

WASTEWATER FEASIBILITY STUDY

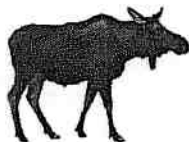
FINAL DRAFT



**BIG SKY COUNTY WATER &
SEWER DISTRICT NO. 363**



**YELLOWSTONE
MOUNTAIN CLUB**



**LONE MOOSE
MEADOWS**

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I. INTRODUCTION

PURPOSE

This feasibility study is dedicated to evaluating the potential for sharing resources, with regard to wastewater treatment and disposal facilities, between the Big Sky County Water and Sewer District No. 363 (District), Lone Moose Meadows (LMM), and Yellowstone Mountain Club (YMC). Currently, the District and LMM have separate short and long-term plans for wastewater treatment and disposal. On the other hand, YMC is in the planning phase and has yet to finalize treatment and disposal alternatives.

A comprehensive regional plan, combining the wastewater treatment and/or disposal facilities of all three entities, could benefit each party by producing an efficient, cost effective, and environmentally improved system. The preferred method of effluent disposal is land application through spray irrigation.

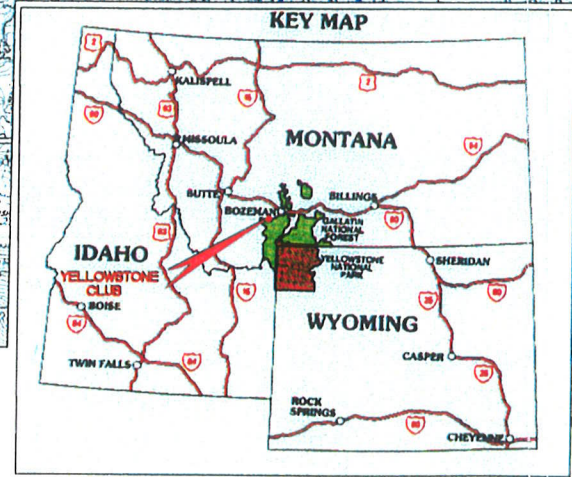
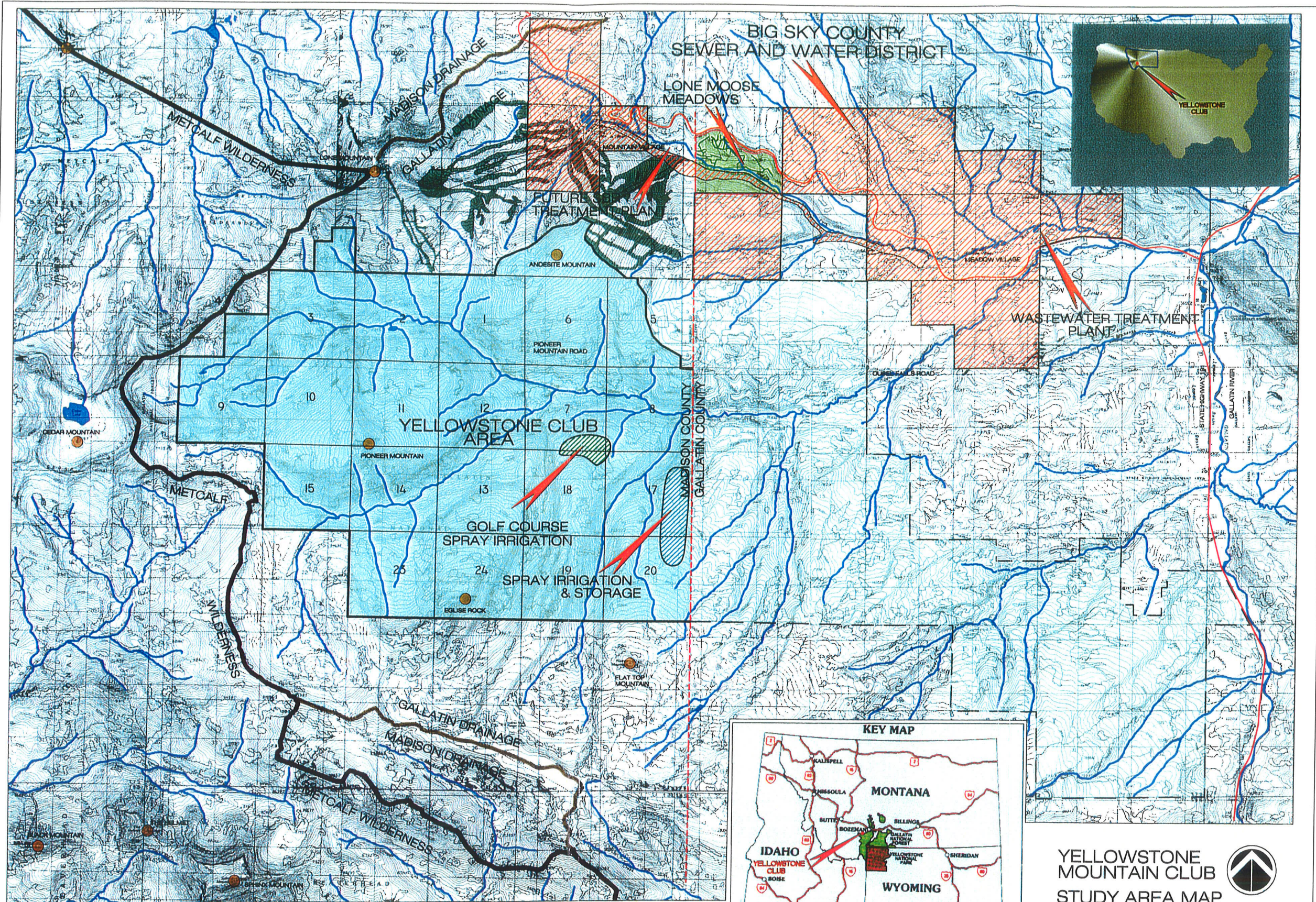
STUDY AREA LOCATION AND DESCRIPTION

The District, Lone Moose Meadows, and Yellowstone Mountain Club are all located in the Big Sky resort region of southwestern Montana. The study area encompasses in excess of 30 square miles, spanning both Madison and Gallatin counties. Figure 1 is a map of the Big Sky area that shows the District, LMM, YMC, and other pertinent features.

The District consists of two primary development centers, Meadow Village and Mountain Village, which are located approximately 7½ miles apart. Mountain Village is located at the base of Lone Mountain near the Big Sky ski area and Meadow Village is located in the valley near the Gallatin River. The two villages are unincorporated resort communities that are currently at less than half of their full-development potential of 7,926 single family equivalents (SFEs).

LMM is a small, private residential condominium development located near Mountain Village that features local "ski-in, ski-out" access to Big Sky's Andesite Mountain lift. There are currently 16 constructed condominium units within LMM, and an approved Master Planned Unit Development (MPUD) plan accounting for a maximum of 600 units at full build-out. This total will include condominiums, low-density single-family residences, and a village area featuring overnight accommodations, food services, and small retail spaces. At an average of 1.6 SFEs per unit, the potential exists for 960 total SFEs, however the final build-out flow will be determined during negotiations subsequent to this study.

YMC is a private resort development currently in the planning phase and located in an expansive area south of Lone Mountain. The development will feature a small community center, condominiums, lodge suites, and single-family homes. Amenities will include club membership ski facilities, golf course, and other recreational services.



Prepared By: **MORRISON MAIERLE, INC. ENGINEERING** in association with **WEE-HIKIN ENGINEERING** Prepared For: **BIG SKY COUNTY SEWER & WATER DISTRICT No. 363**

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 SCALE: 1"=3500' APPROX.
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YELLOWSTONE MOUNTAIN CLUB
STUDY AREA MAP
WASTEWATER FEASIBILITY STUDY

FIGURE 1

JUNE, 2000

YMC will eventually consist of up to 864 units, plus an additional 30 employee housing units, at full build-out. The employee housing and approximately 674 of these units (78%) would contribute to a central treatment plant and would be disposed of through land application by spray irrigation or snowmaking. At an average of 2.5 SFEs per living unit and 1.4 SFEs per employee housing unit, the total potential development would be 2202 SFEs.

WATER AND WASTEWATER SYSTEM AGREEMENT

A preliminary water and wastewater system agreement is currently under negotiation by the District and YMC. The agreement will represent the legal aspects of the technical discussions presented in this wastewater feasibility study and the associated water system agreement between the same parties.

From earlier discussions between the involved parties, it was agreed that YMC would provide storage and disposal of District effluent, and the District would provide a specific amount of water and a specific amount of wastewater treatment and pumping capacity for YMC to use at YMC, LMM and/or other developments. This feasibility study and the Water and Wastewater System Agreement have evolved from these preliminary discussions.

For the purposes of this feasibility study, it will be assumed that the District will provide a total of 79.6 MG/yr (approximately 2,000 SFEs) of wastewater flow capacity for use by LMM, YMC, and/or other developments at the discretion of these parties. The actual amount of wastewater flow capacity to be provided by the District is currently under negotiation and will be defined in a subsequent agreement between the involved parties.

II. BACKGROUND

CURRENT WASTEWATER TREATMENT AND DISPOSAL PLANS

The current wastewater treatment and disposal plans of the three parties, or the strategies proposed prior to the discussions of this feasibility study, are described below. Figure 2A, on page 8, shows a basic schematic of these systems and Table 2 in the following section presents a summary of the design wastewater flows.

Big Sky County Water and Sewer District No. 363

Currently, the District has a series of aerated and facultative storage ponds located in Meadow Village that receive wastewater from both Meadow Village and Mountain Village. A filtration plant further treats the wastewater prior to disposal of the effluent on the Big Sky Golf Course by spray irrigation. In the future, an SBR treatment plant and snowmaking disposal system may be constructed at Mountain Village.

Eventually, a biological nutrient removal plant at Meadow Village will treat all Meadow Village flows and the excess Mountain Village flow not handled by the snowmaking system. Current plans for disposal of the effluent from this plant consist of land application on the existing golf course and surface discharge to the Gallatin River. There will be an excess of 71.5 MG/yr of wastewater produced at the District's full build-out compared to the treatment capacity of the existing 20-year plan described above.

The District has received a permit to discharge up to 15 MG/yr of wastewater to the Gallatin River. However, a lawsuit has been filed against the Montana Department of Environmental Quality (MDEQ) and the District that challenges the permit.

Lone Moose Meadows

LMM currently has a Santec activated-sludge package treatment plant and disposes of the effluent by pumping to a drainfield at a remote site. Although the Santec plant currently has the capacity to service 64 living units (approximately 8.2 MG/yr based on MDEQ's 350 gpd per living unit), the current drainfield capacity limits the actual disposal capacity to 2.0 MG/yr. The total flow from LMM at full build-out of 960 SFEs would be 38.2 MG/yr, based on an estimated 109 gpd/SFE.

Yellowstone Mountain Club

The YMC wastewater treatment and disposal plan is currently underway but has yet to be finalized. Some treatment options that have been considered are a Santec activated sludge system, a recirculating sand filter system, or a series of small batch package systems. Land application through golf course irrigation and at other sites, which would include storage facilities, is being considered for effluent disposal. At full build-out, the

potential flow is estimated at 87.6 MG/yr. Table 1 shows the breakdown of this total flow into its contributing components and treatment destinations.

Table 1 – Projected YMC Wastewater Build-Out Flow Breakdown

Source	Central Treatment & Disposal		Individual On-Site Treatment & Disposal	
	SFEs	MG/yr*	SFEs	MG/yr*
Development Units	1,685	67.0	475	18.9
Employee Housing	42	1.7	0	0.0
Total	1,727	68.7	475	18.9

* Flow rates are based on 109 gpd per SFE to account for Infiltration/Inflow and potential future increases in occupancy rates.

DESIGN WASTEWATER FLOWS

The design flow for this feasibility study is the ultimate build-out flow. The District already has a 20-year wastewater Long-Term Compliance Work Plan (LTCWP), which accounts for about 75% of its total development commitments, and thus is interested in a plan that would both extend its capacity to full build-out and give it an alternative to surface discharge. LMM and YMC are smaller developments in terms of eventual population that are near the beginning of their development. A long-term plan for full build-out at this early stage would also benefit both of these developments. Table 2 summarizes the wastewater flows and treatment capacities of all three entities.

Table 2 - Design Flows

Region	Current Flow (MG/yr)	Current Planned Treatment Capacity (MG/yr) ¹		Current Planned Disposal Capacity (MG/yr) ¹		Full Build-Out Flow (MG/yr)
District	100.0	53.0	Mountain SBR	53.0	Snowmaking (SBR)	279.3
		154.8	Meadow WWTP	143.3	Golf Course LAD	
		207.8	Total ¹	15.0	Surface Discharge	
				211.3	Total ¹	
LMM ⁵	1.0 ²	8.2 ³		2.0 ³		38.2 ²
YMC ⁵	0.0	0.0		0.0		68.7 ⁴
Totals	101.0	216.0		213.3		386.3

1. The total District treatment and disposal capacities are based on the existing Long-Term Compliance Work Plan. Not all of the facilities are constructed at this time.
2. Current and full build-out flows from LMM are based on 109 gpd/SFE and 1.6 SFEs per living unit.
3. The current treatment and disposal capacities of LMM are based on 350 gpd/living unit, as submitted to and approved by the Montana Department of Environmental Quality.
4. The full build-out flow from Yellowstone Mountain Club includes only the portion that would impact a treatment plant and spray irrigation (see Table 1).
5. The District will provide treatment, pumping, and transport capacity for a total flow of 79.6 MG/yr allocated between LMM and YMC.

III. ALTERNATIVE ANALYSIS

ALTERNATIVES CONSIDERED

The alternatives considered for establishing a combined wastewater system for the District, LMM, and YMC focused around meeting the following objectives:

- Finding an alternative to the District's plan for future surface discharge to the Gallatin River and establishing disposal options for the District's full build-out flows. Land application through spray irrigation and snowmaking is the District's preferred method of disposal.
- Providing LMM with alternatives to their existing system, which does not have the capacity to meet potential full build-out flows.
- Optimizing treatment options for YMC by investigating the potential for sharing resources.
- Utilizing the most environmentally conscious and cost effective methods for effluent disposal from all three entities.

Figure 2 illustrates both the current plans and the three proposed alternative plans for the District, YMC and LMM wastewater systems.

Alternative #1

Alternative #1 consists of diverting the portion of LMM's built-out flow that cannot be treated and disposed with their existing system (36.2 MG/yr) to the nearby District sewer outfall line from Mountain Village, which is large enough to handle the extra flow. The above-described flows from LMM would be part of the YMC/LMM allotment of 79.6 MG/yr; the remaining allotted flow of 43.4 MG/yr would be used by other developments associated with YMC sometime in the future and would also contribute to the District's treatment plant. A schematic of Alternative #1 is presented in Figure 2B.

In this alternative, the capacity of the proposed biological nutrient removal plant at Meadow Village would need to be increased from 154.8 to 305.9 MG/yr. This increase of 151.1 MG/yr consists of a District flow increase of 71.5 MG/yr to take them to full build-out, plus the LMM/YMC allocated flow of 79.6 MG/yr. The excess effluent (162.6 MG/yr) from this plant that cannot be land applied on the Big Sky Golf Course would be pumped to the proposed golf course or other suitable site(s) on YMC property for storage and disposal by spray irrigation or snowmaking. YMC would utilize a separate on-site treatment system and share YMC's spray irrigation and disposal site(s) with the District.

