount not less than the minimum fiscal year amount for that fiscal year, is critical to the financing of the WRRF Phase I Project, and that FSB has relied on such priority in determining to purchase the Bond. WSD acknowledges and agrees that any Infrastructure Resort Tax revenues in any fiscal year which exceed the minimal fiscal year amount for that fiscal year as described on Exhibit A may be at RAD's discretion paid to WSD as part of its WRRF Contribution or may be allocated to and paid for the Canyon Project, subject to Section 3 below. The parties understand and agree that the obligations of the WSD to pay timely all of the scheduled fiscal year principal of interest on the Bond continues in effect regardless of the fiscal year amount of the WRRF Contribution received by the WSD.

Section 3. Undertakings of the Parties with respect to the Canyon Project.

Section 3.1. The WSD and the RAD agree to work collaboratively together and with the newly created water and sewer district in the Canyon Area (the "Canyon Area District") to pursue the Canyon Project.

Section 3.2. During the planning and construction phases of the Canyon Project, the WSD and RAD will use all reasonable efforts to establish a joint project subcommittee with the Canyon Area District, which joint project subcommittee shall meet monthly, unless more frequent meetings are needed or are requested by any member of the joint project subcommittee or the parties agree that less frequent meetings are appropriate, to discuss the progress with determining feasibility of the project, design of the project, project construction, collections of the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, obtaining project financing and repayment projections. If the Canyon Project should be completed, the joint project subcommittee shall meet monthly, unless the parties mutually agree that less frequent meetings are appropriate, to provide progress reports regarding operation of the Canyon Project, collections of the Infrastructure Resort Tax, revenue collections and projections of the Canyon Area District, and financing repayment.

Section 3.3. The obligations of the WSD with respect to the Canyon Project and of the RAD with respect to the Canyon Project Contribution are subject to satisfaction of numerous conditions, including, but not limited to, the following:

- (a) Water studies showing the Canyon Project is feasible.
- (b) Engineering reports; feasibility studies; environmental studies or reports; and other analyses that demonstrate the Canyon Project is feasible.
- (c) The WSD and the Canyon Area District must enter into one or more agreements satisfactory to the WSD pursuant to which the WSD would provide wastewater treatment service to the Canyon Area District and the Canyon Area District would accept treated water from the WSD.
- (d) The Board of Directors of the Canyon Area District must agree to proceed with the Canyon Project.
- (e) Adequate funding for the Canyon Project must be obtained.
- (f) Regulatory bodies, such as, but not limited to, the Montana Department of Environmental Quality and the Montana Department of Natural Resources and Conservation, shall have approved the Canyon Project.
- (g) Other documentation, licenses, permits, or approvals that demonstrate the Canyon Project is feasible.

Section 3.4. If the conditions described in Section 3.3 are not satisfied or it is determined such conditions cannot be satisfied or that the Canyon Project is otherwise not feasible and cannot proceed to design and/or construction, then any amounts then held by the RAD as the Canyon Project Contribution under Section 2.4 above shall be remitted by the RAD to the WSD as part of the WRRF Contribution and from such time forward all of the Infrastructure Resort Tax as received by the RAD will constitute the WRRF Contribution without the limits set forth in Exhibit A; provided that any such remittance or such contributions of the Infrastructure Resort Tax as the WRRF Contribution may not cause the total WRRF Contribution to exceed \$27,000,000. In addition, if the Canyon Project is not progressing toward

construction in a reasonably prompt manner, the joint project subcommittee or representatives of each of the RAD and the WSD shall, at the request of either party, (1) meet and determine whether amounts of the Infrastructure Resort Tax held by the RAD that are in addition to the minimum fiscal year amounts of the WRRF Contribution shown on Exhibit A are to be remitted to the WSD as a part of the WRRF Contribution and (2) make a recommendation to the RAD Board should any increase in the amount to be paid to the WSD in any fiscal year be deemed appropriate by the joint project subcommittee; provided, however, any change in the amount to be paid to the WSD in any fiscal year that is in addition to the fiscal year amount of the WRRF Contribution shown on Exhibit A shall ultimately be at the sole discretion of the RAD Board.