Alternative #2

This alternative is similar to Alternative #1, except that the entire LMM flow of 38.2 MG/yr would be diverted to the District's system and the remaining LMM/YMC allotment would be reduced to 41.4 MG/yr, for a LMM/YMC total inflow remaining at 79.6 MG/yr. A schematic of Alternative #2 is presented in Figure 2C.

The existing outfall line from Mountain Village is large enough for the higher LMM flows. As in Alternative #1, the capacity of the proposed biological nutrient removal plant at Meadow Village would need to be increased from 154.8 to 305.9 MG/yr; YMC storage and disposal commitments would also remain the same. The existing Santec package treatment plant at LMM could potentially be sold to YMC for their use, or YMC could utilize a different treatment system. The drainfield at LMM could be abandoned.

Alternative #3

This alternative is similar to Alternative #2, except YMC would use its remaining allotment of 41.4 MG/yr by sending a portion of its untreated wastewater to the District's Meadow Village treatment plant. The remaining 27.3 MG/yr generated at YMC would go to an on-site treatment system, and share YMC's spray irrigation and disposal site(s) with the District. Unlike Alternatives #1 and #2, Alternative #3 does not allow for additional development outside of YMC or LMM projects. Therefore, the total (District/YMC/LMM) flow is reduced by 43.4 MG/yr from Alternative #1 and 41.4 MG/yr from Alternative #2. A schematic of Alternative #3 is presented in Figure 2D.

As in the first two alternatives, the total LMM/YMC inflow to the District's treatment plant would be 79.6 MG/yr, and the plant's capacity would need to be increased from 154.8 to 305.9 MG/yr. Sending YMC sewage to the District's treatment plant might require a lift station or could potentially be accomplished by gravity flow, depending on the pipeline alignment.

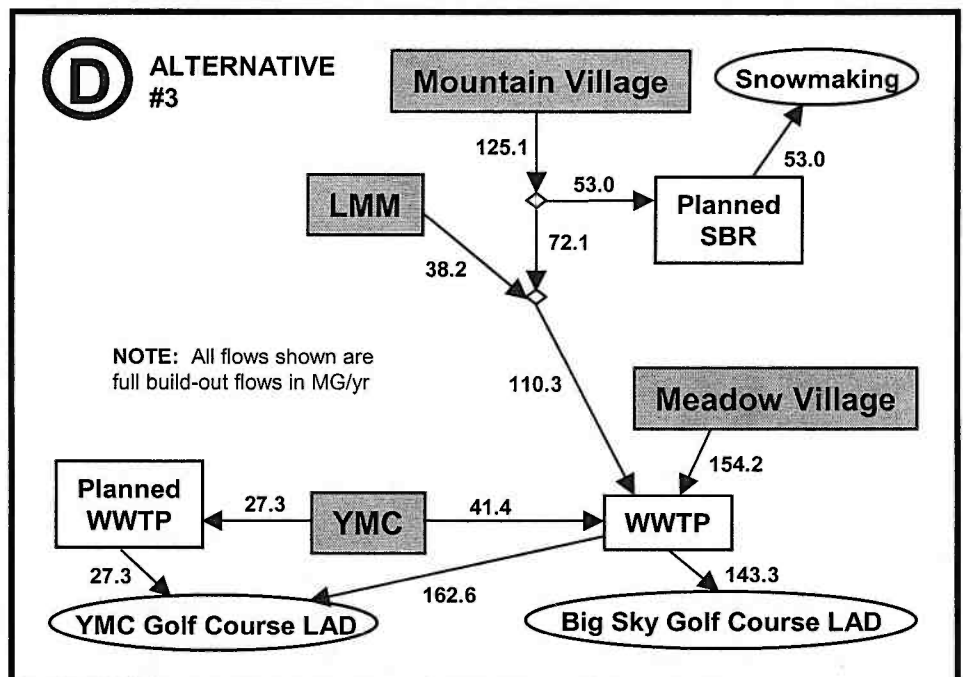
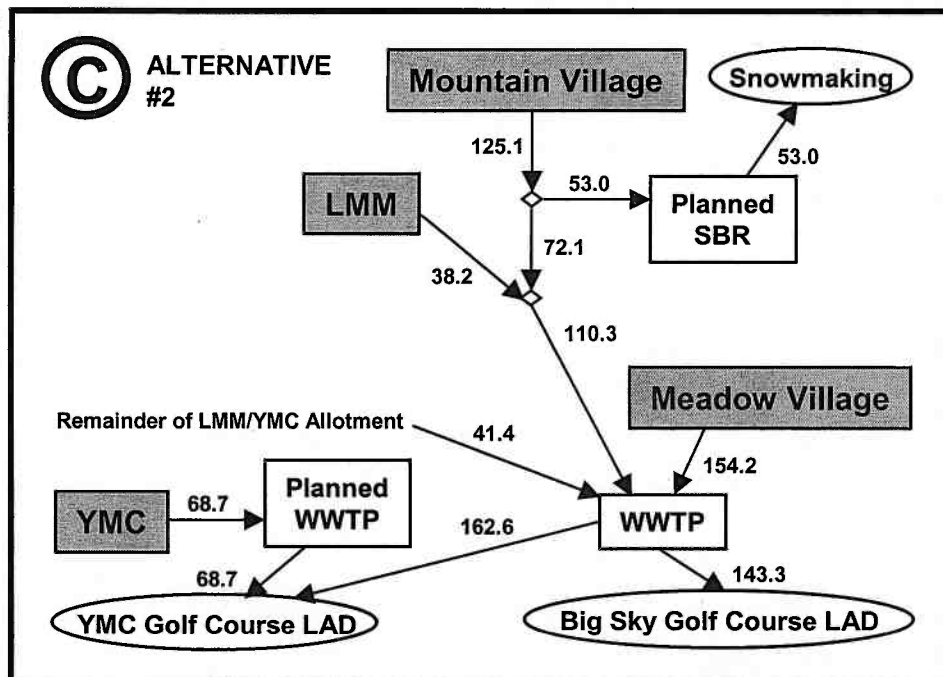
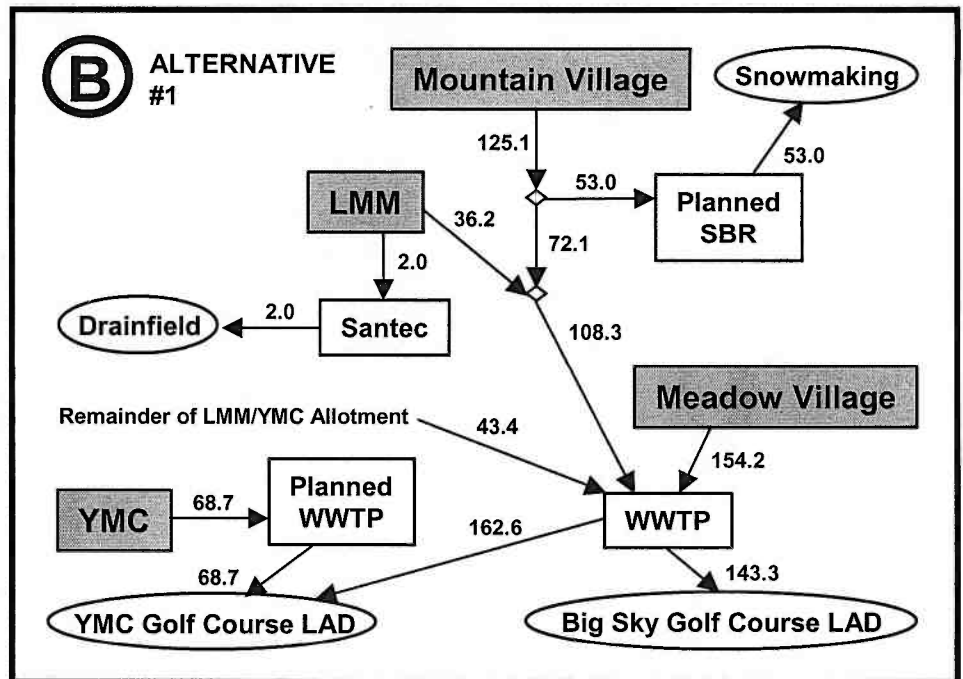
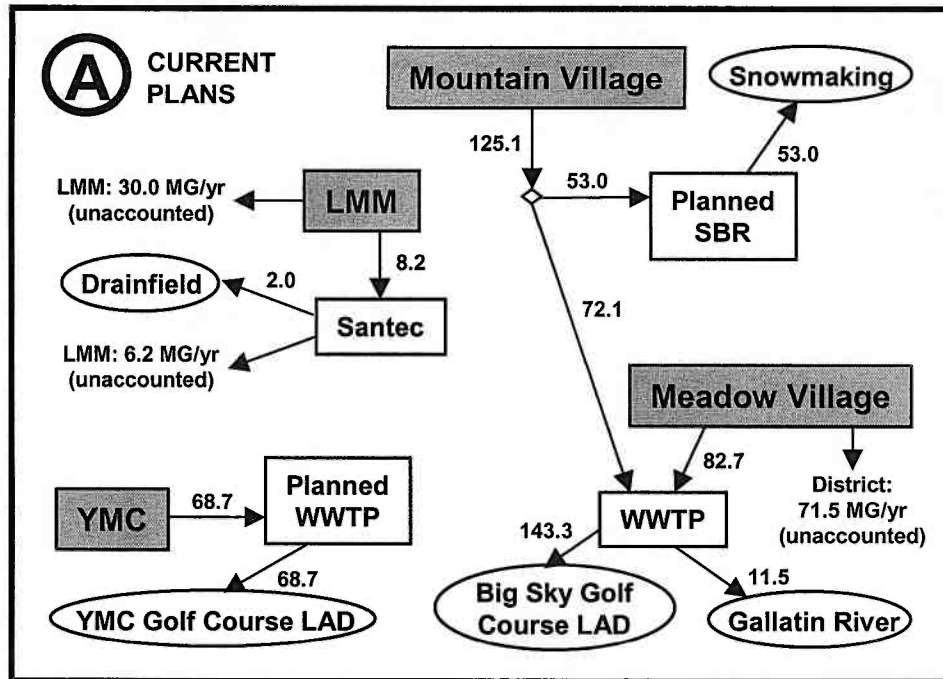


FIGURE 2 - CURRENT WASTEWATER TREATMENT & DISPOSAL PLANS AND PROPOSED ALTERNATIVES

COST COMPARISON

The estimated capital and annual O&M cost of each of these alternatives are presented in Tables 4, 5 & 6 on the following pages and are summarized below in Table 3. The capital costs include only the improvements that are included in each alternative. The costs do not include land acquisition costs. With regard to the District's facilities, the costs are in addition to the preferred option described in the existing Long-Term Compliance Work Plan. In addition, the capital costs do not include the cost for YMC to install individual on-site systems. Similarly, the estimated annual O&M costs are additional costs that the District will incur at full build-out on top of the costs identified in the LTCWP. The O&M costs cover all centralized treatment, transmission, and disposal systems identified in this feasibility study.

The three alternatives are not directly comparable with regard to costs, as the flows to be treated and disposed are not equivalent. Nevertheless, some observations and interpretations can be made if the cost sharing breakdown is also looked at. Alternatives #1 and #2 have identical capital costs, although the District's share is slightly lower in Alternative #2. Annual O&M costs between Alternatives #1 and #2 are comparable, and are identical for the District. Alternative #3 has the highest capital cost and lowest annual costs; the low annual costs are attributed to a reduction in the waste stream of 41.4 MG/yr (the flow reduction is attributed entirely to YMC, so the District does not benefit from the associated cost reduction). A complete life-cycle cost or equivalent annual cost evaluation of the alternatives has not been performed as part of this feasibility study due to the different planning periods of the three developments and the different wastewater quantities in each alternative. The cost breakdowns between the District, LMM, and YMC are presented for Alternatives #1, #2 and #3 in Tables 7, 8 and 9 respectively.

Table 3 - Alternatives Cost Summary

Description	Alternative #1	Alternative #2	Alternative #3
Capital Costs:			
District	\$ 4,608,678	\$ 4,582,946	\$ 4,582,946
LMM	\$ 1,840,812	\$ 1,866,544	\$ 1,645,179
YMC	\$ 6,492,469	\$ 6,492,469	\$ 7,818,280
Capital Cost Totals	\$ 12,941,959	\$ 12,941,959	\$ 14,046,405
Annual O&M Costs:			
District	\$ 131,660	\$ 131,660	\$ 131,660
LMM	\$ 69,583	\$ 58,500	\$ 58,500
YMC	\$ 202,463	\$ 199,400	\$ 164,900
Annual O&M Cost Totals	\$ 403,706	\$ 389,560	\$ 355,060

Table 4 - Alternative #1 Costs

Capital Costs:

Description	Quantity	Unit	Unit Cost	Total Cost
LMM CONNECTION TO DISTRICT OUTFALL	1	LS	\$105,000	\$105,000
DISTRICT WWTP UPGRADE (0.42 to 0.84 MGD)	0.42	MGD	\$3,500,000	\$1,470,000
ELIMINATE DISCHARGE LINE TO GALLATIN	1	LS	(\$760,500)	(\$760,500)
DISTRICT PUMP STATION TO YMC				\$235,000
90 HP Pumps	3	EA	\$15,000	\$45,000
Piping & Fittings	1	LS	\$25,000	\$25,000
Building & Wet Well	800	SF	\$100	\$80,000
HVAC	1	LS	\$15,000	\$15,000
Electrical & Telemetry	1	LS	\$50,000	\$50,000
Site Preparation & Grading	1	LS	\$20,000	\$20,000
BOOSTER STATION TO YMC	1	LS	\$175,000	\$175,000
FORCE MAIN TO YMC STORAGE				\$2,717,500
8-inch Steel Pipe (in existing easement to Sec. 17)	41,500	LF	\$60	\$2,490,000
Surface Restoration	41,500	LF	\$5	\$207,500
Stream Crossing	1	EA	\$20,000	\$20,000
YMC STORAGE (185.0 MG)				\$2,616,300
Earthwork	918,000	CY	\$1.60	\$1,468,800
Liner	1,262,000	SF	\$0.75	\$946,500
Piping & Valves	1	LS	\$126,000	\$126,000
Fence & Landscaping	1	LS	\$75,000	\$75,000
YMC WWTP	189,000	GPD	\$6	\$1,134,000
YMC GOLF COURSE IRRIGATION SYSTEM				\$2,093,680
Pump Station	1	LS	\$140,000	\$140,000
Irrigation Piping, Valves, & Sprinklers	256	AC	\$7,050	\$1,804,800
Surface Restoration & Clean-up	256	AC	\$230	\$58,880
Computer & Controls	1	LS	\$90,000	\$90,000
Subtotal				\$9,785,980
15% Contingencies				\$1,467,897
Subtotal				\$11,253,877
15% Engineering				\$1,688,082
Total Capital Cost				\$12,941,959

Annual O&M Costs:

Description	Quantity	Unit	Unit Cost	Annual Cost
DISTRICT FACILITIES				\$253,560
Operation / Administrative	1	LS	\$79,740	\$79,740
Maintenance	1	LS	\$49,625	\$49,625
Power	1	LS	\$100,360	\$100,360
Chemical / Lab	1	LS	\$23,835	\$23,835
YMC FACILITIES				\$136,000
Operation / Administrative	1	LS	\$50,000	\$50,000
Maintenance	1	LS	\$24,000	\$24,000
Power	1	LS	\$40,000	\$40,000
Chemical / Lab	1	LS	\$22,000	\$22,000
LMM TREATMENT FACILITIES				\$14,146
Operation / Administrative	1	LS	\$7,735	\$7,735
Maintenance / Chemical	1	LS	\$3,431	\$3,431
Power	1	LS	\$2,980	\$2,980
Total Annual O&M Cost				\$403,706