Section 3.5. If the conditions described in Section 3.3 are satisfied and the Canyon Project is deemed feasible and proceeds to construction, the RAD agrees it shall fund all costs of the Canyon Project from revenues collected from the Infrastructure Resort Tax, subject to the prior claim of the WRRF Contribution as set forth in Section 2 above, provided, however, in no event shall its contribution with respect to the Canyon Project exceed the maximum amount of \$12,000,000 (the "Canyon Project Contribution"). The RAD agrees the Canyon Project Contribution shall be applied to all costs of the Canyon Project, including financing costs if applicable. All remittances of any portion of the Canyon Project Contribution shall be made by the RAD to the WSD, unless the parties agree otherwise in writing. RAD shall structure any payment obligations relating to the Canyon Project Contribution so as not to adversely affect the ability of the RAD to make that portion of the WRRF Contribution in the minimum fiscal year amount set forth for that fiscal year as shown on Exhibit A unless the parties mutually agree otherwise, and subject also to the provisions of Section 2.6 above. The parties further agree that should the total costs of the Canyon Project ultimately exceed \$12,000,000 or the total amount of the Canyon Project Contribution, if less than \$12,000,000, WSD shall have no obligation to pay any excess amounts with respect to the Canyon Project. The WSD makes and has made no financial commitments of any kind regarding the Canyon Project, it being understood that the Canyon Project Contribution is to pay or secure a source for the repayment of the Canyon Project and that WSD will have no obligation to pay for or finance costs of the Canyon Project. The WSD agrees to provide prominent notice to the public that RAD has funded the Canyon Project by including the statement: "This project has been funded by resort tax funds" on materials and publications provided by the WSD to the public related to the Canyon Project.

Section 3.6. If the conditions described in Section 3.3 are satisfied and the Canyon Project is deemed feasible and proceeds to construction, WSD, RAD and the Canyon Area District shall enter into a more detailed agreement regarding the development and financing of the Canyon Project, which in all events will be subject to the provisions of Section 2 above, and is currently expected to include that:

(a) The WSD will undertake to cause the engineering, design, construction and installation of the Canyon Project. When available, the proposed development and construction schedule shall be provided to RAD and periodic updates shall be provided at the meetings of the joint project subcommittee.

(b) The WSD will initially own and operate the improvements constructed as part of the Canyon Project and, to the extent there are easements or leases regarding the Canyon Project, the WSD will be the grantee or lessee under such easements or leases,

respectively. If the WSD determines that the Canyon Area District has the resources to own and operate the portion of the Canyon Project consisting of the lift station and the forcemain, the WSD reserves the right to transfer ownership and/or operation of such portion of the Canyon Project to the Canyon Area District.

(c) The WSD and RAD agree to meet and, together with the Canyon Area District, collaboratively explore financing or funding options for the Canyon Project, but WSD shall have no obligation to finance or borrow funds to pay the costs of the Canyon Project.

(d) The WSD shall determine and implement hook-up fees with respect to providing service to the Canyon Area in a separate agreement directly with property owners in the Canyon Area and/or the Canyon Area District; provided however, WSD will continue to work collaboratively with the RAD, Canyon Area property owners, and other community members in support of deed-restricted affordable housing.

(e) The WSD agrees not to request additional resort tax revenues from the RAD during the term of this Agreement with regard to the Canyon Project; provided however, should RAD's revenue collections from the Infrastructure Resort Tax be insufficient to cover the Canyon Project Contribution, the WSD and/or the Canyon Area District is entitled to request, but RAD is not obligated to provide, additional funding from RAD's other revenue sources.

The RAD and the WSD acknowledge and agree that as of the date of this Agreement it is too early to determine the details of, and the obligations, undertakings, and other matters regarding, the Canyon Project; provided, however, WSD shall continue to use its reasonable efforts to promote and participate in the planning for and execution of the Canyon Project including without limitation the determination of feasibility of the Canyon Project. Failure of the WSD to undertake or perform or abide by any of the provisions set forth in Section 3.6 shall not constitute a default of this Agreement or otherwise subject the WSD to liability of any kind.

Section 4. American Rescue Plan Act of 2021 Funding. WSD and RAD agree to promptly begin to work together and collaboratively, and shall use all reasonable efforts to work with the Canyon Area District, to apply for project funding that might be available for the WRRF Phase I Project, the Canyon Project, and other projects of the WSD that expand treatment capacity or enhance treatment capabilities through the State of Montana under the American Rescue Plan Act of 2021 or any other available funding through various COVID-19 relief funds.

Section 5. Miscellaneous Provisions.

Section 5.1. No Separate Legal Entity Created; Etc. Except as otherwise provided herein, this Agreement does not affect each party's responsibility to manage its own affairs. No joint board, joint administrator or joint budget shall result from the undertakings set forth in this Agreement and no partnership or joint venture exists or shall be deemed to exist between the parties. This includes, without limitation, responsibility for reports and payment of retirement system contributions pursuant to Section 19-2-506, MCA.

Section 5.2. Duration and Termination of Agreement; Survival. This Agreement shall terminate on the earlier of (1) RAD's payment in full of the WRRF Contribution and, subject to Section 3 above, the Canyon Project Contribution or (2) July 31, 2032; provided that the covenants of the WSD set forth in Section 1.4 shall survive termination of this Agreement.

Section 5.3. No Assignment; Third Party Beneficiary. This Agreement is unique between the WSD and the RAD and no party may assign any rights or privileges, or delegate any duties or obligations under this Agreement without first obtaining the written consent of the other party. The WSD and RAD acknowledge and agree that FSB or the then-current holder of the Bond is a third-party beneficiary of this Agreement and, until such time as the WRRF Contribution has been made in full, FSB or the then-current holder of the Bond is entitled to enforce the provisions of this Agreement on behalf of the WSD.

Section 5.4. Prior Agreements. This Agreement supersedes, merges and voids any and all prior discussions, negotiations, agreements and undertakings between the parties with respect to the subject matter of this Agreement, including the Prior Interlocal Agreement. The parties waive and release each other from any claims, actions, or causes of action that relate in any manner to any prior discussions, negotiations, agreements and undertakings between the parties with respect to the subject matter of this Agreement.

Section 5.5. Entire Agreement. This Agreement embodies the entire agreement and understanding of the parties with respect to its subject matter. All parties shall be prohibited from offering into evidence in any arbitration or civil action any terms, conditions, understandings, warranties, statements or representations, whether oral or written, with respect to the subject matter of this Agreement and that are not contained in this Agreement.

Section 5.6. Amendments, Changes and Modifications. This Agreement may be amended and any of its terms may be modified only by written amendment authorized and executed by the parties hereto. Until the full amount of the WRRF Contribution has been received by the WSD, no amendments or changes that would affect the priority or application of Infrastructure Resort Tax revenues shall be effective without the written consent of FSB or the then-current holder of the Bond.

Section 5.7. Headings. The headings of articles and sections in this Agreement are inserted for convenience of reference only and do not limit or amplify the terms and provisions of the Agreement in any manner. The headings will be ignored and will not affect the construction of any provisions of this Agreement.

Section 5.8. Notice. Any formal notice, demand or communication required or permitted by the terms of this Agreement to be given to the WSD or RAD will be in writing and will be delivered to such party either: (i) by personal hand-delivery; or (ii) by depositing the same in the United States mail as first class mail, postage prepaid, addressed to such party at the address named below. Notice will be deemed complete upon receipt of the hand-delivered notice or upon mailing of mailed notice.

If to WSD:

Big Sky County Water and Sewer District No. 363
Attention: General Manager
561 Little Coyote Road
P.O. Box 160670
Big Sky, Montana 59716

If to RAD:

Big Sky Resort Area District
Attention: District Manager
11 Lone Peak Drive, Suite #204
P.O. Box 160661
Big Sky, Montana 59716

Section 5.9. Governing Law. This Agreement and the legal relations between the parties hereto will be governed by and construed in accordance with the laws of the State of Montana, without giving effect to any choice of law statutes, rules, or principles.

Section 5.10. Further Assurances and Corrective Instruments. The parties agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

Section 5.11. Duplicate Originals or Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement.

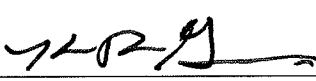
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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be duly executed by its proper officers, to be effective as of the effective date first set forth above.

BIG SKY COUNTY WATER AND SEWER
DISTRICT NO. 363, MONTANA

BIG SKY RESORT AREA DISTRICT,
MONTANA

By 
Its Board Chair

By 
Its Board Chair

ATTEST:

ATTEST:


Secretary



Secretary

EXHIBIT A

Minimum fiscal year amount of Infrastructure Resort Tax Contribution to WRRF Phase I Project

Fiscal Year ending June 30	2021	2022	2023	2024	2025	2026	2027	2028	2029
Minimum fiscal year amount for WRRF Contribution	\$2,587,500	\$2,716,875	\$2,852,719	\$2,995,335	\$3,145,122	\$3,302,379	\$3,467,497	\$3,640,872	\$2,291,681

If the full \$27,000,000 of the WRRF Contribution is not received by the WSD from the RAD by June 30, 2029, then the Infrastructure Resort Tax revenues received by the RAD from and after July 1, 2029 will be remitted by the RAD to the WSD in accordance with Section 2.6 of the First Amended and Restated Interlocal Agreement to which this exhibit is appended.