Table 5 - Alternative #2 Costs

Capital Costs:

Description	Quantity	Unit	Unit Cost	Total Cost
LMM CONNECTION TO DISTRICT OUTFALL	1	LS	\$105,000	\$105,000
DISTRICT WWTP UPGRADE (0.42 to 0.84 MGD)	0.42	MGD	\$3,500,000	\$1,470,000
ELIMINATE DISCHARGE LINE TO GALLATIN	1	LS	(\$760,500)	(\$760,500)
DISTRICT PUMP STATION TO YMC				\$235,000
90 HP Pumps	3	EA	\$15,000	\$45,000
Piping & Fittings	1	LS	\$25,000	\$25,000
Building & Wet Well	800	SF	\$100	\$80,000
HVAC	1	LS	\$15,000	\$15,000
Electrical & Telemetry	1	LS	\$50,000	\$50,000
Site Preparation & Grading	1	LS	\$20,000	\$20,000
BOOSTER STATION TO YMC	1	LS	\$175,000	\$175,000
FORCE MAIN TO YMC STORAGE				\$2,717,500
8-inch Steel Pipe (in existing easement to Sec. 17)	41,500	LF	\$60	\$2,490,000
Surface Restoration	41,500	LF	\$5	\$207,500
Stream Crossing	1	EA	\$20,000	\$20,000
YMC STORAGE (185.0 MG)				\$2,616,300
Earthwork	918,000	CY	\$1.60	\$1,468,800
Liner	1,262,000	SF	\$0.75	\$946,500
Piping & Valves	1	LS	\$126,000	\$126,000
Fence & Landscaping	1	LS	\$75,000	\$75,000
YMC WWTP	189,000	GPD	\$6	\$1,134,000
YMC GOLF COURSE IRRIGATION SYSTEM				\$2,093,680
Pump Station	1	LS	\$140,000	\$140,000
Irrigation Piping, Valves, & Heads	256	AC	\$7,050	\$1,804,800
Surface Restoration & Clean-up	256	AC	\$230	\$58,880
Computer & Controls	1	LS	\$90,000	\$90,000
Subtotal				\$9,785,980
15% Contingencies				\$1,467,897
Subtotal				\$11,253,877
15% Engineering				\$1,688,082
Total Capital Cost				\$12,941,959

Annual O&M Costs:

Description	Quantity	Unit	Unit Cost	Annual Cost
DISTRICT FACILITIES				\$253,560
Operation / Administrative	1	LS	\$79,740	\$79,740
Maintenance	1	LS	\$49,625	\$49,625
Power	1	LS	\$100,360	\$100,360
Chemical / Lab	1	LS	\$23,835	\$23,835
YMC FACILITIES				\$136,000
Operation / Administrative	1	LS	\$50,000	\$50,000
Maintenance	1	LS	\$24,000	\$24,000
Power	1	LS	\$40,000	\$40,000
Chemical / Lab	1	LS	\$22,000	\$22,000
Total Annual O&M Cost				\$389,560

Table 6 - Alternative #3 Costs

Capital Costs:

Description	Quantity	Unit	Unit Cost	Total Cost
LMM CONNECTION TO DISTRICT OUTFALL	1	LS	\$105,000	\$105,000
YMC OUTFALL LINE TO DISTRICT				\$2,322,500
40 HP Lift Station	1	LS	\$80,000	\$80,000
6-inch PVC Pressure Pipe (in existing easement)	43,500	LF	\$50	\$2,175,000
Surface Restoration	4,500	LF	\$5	\$22,500
Stream Crossing	1	EA	\$20,000	\$20,000
Outlet Structure	1	EA	\$25,000	\$25,000
DISTRICT WWTP UPGRADE (0.42 to 0.84 MGD)	0.42	MGD	\$3,500,000	\$1,470,000
ELIMINATE DISCHARGE LINE TO GALLATIN	1	LS	(\$760,500)	(\$760,500)
DISTRICT PUMP STATION TO YMC				\$235,000
90 HP Pumps	3	EA	\$15,000	\$45,000
Piping & Fittings	1	LS	\$25,000	\$25,000
Building & Wet Well	800	SF	\$100	\$80,000
HVAC	1	LS	\$15,000	\$15,000
Electrical	1	LS	\$50,000	\$50,000
Site Preparation & Grading	1	LS	\$20,000	\$20,000
BOOSTER STATION TO YMC	1	LS	\$175,000	\$175,000
FORCE MAIN TO YMC STORAGE				\$2,717,500
8-inch Steel Pipe (in existing easement to Sec. 17)	41,500	LF	\$60	\$2,490,000
Surface Restoration	41,500	LF	\$5	\$207,500
Stream Crossing	1	EA	\$20,000	\$20,000
YMC STORAGE (151.8 MG)				\$2,147,800
Earthwork	753,000	CY	\$1.60	\$1,204,800
Liner	1,036,000	SF	\$0.75	\$777,000
Piping & Valves	1	LS	\$104,000	\$104,000
Fence & Landscaping	1	LS	\$62,000	\$62,000
YMC WWTP	75,000	GPD	\$6	\$450,000
YMC GOLF COURSE IRRIGATION SYSTEM				\$1,758,800
Pump Station	1	LS	\$140,000	\$140,000
Irrigation Piping, Valves, & Heads	210	AC	\$7,050	\$1,480,500
Surface Restoration & Clean-up	210	AC	\$230	\$48,300
Computer & Controls	1	LS	\$90,000	\$90,000
Subtotal				\$10,621,100
15% Contingencies				\$1,593,165
Subtotal				\$12,214,265
15% Engineering				\$1,832,140
Total Capital Cost				\$14,046,405

Annual O&M Costs:

Description	Quantity	Unit	Unit Cost	Annual Cost
DISTRICT FACILITIES (see Table 4)	1	LS	\$253,560	\$253,560
YMC FACILITIES				\$101,500
Operation / Administrative	1	LS	\$45,000	\$45,000
Maintenance	1	LS	\$19,200	\$19,200
Power	1	LS	\$37,300	\$37,300
Total Annual O&M Cost				\$355,060

PREFERRED ALTERNATIVE

Alternative #2 is recommended as the best option for the following reasons:

- The District's collection system is large enough to handle the entire flow from LMM. Rather than utilize a split flow system as in Alternative #1, this alternative will allow LMM to abandon its existing Santec treatment system and potentially sell this system to YMC or another party. YMC's build-out flow is 68.7 MG/yr, which is more than the capacity of the Santec system, but this modular system can be expanded to meet those needs. In addition, LMM's drainfield disposal site near the Middle Fork of the West Fork of the Gallatin River could be eliminated to open the area to other uses.
- The proposed biological nutrient removal plant at Meadow Village has not yet been designed and can be upsized at a minimal incremental cost to accommodate the extra flow from LMM and/or YMC. However, the cost for YMC to construct a new pipeline to convey a portion of their raw wastewater (41.4 MG/yr) to Meadow Village and then pump the treated effluent back, as in Alternative #3, would be higher than the cost savings gained by reducing the YMC treatment system's capacity.
- Alternative #2 allows for disposal of all of the effluent by land application, which is the preferred method of disposal. The current LTCWP proposal to dispose of 11.5 MG/yr (and legally up to 15 MG/yr) of the District's future effluent to the Gallatin River can be eliminated completely. The capacity of YMC's proposed golf course for spray irrigation is discussed in the following section.

Alternative #2 assumes the Mountain Village SBR treatment plant and snowmaking disposal will be constructed to treat and dispose of 53.0 MG/yr of the District's sewage flows. Alternative #2 also assumes that YMC will provide storage and disposal capacity (approximately 130.1 MG/yr of storage, corresponding to 162.6 MG/yr of treated effluent disposal) for the District's remaining WWTP effluent that cannot be applied to the Big Sky Golf Course in Meadow Village.

IV. FEASIBILITY ANALYSIS

DISTRICT SYSTEM CAPACITY

One of the issues that affects the feasibility of this plan is the capacity of the District's system to accept the proposed wastewater flows from the LMM/YMC allotment of 79.6 MG/yr. The collection system's capacity will be checked, and upgraded by YMC as necessary, to ensure conveyance of the YMC/LMM allotment to the District's Meadow Village treatment plant. It has already been shown that the existing collection system has the capacity to convey LMM peak hour flows, at full build-out, to the Meadow Village treatment plant.

The proposed treatment plant in Meadow Village can be enlarged to accommodate the proposed build-out flows from the District, LMM and YMC. Additional District storage will not be required under any of the alternatives, provided that adequate storage is available at YMC for the effluent to be disposed of at their site(s). There should be enough land available at the District's WWTP site planned for construction in Section 31 for the enlarged treatment facilities.

LAND APPLICATION DISPOSAL

YMC Irrigation Disposal Capacity

YMC plans to meet its commitment for effluent disposal first by spray irrigating the proposed YMC golf course to its disposal capacity, then by spray irrigating on other lands as necessary. Although this feasibility study assumes all effluent disposal will be done by spray irrigating, subsequent design may consider infiltration and/or snowmaking as additional disposal methods to reduce storage requirements.

Based on preliminary plans for the proposed golf course at YMC, there is approximately 175-200 acres of irrigable land on the golf course site, including fairways, greens, rough areas and limited suitable lands immediately adjacent to the site. This area does not include those regions designated as wetlands or the required setbacks and buffer zones for roads, buildings, slopes, etc. The calculated irrigation capacity of the proposed golf course, based on the methods contained in the EPA's "Design Manual for Land Treatment of Municipal Wastewater" and the best information available, is in excess of 1,000 MG/yr (193 in/yr). This value is based on the lesser of the computed hydraulic loading rates for 1) crop water requirements and percolation rate and 2) nitrogen application limits (see Appendix A).

Although EPA's standard calculations indicate that almost 200 inches of water can be applied to the golf course over the irrigation season, it is unlikely that the soil beneath the application site could shed the percolated water. Groundwater mounding would likely occur at this high application rate and the golf course would be rendered unplayable due

to saturated turf conditions. Further calculations indicate that approximately 30 inches of water, or a gross delivery volume of only about 158 MG/yr over the 175-acre area, could be applied to the golf course over the irrigation season without groundwater impacting the ground surface.

Projecting the above calculations to the total effluent brought to the YMC storage site (a maximum of 231.3 MG/yr in Alternatives #1 and #2), about 256 acres of YMC land would be needed to dispose of the effluent. Subtracting the 175-200 acres available on the YMC golf course, an estimated 56 to 81 acres of additional area would be needed for disposal. The additional (secondary) disposal area could be easily located within the Yellowstone Club site.

In summary, it appears that the combined disposal capacity of YMC's primary and secondary disposal sites is more than adequate for disposal of the projected maximum effluent volume of 231.3 MG/yr. The above calculations represent a preliminary estimate only. Although the proposed plan appears viable at this time, additional field work needs to be completed before a more accurate assessment of the actual spray irrigation application rate on the golf course or other sites can be made.

YMC Storage Ponds

Under any of the proposed alternatives, YMC will provide wastewater effluent storage for eventual disposal on the YMC golf course or other site. The effluent volume will increase over time as development occurs on-site and in the Big Sky area, but initially may not be enough to meet the golf course's irrigation needs. For this reason, YMC intends to impound runoff water to supplement irrigation needs and for other uses. A series of ponds will be needed that can store the two water sources prior to the irrigation season.

Each of the pond(s) that will hold treated effluent will be lined to prevent excessive seepage. The system of ponds must have a defined operational plan that allows YMC to waste runoff water in wet years, yet not permit any surface discharge of the treated effluent. Another factor that must be considered when siting the storage is the aesthetics of ponds with fluctuating levels at an upscale development. Several sites on the golf course have been selected for storage of storm runoff, effluent, and/or a blend of these water sources. Additional sites near the golf course in Sections 17 and 20 have been identified as possible sites for treated effluent storage (see Figure 1).

The volume of effluent storage to be provided by YMC has been estimated at roughly 185 MG in Alternatives #1 and #2, and 152 MG in Alternative #3. These estimates are based on the annual inflow (231.3 MG and 189.9 MG, respectively) times a factor of 0.80 to account for disposal by land application during a 3-month summer irrigation season.

Two options are being considered for location of the effluent storage ponds. The first would site a portion of storage on the golf course, with the balance located in a series of ponds located elsewhere on YMC property, such as the potential site in Sections 17

and 20. It is anticipated that approximately 30 MG of storage can be located within the golf course, with the remaining storage (approximately 155 MG assuming the larger overall storage volume of Alternatives #1 and #2) to be located outside the golf course.

The second option would involve locating the entire effluent storage capacity (a maximum of approximately 185 MG) outside the golf course. Preliminary investigations indicate a preference toward this option due to the site constraints necessary for blending wastewater nearest to application. Aesthetics and practicality lend themselves well to an off-site location for effluent storage. An off-site location may also offer benefits relative to the force main alignment from Meadow Village, as it may be more accessible from the South Fork/Ousel Falls area.

Pump Station and Force Main

The storage ponds at Meadow Village can be used to buffer the daily peak flows from the District and LMM. Therefore, the effluent pump station at Meadow Village to YMC will only need the capacity to handle the estimated peak month flow, or 23.4 MG. This equates to a design flow of 523 gpm, assuming continuous 24-hr operation during the peak month. The preliminary elevation of the receiving pond at YMC is 7,920 feet compared to the District's pond elevations of 6,185 feet, which constitutes a 1,735-foot static lift. Therefore, a booster station will be required along the proposed 8-inch force main.

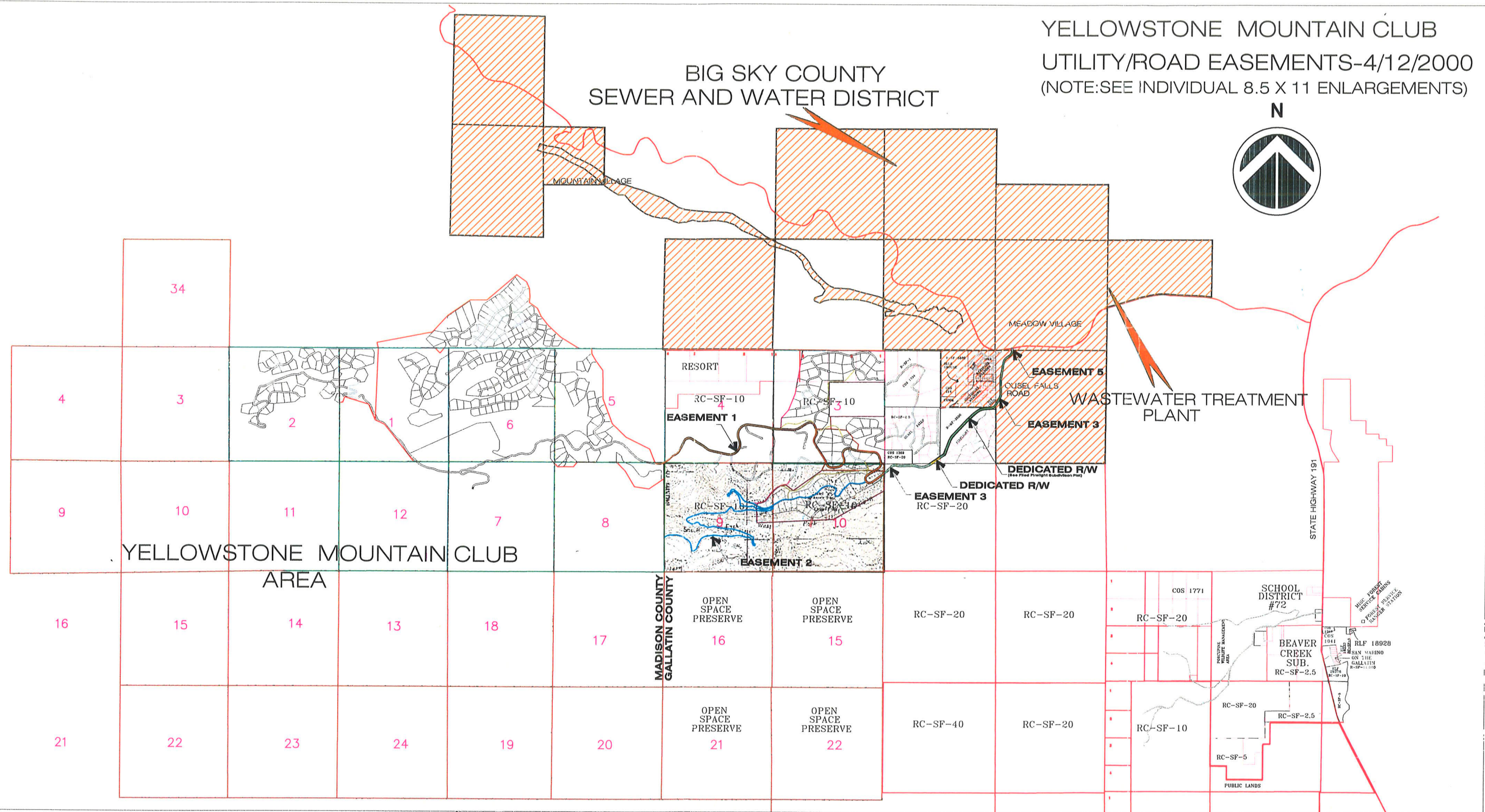
Both the main pumping station and the booster station will need to be sized at approximately 180 HP. This will be accomplished with three 90 HP pumps, which will provide 50% redundancy. A significant portion of the force main will require steel construction to accommodate pressures in excess of 400 psi. For the purpose of this study, the alignment of the force main is assumed to be along the existing access road to YMC, where easements are currently held.

Easements

Access to YMC is provided by a paved road, which begins at Highway 64 and continues to the Madison County line. Easements or rights-of-way have been granted for access and utilities through the subdivision platting process and a series of individual easements. Figures 3 through 6 indicate the location of the dedicated rights-of-way or easements. Copies of the easements, as filed in the office of the Gallatin County Clerk and Recorder, are included in Appendix B.

BIG SKY COUNTY SEWER AND WATER DISTRICT

YELLOWSTONE MOUNTAIN CLUB
UTILITY/ROAD EASEMENTS-4/12/2000
(NOTE:SEE INDIVIDUAL 8.5 X 11 ENLARGEMENTS)



LEGEND:

SEWER DISTRICT

EASEMENT 1

F 201 PG 2852
NON-EXCLUSIVE EASEMENT
FOR INGRESS, EGRESS AND UTILITIES
LEELLYNN, INC. AND WILEY MT., INC. TO
BLIXSETH GROUP, INC. AND
C.E. HOLLIMAN AND ASSOCIATES, INC.
T7S R3E SECTIONS 2,3,4 AND 10
T72 R3E SECTION 5 SE1/4SE1/4
60' WIDTH-JULY 1, 1999

EASEMENT 2

F 201 PG 2848
NON-EXCLUSIVE EASEMENT
FOR EMERGENCY ACCESS
LEELLYNN, INC. AND WILEY MT., INC. TO
BLIXSETH GROUP, INC. AND
C.E. HOLLIMAN AND ASSOCIATES, INC.
T7S R3E SECTIONS 9 AND 10
AS PER EXHIBIT 'A' - EXISTING ROADWAY
60' WIDTH-AUG. 3, 1999

DEDICATED R/W

FINAL PLAT COUSEL FALLS SUBDIVISION
DEDICATED ROADWAYS AND UTILITY EASEMENTS
TO PUBLIC
T7S R3E SECTION 2 SW1/4
AS PER FILED SUBDIVISION PLAT
60' WIDTH-JULY 15, 1991

EASEMENT 3

(See Also Project Subdivision Filed Plat
For Dedicated R/W)
F 177 PG 4496 & F 201 PG 2803 (ASSIGNMENT)
NON-EXCLUSIVE ACCESS
AND UTILITY EASEMENTS
BIG SKY LUMBER CO. TO
BLIXSETH GROUP, INC. AND C.E. HOLLIMAN & ASSOCIATES, INC.
T7S R3E SECTIONS 11 NW1/4-PARAGRAPH II
T7S R3E SEC 2 E1/2 SE1/4-PARAGRAPH III
T7S R3E SEC 2 SE1/4-PARAGRAPH IV & V
AS PER EXHIBIT 'A' - F 201 PG 2844
60' WIDTH-JUNE 18, 1999

F 177 PG 3905 & F 201 PG 2803 (ASSIGNMENT)
NON-EXCLUSIVE ACCESS
AND UTILITY EASEMENT
BIG SKY LUMBER CO. TO
BLIXSETH GROUP, INC. AND C.E. HOLLIMAN & ASSOCIATES, INC.
T7S R3E SECTIONS 1 NW1/4-PARAGRAPH I
T7S R3E SEC 2 S1/2 NE1/4-PARAGRAPH VI
AS PER EXHIBIT 'A' - F 201 PG 2815,2809
60' WIDTH-JUNE 18, 1999

EASEMENT 5

F 172 PG 3824 & F 201 PG 2814
AMENDED EASEMENT FOR ACCESS AND UTILITIES
BOYNE USA, INC. TO
LEELLYNN, INC. AND WILEY MT., INC. TO
WESTLAND/TM TO
BLIXSETH GROUP, INC. AND C.E. HOLLIMAN & ASSOCIATES, INC.
T8S R3E SECTION 36 AS DESCRIBED-PARAGRAPH V
100' WIDTH-JUNE 18, 1999

0 2500 5000 10000
SCALE: 1"=5000'

PREPARED FOR:



PREPARED BY:

MORRISON
MAIERLE, INC.

ENGINEERS
SCIENTISTS
SURVEYORS
PLANNERS
SINCE 1945

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DRAWN BY: kes

CHECKED BY: JRS

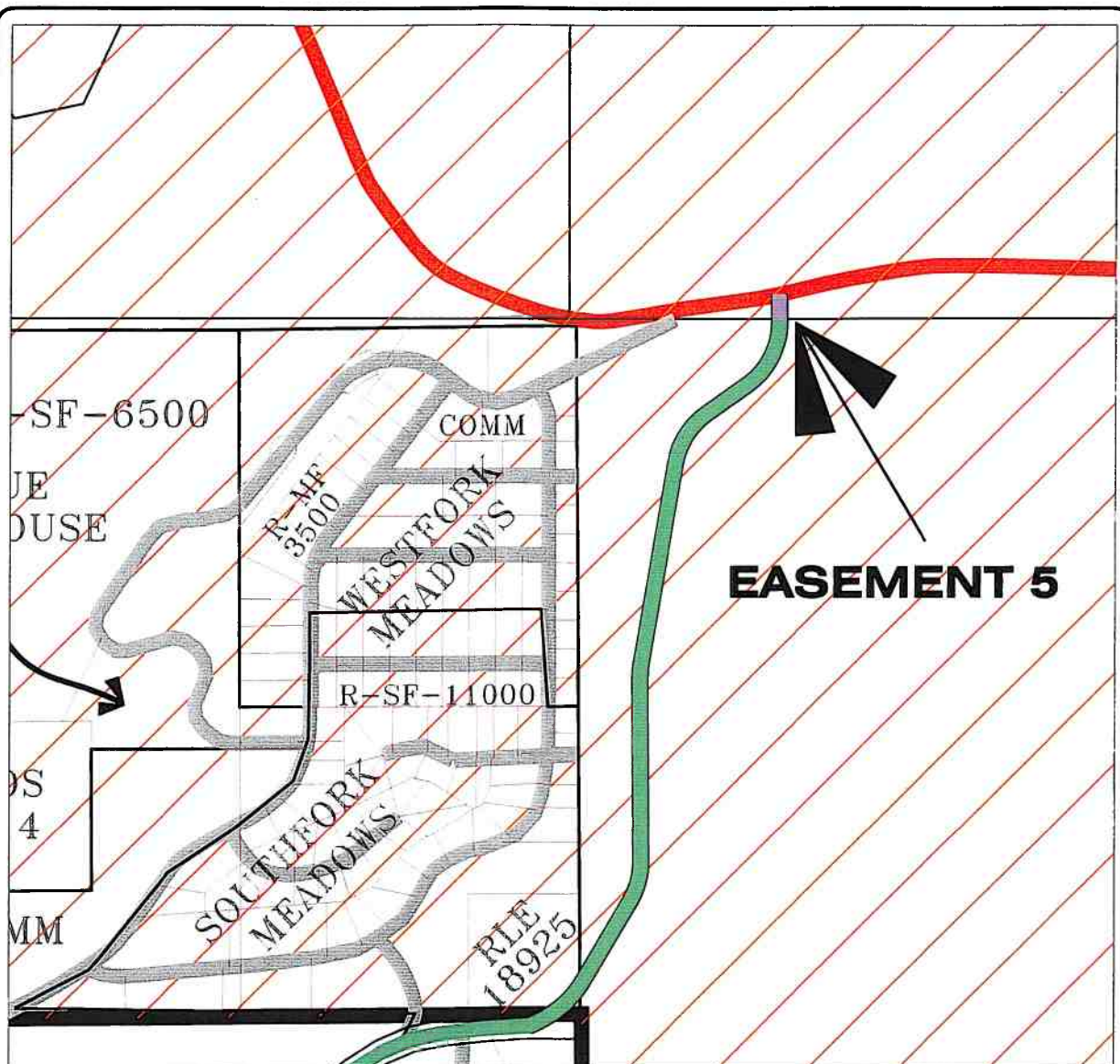
JOB NO.: 3017.013/010/0310

REVISION DATE:
DATE: 04/12/00

YELLOWSTONE MOUNTAIN CLUB
UTILITY/ROAD EASEMENTS-4/12/00
DRAWING NO.:3017-SEW-EASMT.DWG

SHEET 1 OF 1

FIGURE 3



EASEMENT 5

F 172 PG 3824 & F 201 PG 2814
 AMENDED EASEMENT FOR ACCESS AND UTILITIES
 BOYNE USA, INC. TO
 LEELYNN, INC. AND WILEY MT., INC. TO
 WESTLAND/TM TO
 BLIXSETH GROUP, INC. AND C.E. HOLLIMAN & ASSOCIATES, INC.
 T6S R3E SECTION 36 AS DESCRIBED-PARAGRAPH V
 100' WIDTH-JUNE 18, 1999

FIGURE 4

EASEMENT 5

PREPARED FOR:



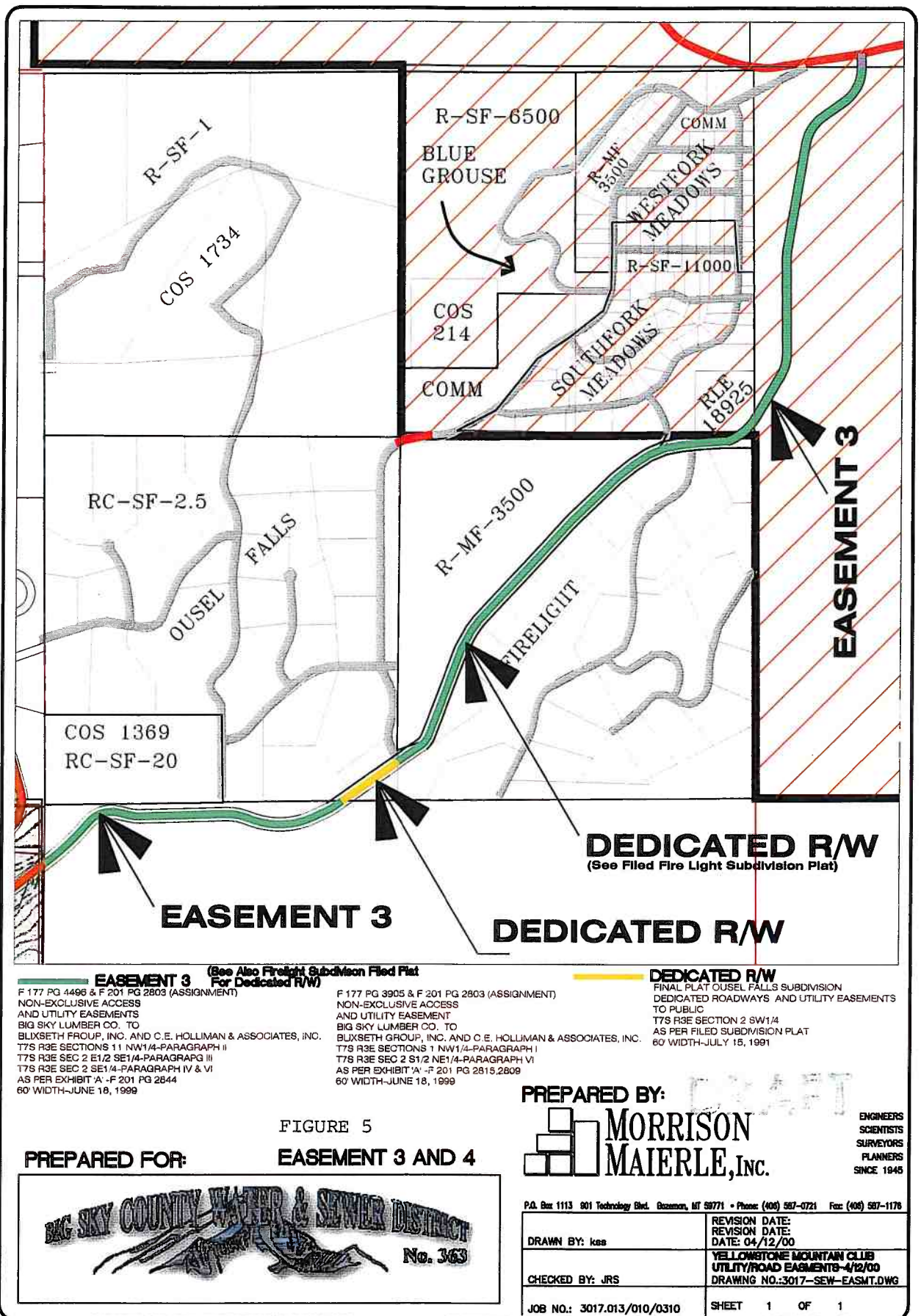
PREPARED BY:

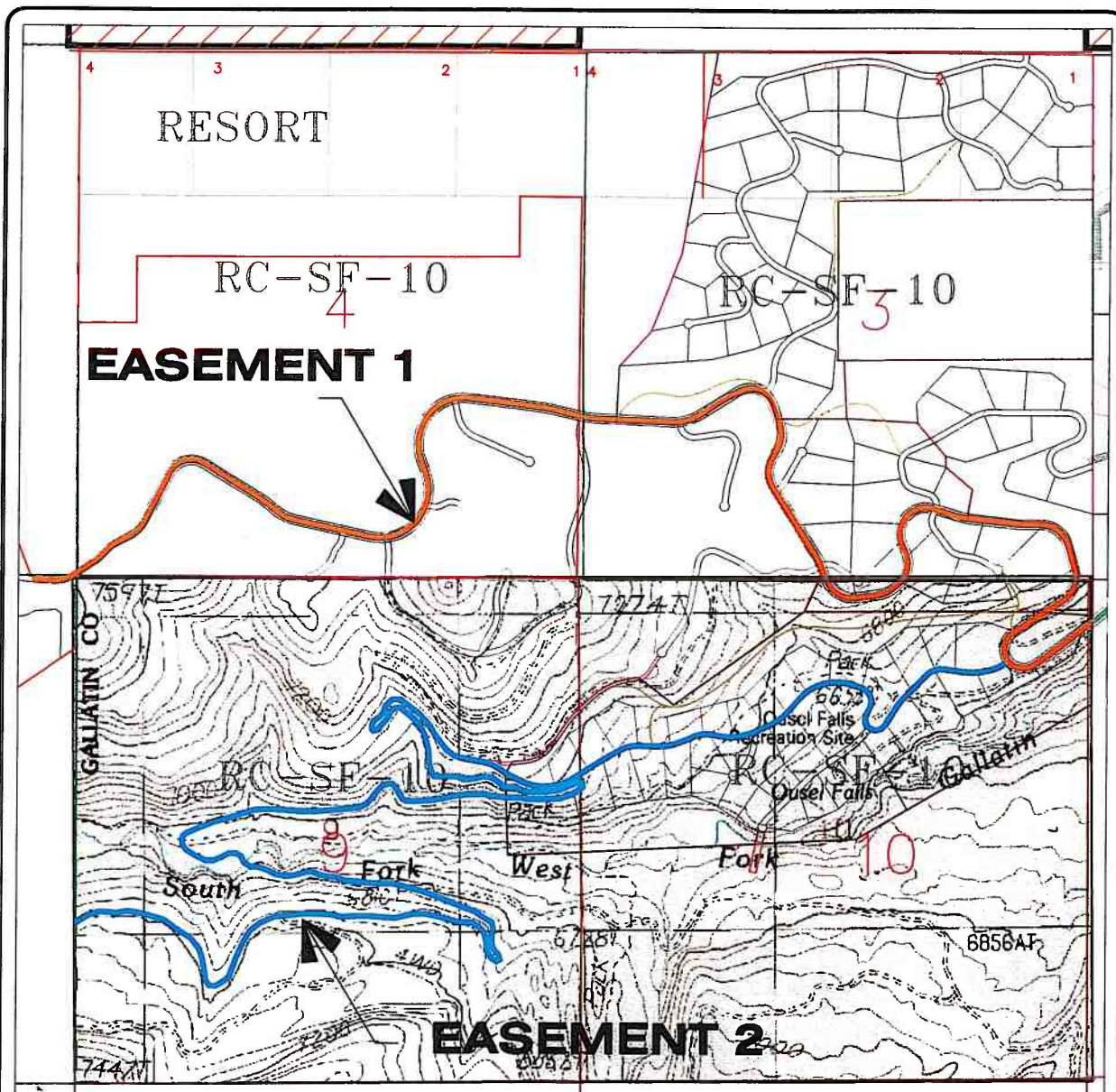
**MORRISON
 MAIERLE, INC.**

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CHECKED BY: JRS	YELLOWSTONE MOUNTAIN CLUB UTILITY/ROAD EASEMENTS-4/12/00 DRAWING NO.:3017-SEW-EASMT.DWG
JOB NO.: 3017.013/010/0310	SHEET 1 OF 1





EASEMENT 1

F 201 PG 2852

NON-EXCLUSIVE EASEMENT
FOR INGRESS, EGRESS AND UTILITIES
LEELYNN, INC AND WILEY MT., INC. TO
BLIXSETH GROUP, INC. AND
C.E. HOLLIMAN AND ASSOCIATES, INC.
T7S R3E SECTIONS 2,3,4 AND 10
T72 R3E SECTION 5 SE1/4SE1/4
60' WIDTH-JULY 1, 1999

EASEMENT 2

F 201 PG 2848

NON-EXCLUSIVE EASEMENT
FOR EMERGENCY ACCESS
LEELYNN, INC AND WILEY MT., INC. TO
BLIXSETH GROUP, INC. AND
C.E. HOLLIMAN AND ASSOCIATES, INC.
T7S R3E SECTIONS 9 AND 10
AS PER EXHIBIT 'A' -EXISTING ROADWAY
60' WIDTH-AUG. 9, 1999

FIGURE 6

EASEMENT 1 AND 2

PREPARED FOR:



DRAFT

PREPARED BY:

**MORRISON
MAIERLE, Inc.**

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SCIENTISTS
SURVEYORS
PLANNERS
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CHECKED BY: JRS	YELLOWSTONE MOUNTAIN CLUB UTILITY/ROAD EASEMENTS-4/12/00 DRAWING NO.:3017-SEW-EASMT.DWG
JOB NO.: 3017.013/010/0310	SHEET 1 OF 1

V. FUNDING

IMPLEMENTATION STRATEGY

A discussion of the responsibilities of and impacts to each group under the preferred Alternative #2 is presented below.

Lone Moose Meadows

LMM's total flow into the District's system would be metered. LMM would pay its proportional cost of the District's WWTP upgrade from 0.42 to 0.84 MGD based on full build-out flows, plus incremental operational costs based on metered flows. Because of its participation in the District's WWTP upgrade, LMM would not be required to pay hookup or impact fees. The annexation of LMM into the District is not addressed in this feasibility study. LMM could negotiate with YMC the transfer of the existing Santec system for YMC's use or could retain the system for emergency or peak flow conditions.

Big Sky County Water and Sewer District No. 363

The District would receive and treat wastewater from LMM as described above. Effluent from the treatment plant would continue to be spray irrigated on the Big Sky Golf Course until its capacity is reached, at which time the District would construct the pump station and force main to YMC property where the excess flow would be stored and land applied. The proposed biological nutrient removal plant at Meadow Village would be constructed to accommodate the eventual build-out flows from the District, LMM and YMC as proposed.

Yellowstone Mountain Club

YMC can essentially plan their development without regard to the future wastewater disposal from the District, with the exception of some of the storage considerations previously discussed in Section IV. In accordance with YMC's current plans, an irrigation system would be installed for the proposed YMC golf course. YMC will spray irrigate a combination of their own wastewater and impounded runoff water to the golf course and/or other areas. The District will eventually add their effluent stream to the wastewater component of the stored water. Eventually, it is expected that little or no supplemental (runoff) water will be needed to irrigate the golf course. The Big Sky Golf Course Wastewater Irrigation Agreement has been included in Appendix C as an example of the type of agreement that could be implemented by the District and YMC.

A portion of the lands identified in Sections 17 and 20 as a potential 400-acre storage and disposal site, or another alternate site, may be needed in the future to dispose of wastewater effluent beyond the capacity of land application at the YMC golf course. A conservation easement could be executed to reserve alternate site(s) in the interim and prevent other uses of the land.

COST DISTRIBUTION

The cost of the preferred Alternative #2 (see Table 5) will be shared by the District, LMM, and YMC. These costs have been apportioned according to the source of the wastewater being processed by each component in the system and the benefit derived by each entity. Breakdowns of the implied funding responsibilities of each party for all three alternatives are shown in Tables 7-9. Further evaluations and negotiations may result in changes to the total cost and given cost distribution.

Table 7 – Alternative #1 Cost Distribution

Capital Costs:

Description	Total Cost	District Cost	LMM Cost	YMC Cost
LMM Connection to District Outfall	\$105,000		\$105,000	
District WWTP Upgrade (0.42 to 0.84 MGD) ¹	\$1,470,000	\$1,117,823	\$352,177	
Eliminate Discharge Line to Gallatin	(\$760,500)	(\$760,500)		
District Pump Station to YMC	\$235,000	\$235,000		
Booster Station to YMC	\$175,000	\$175,000		
Force Main to YMC Storage	\$2,717,500	\$2,717,500		
YMC Storage (185 MG) ²	\$2,616,300		\$934,741	\$1,681,559
YMC WWTP	\$1,134,000			\$1,134,000
YMC Golf Course Irrigation System	\$2,093,680			\$2,093,680
Subtotal	\$9,785,980	\$3,484,823	\$1,391,918	\$4,909,239
15% Contingencies	\$1,467,897	\$522,723	\$208,788	\$736,386
Subtotal	\$11,253,877	\$4,007,546	\$1,600,706	\$5,645,625
15% Engineering	\$1,688,082	\$601,132	\$240,106	\$846,844
Feasibility Study Total Capital Cost	\$12,941,959	\$4,608,678	\$1,840,812	\$6,492,469
Long-Term Work Plan Capital Cost	\$11,143,782	\$11,143,782		
Total Build-Out Capital Cost	\$24,085,741	\$15,752,460	\$1,840,812	\$6,492,469

Annual O&M Costs:

Description	Total Cost	District Share	LMM Share	YMC Share
District Facilities ³	\$253,560	\$131,660	\$55,437	\$66,463
YMC Facilities	\$136,000			\$136,000
LMM Facilities	\$14,146		\$14,146	
Feasibility Study Total Annual O&M Cost	\$403,706	\$131,660	\$69,583	\$202,463
Long-Term Work Plan Annual O&M Cost	\$292,700	\$292,700		
Total Build-Out Annual O&M Cost	\$696,406	\$424,360	\$69,583	\$202,463

Notes:

- The cost for the District's WWTP upgrade has been apportioned using the build-out flows for each contributing entity, as follows:
District Flow = 114.9 MG/yr = 71.5 MG/yr (District increase) + 43.4 MG/yr (remainder of LMM/YMC allotment)
LMM Flow = 36.2 MG/yr
- The cost associated with YMC storage has been apportioned according to the estimated full build-out SFEs for each contributing entity, excluding anticipated individual on-site system SFEs (LMM = 960 SFEs, YMC = 1,727 SFEs).
- The District's annual O&M costs include the additional treatment costs associated with the WWTP upgrade (\$209,760) plus power and maintenance costs associated with the effluent transmission to YMC (\$43,800). These costs have been apportioned using the build-out flows for each contributing entity, as follows:
WWTP Upgrade: District increase = 71.5 MG/yr, LMM flow = 36.2 MG/yr, remainder of LMM/YMC allotment = 43.4 MG/yr
Transmission: District total treated at Meadow Village WWTP including increase = 226.3 MG/yr,
LMM flow = 36.2 MG/yr, remainder of LMM/YMC allotment = 43.4 MG/yr
LMM's actual costs under this line item will likely be assessed based on total metered flows.

Table 8 – Alternative #2 Cost Distribution

Capital Costs:

Description	Total Cost	District Cost	LMM Cost	YMC Cost
LMM Connection to District Outfall	\$105,000		\$105,000	
District WWTP Upgrade (0.42 to 0.84 MGD) ¹	\$1,470,000	\$1,098,365	\$371,635	
Eliminate Discharge Line to Gallatin	(\$760,500)	(\$760,500)		
District Pump Station to YMC	\$235,000	\$235,000		
Booster Station to YMC	\$175,000	\$175,000		
Force Main to YMC Storage	\$2,717,500	\$2,717,500		
YMC Storage (185 MG) ²	\$2,616,300		\$934,741	\$1,681,559
YMC WWTP	\$1,134,000			\$1,134,000
YMC Golf Course Irrigation System	\$2,093,680			\$2,093,680
Subtotal	\$9,785,980	\$3,465,365	\$1,411,375	\$4,909,239
15% Contingencies	\$1,467,897	\$519,805	\$211,706	\$736,386
Subtotal	\$11,253,877	\$3,985,170	\$1,623,082	\$5,645,625
15% Engineering	\$1,688,082	\$597,776	\$243,462	\$846,844
Feasibility Study Total Capital Cost	\$12,941,959	\$4,582,946	\$1,866,544	\$6,492,469
Long-Term Work Plan Capital Cost	\$11,143,782	\$11,143,782		
Total Build-Out Capital Cost	\$24,085,741	\$15,726,728	\$1,866,544	\$6,492,469

Annual O&M Costs:

Description	Total Cost	District Share	LMM Share	YMC Share
District Facilities ³	\$253,560	\$131,660	\$58,500	\$63,400
YMC Facilities	\$136,000			\$136,000
Feasibility Study Total Annual O&M Cost	\$389,560	\$131,660	\$58,500	\$199,400
Long-Term Work Plan Annual O&M Cost	\$292,700	\$292,700		
Total Build-Out Annual O&M Cost	\$682,260	\$424,360	\$58,500	\$199,400

Notes:

1. The cost for the District's WWTP upgrade has been apportioned using the build-out flows for each contributing entity, as follows:

District Flow = 112.9 MG/yr = 71.5 MG/yr (District increase) + 41.4 MG/yr (remainder of LMM/YMC allotment)

LMM Flow = 38.2 MG/yr

2. The cost associated with YMC storage has been apportioned according to the estimated full build-out SFEs for each contributing entity, excluding anticipated individual on-site system SFEs (LMM = 960 SFEs, YMC = 1,727 SFEs).
3. The District's annual O&M costs include the additional treatment costs associated with the WWTP upgrade (\$209,760) plus power and maintenance costs associated with the effluent transmission to YMC (\$43,800). These costs have been apportioned using the build-out flows for each contributing entity, as follows:

WWTP Upgrade: District increase = 71.5 MG/yr, LMM flow = 38.2 MG/yr, remainder of LMM/YMC allotment = 41.4 MG/yr

Transmission: District total treated at Meadow Village WWTP including increase = 226.3 MG/yr,

LMM flow = 38.2 MG/yr, remainder of LMM/YMC allotment = 41.4 MG/yr

LMM's actual costs under this line item will likely be assessed based on total metered flows.

Table 9 – Alternative #3 Cost Distribution

Capital Costs:

Description	Total Cost	District Cost	LMM Cost	YMC Cost
LMM Connection to District Outfall	\$105,000		\$105,000	
YMC Outfall Line to District	\$2,322,500			\$2,322,500
District WWTP Upgrade (0.42 to 0.84 MGD) ¹	\$1,470,000	\$1,098,365	\$371,635	
Eliminate Discharge Line to Gallatin	(\$760,500)	(\$760,500)		
District Pump Station to YMC	\$235,000	\$235,000		
Booster Station to YMC	\$175,000	\$175,000		
Force Main to YMC Storage	\$2,717,500	\$2,717,500		
YMC Storage (151.8 MG) ²	\$2,147,800		\$767,357	\$1,380,443
YMC WWTP	\$450,000			\$450,000
YMC Golf Course Irrigation System	\$1,758,800			\$1,758,800
Subtotal	\$10,621,100	\$3,465,365	\$1,243,992	\$5,911,743
15% Contingencies	\$1,593,165	\$519,805	\$186,599	\$886,761
Subtotal	\$12,214,265	\$3,985,170	\$1,430,590	\$6,798,505
15% Engineering	\$1,832,140	\$597,776	\$214,589	\$1,019,776
Feasibility Study Total Capital Cost	\$14,046,405	\$4,582,946	\$1,645,179	\$7,818,280
Long-Term Work Plan Capital Cost	\$11,143,782	\$11,143,782		
Total Build-Out Capital Cost	\$25,190,187	\$15,726,728	\$1,645,179	\$7,818,280

Annual O&M Costs:

Description	Total Cost	District Share	LMM Share	YMC Share
District Facilities ³	\$253,560	\$131,660	\$58,500	\$63,400
YMC Facilities	\$101,500			\$101,500
Feasibility Study Total Annual O&M Cost	\$355,060	\$131,660	\$58,500	\$164,900
Long-Term Work Plan Annual O&M Cost	\$292,700	\$292,700		
Total Build-Out Annual O&M Cost	\$647,760	\$424,360	\$58,500	\$164,900

Notes:

- The cost for the District's WWTP upgrade has been apportioned using the build-out flows for each contributing entity, as follows:
District Flow = 112.9 MG/yr = 71.5 MG/yr (District increase) + 41.4 MG/yr (remainder of LMM/YMC allotment)
LMM Flow = 38.2 MG/yr
- The cost associated with YMC storage has been apportioned according to the estimated full build-out SFEs for each contributing entity, excluding anticipated individual on-site system SFEs (LMM = 960 SFEs, YMC = 1,727 SFEs).
- The District's annual O&M costs include the additional treatment costs associated with the WWTP upgrade (\$209,760) plus power and maintenance costs associated with the effluent transmission to YMC (\$43,800). These costs have been apportioned using the build-out flows for each contributing entity, as follows:
WWTP Upgrade: District increase = 71.5 MG/yr, LMM flow = 38.2 MG/yr, remainder of LMM/YMC allotment = 41.4 MG/yr
Transmission: District total treated at Meadow Village WWTP including increase = 226.3 MG/yr,
LMM flow = 38.2 MG/yr, remainder of LMM/YMC allotment = 41.4 MG/yr
LMM's actual costs under this line item will likely be assessed based on total metered flows.

VI. SUMMARY AND CONCLUSIONS

This document is intended to be a general evaluation of the feasibility of a regional wastewater treatment and disposal system between the Big Sky County Water and Sewer District, Yellowstone Mountain Club, and Lone Moose Meadows. Several options were considered and assessed from technical, environmental and cost savings perspectives. The preferred alternative balances these factors and results in a low-cost, clean, and effective system that covers each of the developments through full build-out.

The preferred alternative consists of the following treatment and disposal responsibilities:

- Mountain Village: SBR treatment and snowmaking disposal system (53.0 MG/yr) serving the District and possibly LMM.
- Meadow Village: Nutrient-removal WWTP (305.9 MG/yr) with flow contributions from the District and the LMM/YMC allotment; golf course land application of a portion of this flow (143.3 MG/yr) on the Big Sky golf course.
- YMC: WWTP serving YMC only (68.7 MG/yr); land application of excess District/LMM effluent and entire YMC treatment plant effluent (231.3 MG/yr) on the YMC golf course or other suitable site.

An operational schematic of the preferred alternative, including the build-out flows, is shown in Figure 2C. The cost breakdown of this alternative is given in Table 5, and the tentative distribution of these costs between the District, LMM and YMC is presented in Table 8. It should be recognized that the build-out flows used to evaluate the alternatives are preliminary estimates only and may change as the LMM and YMC developments progress or as a result of subsequent negotiations.

The conclusions presented in this study indicate that a regional wastewater treatment and disposal system is feasible. Land application disposal of the entire build-out flow from all three of the developments is possible and there are additional benefits for all parties involved. The District could eliminate the plan for future surface discharge to the Gallatin River. Both LMM and YMC would have a long-term wastewater treatment and disposal plan. YMC would eventually have enough effluent to spray irrigate their proposed golf course without additional sources. Permitting and regulatory agencies are likely to look with favor at the recommended alternative due to the advantages described above.

APPENDIX A

YMC GOLF COURSE IRRIGATION CAPACITY & MOUNDING CALCULATIONS

Big Sky / YMC Feasibility Study
MSE-HKM, Inc. - 6M357.119
YMC Golf Course Land Application

Constants:

Description:

2	Soil Permeability (in/hr)	--	low-range value from SCS estimates over entire soil profile (2-6 in/hr, moderately rapid)
4%	Percolation Rate Factor	--	fraction of the soil permeability used for estimating the design percolation rate (typically 4-10%)
175	Agronomic Nitrogen Uptake Rate (lb/ac/yr)	--	based on kentucky bluegrass fairways (200 lb/ac/yr) and range grass rough areas (150 lb/ac/yr)
5	Applied Effluent Nitrogen Concentration (mg/L)	--	mixed flow from future Big Sky WWTP (3 mg/L from Facility Plan) and YMC WWTP (assumed >3 mg/L)
20%	Nitrogen Removal from Chemical Reactions	--	fraction of applied nitrogen removed by denitification and volatilization (typically 15-25% for design)
175	Irrigated Area (ac)	--	calculated fairway and rough area, excluding required buffer areas for wetlands, roads, etc.
90%	Application Efficiency	--	ratio of volume collected at ground surface to volume delivered (estimate of sprinkler evaporation losses)

Land Application Disposal (LAD) Plan:

Coolest / Wettest Year in 10 Years Scenario

Month	Total Days	Growing Season Days	ET ¹ (in)	ET (cm)	Total Precip ² (in)	Total Precip (cm)	Perc Rate (cm)	HLR - Soil Permeability (cm)	Nitrogen Uptake ³ (kg/ha)	HLR - Nitrogen ⁴ (cm)	Design HLR ⁵ (cm)	Controlling Factor	Design HLR (in)	Effective Irrigation Volume (MG)	Gross Delivery Volume (MG)
Jan	31	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
Feb	28	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
Mar	31	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
Apr	30	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
May	31	12	0.82	2.1	5.65	14.3	58.5	46.3	11.2	28.1	28.1	Nitrogen	11.07	52.6	58.4
Jun	30	30	3.42	8.7	5.05	12.8	146.3	142.2	46.7	116.7	116.7	Nitrogen	45.95	218.4	242.6
Jul	31	31	4.31	10.9	2.79	7.1	151.2	155.0	58.8	147.0	147.0	Nitrogen	57.86	275.0	305.5
Aug	31	31	3.72	9.4	2.68	6.8	151.2	153.8	50.7	126.8	126.8	Nitrogen	49.92	237.2	263.6
Sep	30	30	2.10	5.3	3.62	9.2	146.3	142.5	28.7	71.8	71.8	Nitrogen	28.27	134.3	149.3
Oct	31	3	0.00	0.0	2.91	7.4	14.6	7.2	0.0	0.0	0.0	Nitrogen	0.00	0.0	0.0
Nov	30	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
Dec	31	0	---	---	---	---	---	---	---	---	---	---	---	0.0	0.0
SEASON	365	137	14.37	36.5	22.70	57.7	668.1	647.0	196.1	490.4	490.4	---	193.05	917.5	1019.5

Notes:

1. The ET used is a 10% probability cool year value from 35 years of data at Lake Yellowstone, WY from the Wyoming Irrigation Guide. The ET in any month can be expected to equal or exceed the given values 9 out of every 10 years.
2. The precipitation used is a 10% probability wet year value from SCS TR-21. The precipitation in any month can be expected to be less than or equal to the given values 9 out of every 10 years.
3. The annual agronomic uptake rate has been proportioned to monthly ET.
4. The analysis assumes no deep percolation of nitrates.
5. The design hydraulic loading rate is based on the lesser of HLRs for soil permeability and nitrogen limit. This analysis does not account for groundwater mounding, which is evaluated elsewhere and may decrease the allowable HLR.
6. This analysis is based on the procedures and recommendations included in EPA Process Design Manual for Land Treatment of Municipal Wastewater (EPA 625/1-81-013).

Big Sky / YMC Feasibility Study
MSE-HKM, Inc. - 6M357.119
YMC Golf Course Land Application

Note: The following calculations are based on the procedure contained in EPA 625/1-81-013,
 "EPA Process Design Manual for Land Treatment of Municipal Wastewater" [ref.]

Soil / Groundwater Input Parameters: [see Figure 5-5, ref.]

270 K = hydraulic conductivity (permeability) of the aquifer in the direction of groundwater flow (horizontal) (ft/d)
 5 D = average thickness of the aquifer below the water table and perpendicular to the direction of flow (ft)
 10 D_w = initial water table depth below the application area (ft)
 3 $D_{w(min)}$ = minimum allowable water table depth below the application area (ft) [should be 3 to 7 ft]
 7600 E_1 = average ground elevation of the application area (ft)
 7200 E_2 = water elevation of the surface water course (ft)
 2000 d = lateral flow distance from the center of the application area to the surface water (ft)
 30% V = specific yield or fillable pore space of the soil (ft³/ft³) [see Figures 3-3 and 3-4, ref.]

Wastewater Application Parameters:

30 L_w = design annual hydraulic loading rate (in/yr)
 137 t = duration of wastewater application (d)
 175 A = application area (ac)
 2000 W = width of the application area in the direction of groundwater flow (ft)
 0.0182 L = daily hydraulic loading rate (ft/d)
 142.6 V_t = total wastewater volume applied (MG/yr)

Subsurface Drainage to Surface Water Calculations:

397 $H = (E_1 - D_w) - H_2$ = elevation difference between the surface water level and the maximum allowable water table (ft)
 14,685 $W_{max} = KDH / dL$ = max. width of the application area in the direction of groundwater flow to allow natural drainage (ft)

====> Natural drainage will occur.

Groundwater Mounding Calculations:

4500 $\alpha = KD / V$ (ft²/d)
 0.061 $R = L / V$ (ft/d)
 1.3 $X = W / (4\alpha t)^{1/2}$ [mounding curve input parameter]
 0.75 $Y = h_o / Rt$ [from Figure 5-8 or 5-9, ref.]
 6.3 $h_o = (h_o / Rt) * Rt$ = mound height (ft)
 3.8 $d_{w(mound)}$ = mounded water table depth below application area (ft)

====> Groundwater mounding will not impact the ground surface.

APPENDIX B

EASEMENT DOCUMENTS

AMENDED

NONEXCLUSIVE EASEMENT FOR ACCESS AND UTILITIES

KNOW ALL PERSONS BY THESE PRESENTS:

BOYNE USA, INC., a Michigan corporation, having one of its principal offices at Big Sky, Montana, in consideration of the sum of TEN DOLLARS AND OTHER VALUABLE CONSIDERATION (\$10.00 OVC), does hereby irrevocably and unconditionally grant and give unto LEELYNN, INC. and WILEY MT., INC., both Oregon corporations, jointly and severally, having one of their principal offices in Bozeman, Montana, the Grantees herein, a nonexclusive easement, for ingress, egress and utilities, over, through and across a strip of land owned by Grantor in Section 36, Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana.

The easement herein granted and given is 100' in width, 50' on each side of the centerline of said easement, which centerline is located at Station 155 + 65 left of State Highway Project No. 05-004(F) Unit 90, Lone Mountain Access Road (State Hwy. 64), the centerline of said easement is intended to and does commence on the south side of the State Highway hereinabove mentioned, generally known and referred to as the Big Sky Spur Road, in line with the centerline of approach for Two Moons Road, and thence generally south therefrom to the north section line of Section 1, Township 7 South, Range 3 East, to a point on said section line in the northwest quarter of said section.

The easement herein granted shall be perpetual in nature and run with the lands of Grantees now owned or hereafter acquired and is nonexclusive in nature and may be assigned and re-assigned by the Grantees, their assigns and successors-in-interest, to have and to hold for any and all lawful purposes.

This Amended Nonexclusive Easement for Access and Utilities is intended to and does correct that certain Nonexclusive Easement for Access and Utilities heretofore filed for record on April 7, 1997 at 2:01 p.m. and recorded in Book 172 of Miscellaneous at page 536 in the office among the records of the Clerk and Recorder of Gallatin County, Montana, by amending the Township for Section 1 from Township 6 South to Township 7 South.

IN WITNESS WHEREOF, the undersigned has hereunto set its hand and seal this 30th day of April, 1997.

BOYNE USA, INC.
A Michigan Corporation

By: John E. Kircher, VP
JOHN E. KIRCHER
Vice President

By: Stephen M. Barrett
STEPHEN M. BARRETT, his lawful
Attorney-in-Fact

FILM 172PAGE 3826

STATE OF MONTANA)
) ss
County of Gallatin)

On this 30th day of April, 1997, before me, the undersigned, a Notary Public for the State of Montana, personally appeared **STEPHEN M. BARRETT** known to me to be the person whose name is subscribed to the within instrument as the lawful Attorney-in-Fact of John E. Kircher, who is known to me to be the Vice President of **BOYNE USA, INC.**, a Michigan corporation, and acknowledged to me that he subscribed the name of John E. Kircher thereto as principal and his own name as Attorney-in-Fact pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year first above written.



Christie L. Leene
Notary Public for the State of Montana
Residing at: Bozeman
My Commission Expires: 7/31/00

INDEXED ☒
PLATTED ☒

343125

WHEN RECORDED, RETURN TO:

LEELYNN, INC. & WILEY MT., INC.
c/o JOSEPH W. SABOL
Attorney and Counselor at Law
225 East Mendenhall
Bozeman, MT 59715
(406) 587-9338

State of Montana } ss
County of Gallatin }
Filed APRIL 30, 19 97
at 3:30 P M., and
Recorded in book 172 of
MISCELLANEOUS Page 3824
Shelley M. Ahrens
County Clerk & Recorder
By Joe W. Sabol
Deputy
Fee \$ 18.00 PD
RT: JOE SABOL
225 E. MENDENHALL
BOZEMAN, MT 59715
clients/uncdougla/amendss boy

ASSIGNMENT OF NON-EXCLUSIVE EASEMENT

KNOW ALL PERSONS BY THESE PRESENTS:

Pursuant to the terms and provisions of that certain amended Non-Exclusive Easement for Access and Utilities wherein BOYNE USA, INC., a Michigan corporation, gave and granted unto LEELYNN, INC. and WILEY MT., INC., both Oregon corporations, jointly and severally, a non-exclusive easement for ingress, egress and utilities over, through and across a strip of land owned by BOYNE USA, INC., the Grantor, in Section 36, Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana, which amended non-Exclusive Easement was filed for record on April 30, 1997 in Film 172 of Miscellaneous at Page 3824 as Document No. 343125; and

Pursuant to LEELYNN, INC.'S and WILEY MT., INC.'S right, as the Grantees named in said amended easement, to assign and re-assign that easement; and

In consideration of the execution of, and subject to, that certain Easement Agreement dated the 26th day of September, 1997, between LEELYNN, INC. and WILEY MT., INC., both Oregon Corporations, and WESTLAND ENTERPRISES, INC., a Montana corporation, and TM LAND PARTNERS LIMITED, a Montana limited partnership, LEELYNN, INC. and WILEY MT., INC., jointly and severally, do hereby assign unto WESTLAND ENTERPRISES, INC. and TM LAND PARTNERS LIMITED, jointly and severally, to have and to hold a perpetual, non-exclusive easement, 100' in width, 50' on each side of a centerline located at Station 155+65 left of State Highway Project No. 05-004(F) Unit 90, Lone Mountain Access

State of Mont., County of Gallatin, as Filed for record _____ 19
 at _____ M., and recorded in Book _____ of _____ page _____
 Recorder. By _____ Deputy

(State Highway 64), as set forth in that certain Easement filed of record and identified above. The centerline of said easement is intended to and does commence on the south side of the State Highway hereinabove mentioned, generally known and referred to as the Big Sky Spur Road, in line with the centerline of approach for Two Moons Road, and thence generally south therefrom to the north section line of Section 1, Township 7 South, Range 5 East, to a point on said section line in the NW¼ of said Section.

Said easement is for a right-of-way for ingress, egress, construction of a roadway for access to and from residential and commercial developments, landscaping and the placement of underground utilities therein as set forth in that certain Easement Agreement dated September 26, 1997.

The easement assigned herein is appurtenant to the lands now owned or hereafter acquired by Westland/TM ("benefitted lands"), shall run with the benefitted lands of Westland/TM and shall be forever binding upon and inure to the benefit of the Parties hereto, their successors or assigns.

The easement herein assigned may be assigned and re-assigned and shall benefit all real property of WESTLAND ENTERPRISES, INC. and TM LAND PARTNERS LIMITED, as their interest may appear, presently owned by them or hereafter acquired by them jointly or severally.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment of Non-Exclusive Easement this 16 day of October, 1997.

LEELYNN, INC.
An Oregon Corporation

By: [Signature]
MELVIN McDOUGAL
President

WILEY MT., INC.
An Oregon Corporation

By: [Signature]
NORMAN McDOUGAL
President

STATE OF MONTANA)
:ss
County of Gallatin)

This instrument was acknowledged before me on October 16, 1997
by Norman McDougal as President of Wiley Mt., Inc., an Oregon
corporation.



[Signature]
Notary Public for the State of Montana
Residing at Bozeman
My commission expires: 12-21-99

STATE OF MONTANA)
:ss
County of Gallatin)

This instrument was acknowledged before me on October 16, 1997
by Melvin McDougal as President of Leelynn, Inc., an Oregon
corporation.



[Signature]
Notary Public for the State of Montana
Residing at Bozeman
My commission expires: 12-21-99



WHEN RECORDED, RETURN TO:
JOSEPH W. SABOL
ATTORNEY AND COUNSELOR AT LAW
225 East Mendenhall
Bozeman, MT 59715
(406) 587-9338

State of Montana) ss DOCUMENT NUMBER
County of Gallatin) 352521
Filed OCTOBER 16, 19 97
at 11:32 A. M., and
Recorded in book 177 of
MISCELLANEOUS Page 4506
Shelley Vance
County Clerk & Recorder
By: [Signature] Deputy
Fee \$ 18.00 PD
RT: JOSEPH SABOL
225 E. MENDENHALL
BOZEMAN, MT 59715

FILM 177ACE3905

NON-EXCLUSIVE ACCESS AND UTILITY EASEMENT

SECTION I
GRANT OF EASEMENT

In consideration of, pursuant to and subject to the terms and conditions of that certain Easement Agreement dated September 26, 1997, the undersigned, WESTLAND ENTERPRISES, INC., a Montana Business Corporation, and TM LAND PARTNERS, Ltd., a Montana Limited Partnership, (herein referred to as "Grantors" or "Westland/TM") do hereby grant unto BIG SKY LUMBER COMPANY, an Oregon Joint Venture, WILEY MT., INC., and LEELYNN, INC., both Oregon Corporations, (collectively "Grantees"), their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, sixty feet (60') in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, across the land of the Grantors in the Northwest One-quarter (NW1/4) of Section 1, and the South One-half of the Northeast One-Quarter (S1/2NE1/4) of Section 2, all in Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, for the purpose of providing access and utilities to land of the Grantees, now owned, or hereafter acquired, ("benefitted lands") the centerline of which easement across Grantors' lands being more particularly described as follows:

Commencing at the Northwest Section Corner of Section 1, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana; Thence, North 79° 30' 56" East, a distance of 810.72 feet to the point of beginning at the intersection of the south right-of-way line of State Highway 64 and the centerline of Two Moons Road extended (Station 155+65 of State Highway Project No. 05-004(F) Unit 90); Thence South 00° 00' 00", West, a distance of 136.22 feet; Thence through a curve to the right with a central angle

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of 55° 00' 00", radius of 300.00 feet; Thence South 55° 00' 00" West, a distance of 197.91 feet; Thence through a curve to the left with a central angle of 45° 00' 00", radius of 300 feet; Thence South 10° 00' 00" West, a distance of 815.00 feet; Thence through a curve to the left with a central angle of 09° 53' 05" radius of 300.00 feet; Thence South 00° 06' 55" West, a distance of 756.49 feet; Thence through a curve to the right with a central angle of 29° 29' 03", radius of 300 feet; Thence South 29° 35' 58" West, a distance of 359.15 feet; Thence through a curve to the right with a central angle of 04° 13' 56", radius of 500 feet to the West line of said Section 1; Then continuing westerly into Section 2, Township 7 South, Range 3 East, P.M.M., through said curve to the right, with a central angle of 30° 11' 01", radius of 500.00 feet to the terminus of said easement, said easement containing 4.5423 acres (including .3663 acres within said Section 2);

all as shown on Exhibit A, attached hereto, and by this reference incorporated herein.

Notwithstanding the foregoing grant, Westland/TM expressly reserve all rights as concerns said easement over the lands encumbered thereby, including without limitation, by way of specification, the right to use the easement as a right of way for access and placement of utilities for the benefit of their own lands burdened by the easement granted; the right to install and construct, within the above-described easement, sidewalks and curbs and plant trees, shrubs and other vegetation; and further reserve the right to modify and/or relocate the specific location of said easement during the course of road construction due to engineering and road design requirements, which modification and/or relocation, if any, shall be evidenced by amendment hereto.

The cost of surveying and recording the foregoing easement, and any amendments thereto, shall be borne by the Grantees, all in accordance with the September 26, 1997 Easement Agreement.

SECTION II
SCOPE OF EASEMENT

The scope of the easement herein granted to Grantees and the right of use thereof expressly reserved by Grantors is as follows:

(1) a right-of-way for ingress and egress, including construction of a paved roadway, for residential subdivision and commercial development and uses, with the exception of mining and heavy industrial uses which are expressly forbidden as beyond the scope of the easement; (2) the placement of underground utilities, including, but not limited to, sewer, water, electrical power, telephone, fiber optics and cable tv; and (3) the right to maintain, repair and replace the same.

The term "heavy industrial uses" means a use engaged in the basic processing and manufacturing of materials or products predominately from extracted or raw materials, or a use engaged in the storage of, or manufacturing processes using, flammable or explosive material, or storage or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions, but does not include the logging and hauling of timber.

The term "mining" means operating or developing mines or exploring for metallic minerals (ores); ore dressing and beneficiating operations, mills that crush, grind, wash, dry or leach ore, perform gravity separation or flotation operations.

SECTION III
EASEMENT TO RUN WITH LAND

This grant of easement is appurtenant to the land of the Grantees benefitted thereby, shall run with the benefitted land of

the Grantees and shall be forever binding upon and inure to the benefit of the Parties hereto, their successors or assigns.

SECTION IV
ROAD MAINTENANCE

The cost of all road maintenance and improvements, including snow removal, resurfacing and other road improvements, over and across all easements granted herein shall be allocated on the basis of the parties' respective use of said road. When either party is the sole user of said road, or a portion thereof, such party shall maintain that portion of said road so used to the standard existing at the time use commenced at that party's sole expense. However, during periods when more than one party is using the road, or any portion thereof, maintenance, snow removal, resurfacing and/or other road improvement costs shall be in proportion to each party's use as determined by the best traffic engineering practices.

As used herein, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structure, and road facilities as nearly as possible in their present condition or as hereafter improved. As used herein "party" or "parties" includes not only the Grantor and Grantee, but their respective successors, assignees, permittees, licenses and all successors in interest.

Any party using any portion of the road shall repair or cause to be repaired at its sole cost and expense, that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road. Should inordinate damage to the road occur which is not caused by an

authorized user of said road, the parties hereto shall meet to agree upon the cost of replacement, the party to undertake the replacement, and the shares of replacement costs.

**SECTION V
ASSIGNMENT**

The easement herein granted may be assigned and reassigned by the parties, their assigns and successors-in-interest, and, if required by any governmental body in order to obtain approval for subdivision or development of the benefitted lands, may be further assigned or dedicated to the public, all according to the terms and conditions of that certain Easement Agreement between Westland/TM and Grantees dated September 26, 1997.

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 9 day of October, 1997.

WESTLAND ENTERPRISES, INC.

TM LAND PARTNERS LIMITED

A Montana Corporation

A Montana Limited Partnership

By: William G. Simkins
William G. Simkins
Vice-President

By: Deborah McAtee
Deborah McAtee
General Partner

NON-EXCLUSIVE ACCESS AND UTILITY EASEMENTS

SECTION I
GRANTS OF EASEMENTS

In consideration of, pursuant to and subject to the terms and conditions of that certain Easement Agreement dated September 26, 1997 ("Agreement"), the undersigned, WESTLAND ENTERPRISES, INC., a Montana Business Corporation, TM LAND PARTNERS, Ltd., a Montana Limited Partnership, (herein referred to as "Westland/TM"), BIG SKY LUMBER COMPANY, an Oregon Joint Venture, WILEY MT., INC., and LEELYNN, INC., Oregon Corporations, do hereby grant the following non-exclusive, perpetual easements for ingress, egress and utilities:

A. Section 11, Township 7 South, Range 3 East:

In accordance with paragraphs II and XI of the September 26, 1997 Easement Agreement, WESTLAND/TM ("Grantors") does hereby grant unto BIG SKY LUMBER COMPANY, WILEY MT., INC., and LEELYNN, INC., ("Grantees") their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, sixty feet (60') in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, across the land of the Grantors in the Northwest One-Quarter (NW1/4) of Section 11, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at the location shown on Exhibit A, attached hereto and by this reference incorporated herein, for the benefit of lands now owned or hereafter acquired by Grantees ("benefitted lands"). This grant of easement supersedes, in its entirety that certain nonexclusive easement for access and

utilities heretofore granted by Grantors, to Grantees, which easement was filed in August, 1997 in Book 5 of Miscellaneous, page 472, Gallatin County Clerk and Recorder's office, Bozeman, Montana.

B. East One-Half of the Southeast One-Quarter (E1/2SE1/4) of Section 2, Township 7 South, Range 3 East:

In accordance with paragraphs III and XI of the September 26, 1997 Easement Agreement, WILEY/LEELYNN ("Grantors") does hereby grant unto WESTLAND/TM ("Grantees") their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, sixty feet (60') in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, across the land of the Grantors in the East One-half of the Southeast One-Quarter (E1/2SE1/4) of Section 2, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at the location shown on Exhibit "A" attached hereto, and by this reference incorporated herein, for the benefit of Grantees' lands now owned or hereafter acquired ("benefitted lands").

Subject to Westland/Tm's approval, BSL & Wiley/Leelynn shall locate the centerline of this easement generally parallel and adjacent to the existing lotline between Lots 20 and 21, within the Firelight Subdivision (as depicted on the Preliminary Plat dated May 2, 1995).

C. Southeast One-Quarter (SE1/4) of Section 2, Township 7 South, Range 3 East

In accordance with paragraphs IV and XI of the September 26, 1997 Easement Agreement, WILEY/LEELYNN ("Grantors") does hereby grant unto WESTLAND/TM ("Grantees") their assigns and successors-

in-interest, to have and to hold two (2) perpetual, non-exclusive easements, sixty feet (60') in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, across the land of the Grantors in the Southeast One-Quarter (SE1/4) of Section 2, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at the locations shown on Exhibit "A" attached hereto, and by this reference incorporated herein, for the benefit of Grantees' lands now owned or hereafter acquired ("benefitted lands").

Notwithstanding the foregoing grants, Westland/TM and BSL, LeeLynn and Wiley expressly reserve all rights as concerns said easements over the lands encumbered thereby, including without limitation, by way of specification, the right to use the easements as a right of way for access and placement of utilities for the benefit of their own lands burdened by the easements granted. Westland/TM further reserve the right to install and construct, within the easements described above in Section I, subparagraph A, sidewalks and curbs and plant trees, shrubs and other vegetation.

SECTION II SCOPE OF EASEMENTS

The scope of the easements herein granted and the right of use thereof expressly reserved by the respective Grantors is as follows: (1) a right-of-way for ingress and egress, including construction of a paved roadway, for residential subdivision and commercial development and uses, with the exception of mining and heavy industrial uses which are expressly forbidden as beyond the scope of the easements; (2) the placement of underground utilities,

including, but not limited to, sewer, water, electrical power, telephone, fiber optics and cable tv; and (3) the right to maintain, repair and replace the same.

The term "heavy industrial uses" means a use engaged in the basic processing and manufacturing of materials or products predominately from extracted or raw materials; or a use engaged in the storage of, or manufacturing processes using, flammable or explosive material, or storage or manufacturing processes that potentially involve hazardous or commonly recognized offensive conditions, but does not include the logging and hauling of timber.

The term "mining" means operating or developing mines or exploring for metallic minerals (ores); ore dressing and beneficiating operations, mills that crush, grind, wash, dry or leach ore, perform gravity separation or flotation operations.

SECTION III
EASEMENTS TO RUN WITH LAND

The easements granted herein are appurtenant to the lands of the respective Parties benefitted thereby, shall run with the benefitted lands of the respective Parties and shall be forever binding upon and inure to the benefit of the Parties hereto, their successors or assigns.

SECTION IV
ROAD MAINTENANCE

The cost of all road maintenance and improvements, including snow removal, resurfacing and other road improvements, over and across all easements granted herein shall be allocated on the basis of the parties' respective use of said road. When either party is

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the sole user of said road, or a portion thereof, such party shall maintain that portion of said road so used to the standard existing at the time use commenced at that party's sole expense. However, during periods when more than one party is using the road, or any portion thereof, maintenance, snow removal, resurfacing and/or other road improvement costs shall be in proportion to each party's use as determined by the best traffic engineering practices.

As used herein, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structure, and road facilities as nearly as possible in their present condition or as hereafter improved. As used herein "party" or "parties" includes not only Westland/TM and BSL and Wiley/Leelynn, but their respective successors, assignees, permittees, licenses and all successors in interest.

Any party using any portion of the road shall repair or cause to be repaired at its sole cost and expense, that damage to said road occasioned by it which is in excess of that which it would cause through normal and prudent usage of said road. Should inordinate damage to the road occur which is not caused by an authorized user of said road, the parties hereto shall meet to agree upon the cost of replacement, the party to undertake the replacement, and the shares of replacement costs.

SECTION V
ASSIGNMENT

The easements herein granted may be assigned and reassigned by the parties, their assigns and successors-in-interest, and, if required by any governmental body in order to obtain approval for

subdivision or development of the benefitted lands, may be further assigned or dedicated to the public, all according to the terms and conditions of that certain Easement Agreement between Westland/TM and Grantees dated September 26, 1997.

SECTION VI

SURVEY AND RECORDATION OF EASEMENT

Pursuant to the terms and conditions of that certain Easement Agreement dated September 26, 1997, the easements herein granted shall be surveyed subsequent to the construction of the roadway within the right-of-way of the easement(s), which survey shall be prepared in a form suitable for recording among the records in the office of the Clerk and Recorder of Gallatin County, Montana. Once filed, said surveys shall be deemed as amending and superseding in their entirety, the locations of the easements shown on Exhibit A, attached hereto. The cost of recording and surveying these easements shall be borne by the Grantees of said easement(s).

IN WITNESS WHEREOF, the parties hereto have executed this instrument this 16 day of October, 1997.

WESTLAND ENTERPRISES, INC.
A Montana Corporation

By: William G. Simkins
William G. Simkins
Vice-President

TM LAND PARTNERS LIMITED
A Montana Limited Partnership

By: Deborah McAtee
Deborah McAtee
General Partner

RIG SKY LUMBER COMPANY,
An Oregon Joint Venture Consisting of:
Blixseth Group, Inc.;
C.E. Holliman & Associates, Inc.;
Wiley Mt., Inc.; and Leelynn, Inc.

By: Melvin McDougal, its lawful
Attorney-in-Fact

WILEY MT., INC.
An Oregon Corporation

By: Norman McDougal
President

LEELYNN, INC.
An Oregon Corporation

STATE OF MONTANA)
ss:)
County of Gallatin)

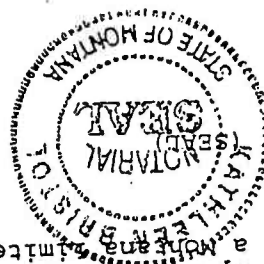
This instrument was acknowledged before me on October 9, 1997
by William G. Stukins, as Vice President of WESTLAND ENTERPRISES,
INC., a Montana corporation.

Kathleen Bristol
Notary Public for the State of Montana
Residing at Bozeman, Montana
My commission expires: 3/28/99

STATE OF MONTANA)
ss:)
County of Gallatin)

This instrument was acknowledged before me on October 9, 1997
by Deborah Mcatee as General Partner of TM LAND PARTNERS LIMITED,
a Montana Limited Partnership.

Kathleen Bristol
Notary Public for the State of Montana
Residing at Bozeman, Montana
My commission expires: 3/28/99



BIG SKY LUMBER COMPANY,
An Oregon Joint Venture Consisting of:
Blixseth Group, Inc.;
C.E. Holliman & Associates, Inc.;
Wiley Mt., Inc.; and Leelynn, Inc.

By: [Signature]
Melvin McDougal, its lawful
Attorney-in-Fact

By: [Signature]
Tim L. Blixseth, its lawful
Attorney-in-Fact

WILEY MT., INC.
An Oregon Corporation

By: [Signature]
Norman McDougal
President

LEELYNN, INC.
An Oregon Corporation

By: [Signature]
Melvin McDougal
President

STATE OF MONTANA)
County of Gallatin) :ss

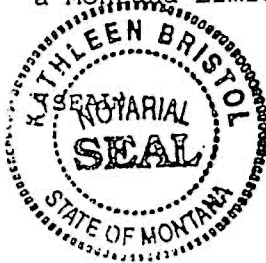
This instrument was acknowledged before me on October 9, 1997
by William Simkins, as Vice President of WESTLAND ENTERPRISES,
INC., a Montana corporation.



[Signature]
Notary Public for the State of Montana
Residing at Roseman Montana
My commission expires: 3/19/99

STATE OF MONTANA)
County of Gallatin) :ss

This instrument was acknowledged before me on October 9, 1997
by Deborah McAtee as General Partner of TM LAND PARTNERS LIMITED,
a Montana Limited Partnership.



[Signature]
Notary Public for the State of Montana
Residing at Roseman Montana
My commission expires: 3/19/99

STATE OF MONTANA)
) :ss
 County of Gallatin)

This instrument was acknowledged before me on October 16, 1997
 by Melvin McDougal as President of Leelynn, Inc., an Oregon
 corporation.



Sharilyn F. Beall
 Notary Public for the State of Montana
 Residing at Bozeman
 My commission expires: 12-21-99

STATE OF MONTANA)
) :ss
 County of Gallatin)

This instrument was acknowledged before me on October 16, 1997
 by Norman McDougal as President of Wiley Mt., Inc., an Oregon
 corporation.



Sharilyn F. Beall
 Notary Public for the State of Montana
 Residing at Bozeman
 My commission expires: 12-21-99

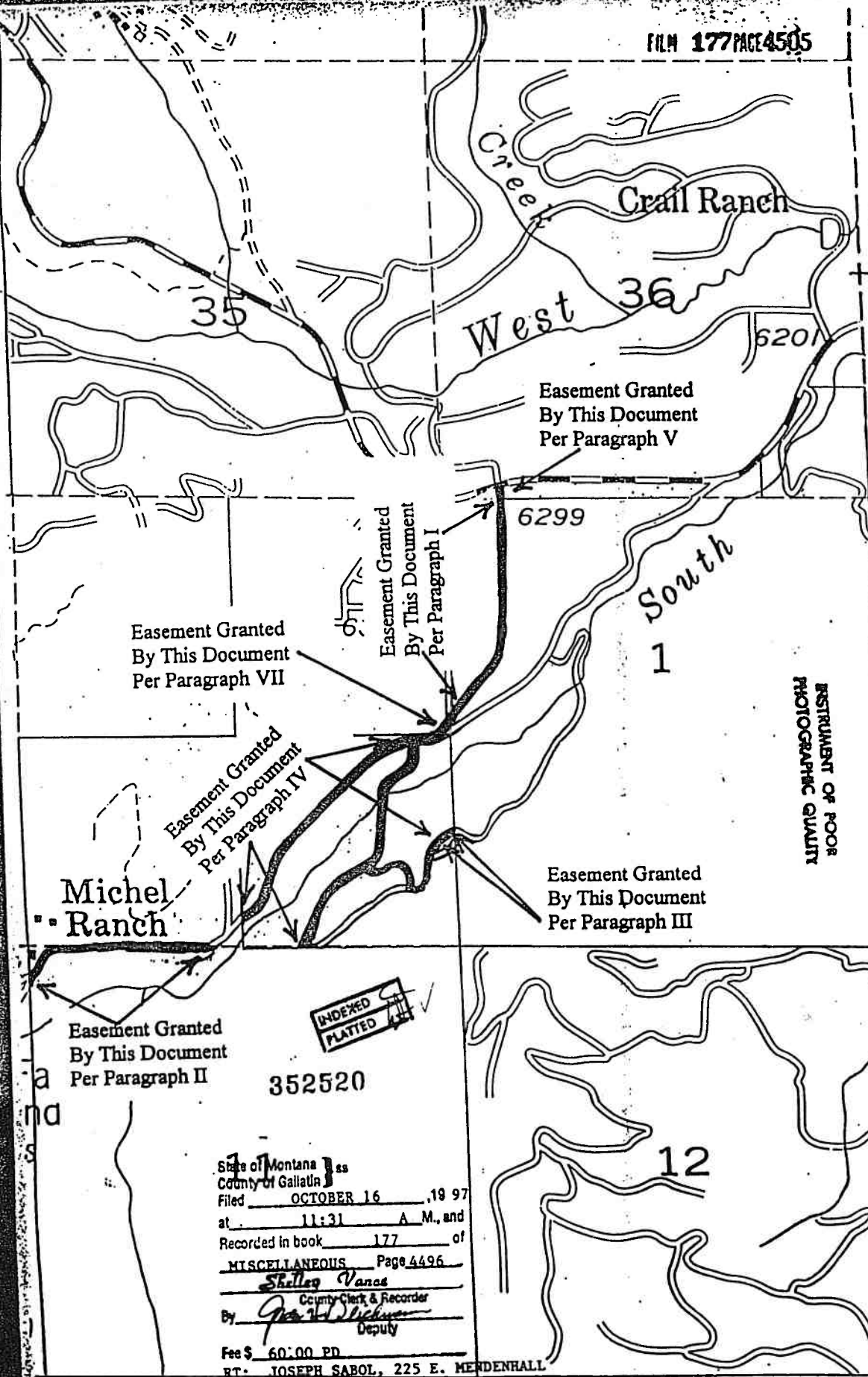
STATE OF MONTANA)
) :ss
 County of Gallatin)

This instrument was acknowledged before me on October 16, 1997
 by Melvin McDougal and Tim L. Blixseth, as Attorneys-in-Fact of BIG
 SKY LUMBER COMPANY, an Oregon Joint Venture.



Sharilyn F. Beall
 Notary Public for the State of Montana
 Residing at Bozeman
 My commission expires: 12-21-99

WHEN RECORDED, RETURN TO:
 JOSEPH W. SABOL
 ATTORNEY AND COUNSELOR AT LAW
 225 East Mendenhall
 Bozeman, MT 59715
 (406) 587-9338



INDEXED
PLATED

State of Montana
County of Gallatin
Filed OCTOBER 16 19 97
at 11:31 A. M., and
Recorded in book 177 of
MISCELLANEOUS Page 4496
Shelley Vance
County Clerk & Recorder
By [Signature] Deputy
Fee \$ 60.00 PD
RT. JOSEPH SABOL, 225 E. MENDENHALL
BOZEMAN, MT 59715

ASSIGNMENT

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KNOW ALL PERSONS BY THESE PRESENTS:

THE UNDERSIGNED, for and on behalf of **BIG SKY LUMBER CO.**, a joint venture, hereinafter referred to as "Assignor", having one of its principal offices at 4414 S. Gekeler Lane, Boise, Idaho 83716, for good and valuable consideration, in hand paid, does hereby assign, transfer, sell, set over and convey unto **BLIXSETH GROUP, INC.** and **C.E. HOLLIMAN & ASSOCIATES, INC.**, both Oregon corporations, as their interests may appear, hereinafter referred to as "Assignees", all of **BIG SKY LUMBER CO.'s** right, title and interest in and to that certain "Easement Agreement" dated September 26, 1997, wherein **WESTLAND ENTERPRISES, INC.** and **TM LAND PARTNERS LIMITED** are referred to as "Westland/TM", **BIG SKY LUMBER CO.** is referred to as "BSL", **WILEY MT., INC.** and **LEELYNN, INC.** are referred to as "Wiley/Leelynn".

The Assignees do hereby agree, without exception or reservation of any type or nature, to be bound by each and every one and all of the benefits and the burdens of the Easement Agreement. A copy of which Easement Agreement is attached hereto, marked as Exhibit "A" for identification and by this reference fully and completely incorporated herein.

This Assignment shall be binding upon and inure to the benefit of the Assignees hereto, their successors-in-interest and assigns.

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IN WITNESS WHEREOF, the parties hereto have hereunto executed this
Assignment this 11 day of June, 1999.

BIG SKY LUMBER CO.

A Joint Venture

By: **Y. T. TIMBER, INC.**
An Idaho Corporation

By: *Ronald C. Yanke*
RONALD C. YANKE
President

By: **R Y TIMBER, INC.**
An Idaho Corporation

By: *Ronald C. Yanke*
RONALD C. YANKE
President

ACCEPTANCE OF ASSIGNMENT

WE, the undersigned, for and on behalf of **BLIXSETH GROUP, INC.** and **C.E. HOLLIMAN & ASSOCIATES, INC.**, do hereby acknowledge and accept the above and foregoing Assignment and the terms of the Easement Agreement.

DATED this 18 day of June, 1999.

BLIXSETH GROUP, INC.
An Oregon Corporation

C.E. HOLLIMAN & ASSOCIATES, INC.
An Oregon Corporation

By: *Tim L. Blixeth*
TIM L. BLIXSETH
President

By: *Charles E. Holliman*
CHARLES E. HOLLIMAN
President

STATE OF IDAHO)

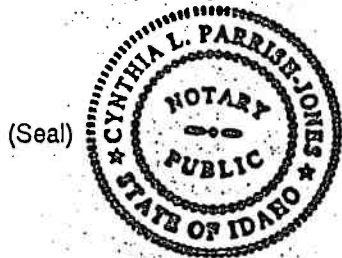
:SS.

County of ADA)

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On this 11th day of June, 1999, before me, the undersigned, a Notary Public for the State of Idaho, personally appeared **RONALD C. YANKE**, known to me to be the President of **Y.T. TIMBER, INC.** and **R Y TIMBER, INC.** and known to me to be the person whose name is subscribed to the within Instrument and acknowledged to me that he executed this Instrument on behalf of **BIG SKY LUMBER CO.**, a joint venture, pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year first above written.



Cynthia L. Parrish-Jones
Notary Public for the State of Idaho
Residing at: Boise
My Commission Expires: July 27, 2003

STATE OF Montana)

:SS.

County of Gallatin)

On this 30 day of June, 1999, before me, the undersigned, a Notary Public for the State of Montana, personally appeared **TIM L. BLIXSETH**, known to me to be the President of **BLIXSETH GROUP, INC.**, an Oregon corporation, and acknowledged to me that he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year first above written.



Sharilyn F. Beall
Notary Public for the State of Montana
Residing at: Bozeman
My Commission Expires: 12-21-99

STATE OF Oregon)
County of Washington) ss.

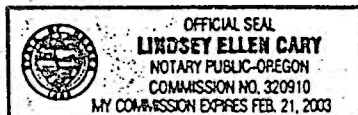
FILM 201 PAGE 2806

On this 18 day of June, 1999, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared **CHARLES E. HOLLIMAN**, known to me to be the President of **C.E. HOLLIMAN & ASSOCIATES, INC.**, an Oregon corporation, and acknowledged to me that he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial seal the day and year first above written.

(Seal)

Lindsey Ellen Cary
Notary Public for the State of Oregon
Residing at: Beaverton
My Commission Expires: 2-21-03



COPY

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EASEMENT AGREEMENT

THIS AGREEMENT made and entered into this 26 day of September, 1997, by and between WESTLAND ENTERPRISES, INC., a Montana corporation, and TM LAND PARTNERS LIMITED, a Montana limited partnership, having their principal offices in Bozeman, Montana, hereinafter for convenience collectively referred to as "Westland/TM", and BIG SKY LUMBER CO., an Oregon joint venture, having one of its principal offices in Bozeman, Montana, hereinafter for convenience referred to as "BSL", and WILEY MT., INC., an Oregon corporation, and LEELYNN, INC., an Oregon corporation, having one of their principal offices in Bozeman, Montana, hereinafter for convenience collectively referred to as "Wiley/Leelynn", is as follows:

WITNESSETH:

WHEREAS, Westland/TM are now and have been for some time heretofore the owners of record of the following parcels of real property located in the County of Gallatin, State of Montana, and more particularly described as follows, to wit:

Section 1 and Section 11, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana;

and

WHEREAS, BSL is the assignee and successor-in-interest to all of the right, title and interest of Plum Creek Timber Company, L.P. ("Plum Creek"), a Delaware limited partnership, relative to those certain easements granted by Westland/TM to Plum Creek in that certain "Road Use Agreement and Easement Exchange" dated April 9, 1992 ("Agreement"), which Agreement was filed for record on July

EXHIBIT

"A"

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13, 1992 in Book 124 of Miscellaneous Records, at page 2938, among the records in the office of the Clerk and Recorder of Gallatin County, Montana; and

WHEREAS, Wiley/Leelynn are now and have been for some time heretofore the owners of record of real property located in the County of Gallatin, State of Montana, and more particularly described as follows, to wit:

SE~~X~~ of Section 2, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana;

and

WHEREAS, Westland/TM, BSL and Wiley/Leelynn have negotiated and bargained, each with the others, and have agreed to grant certain non-exclusive reciprocal easements, to terminate and vacate certain other non-exclusive reciprocal easements heretofore granted and/or received, to grant fee simple interest in certain other real property, and grant a temporary license for the use of an existing road; and are desirous of memorializing the agreements reached between them.

NOW, THEREFORE, for and in consideration of granting and vacating those certain easements herein granted and vacated by the parties hereto, the grant of fee simple interest in other real property, the grant of a temporary easement over other real property and the mutual promises herein set forth, reserved and contained on the part of the parties hereto to be kept and performed, Westland/TM, BSL and Wiley/Leelynn do hereby irrevocably and unconditionally, without reservation, or exception, except as herein set forth, covenant, warrant and agree as follows:

I.

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GRANT OF EASEMENT

WESTLAND/TM TO BSL & WILEY/LEELYNN

(Through the NW1/4 of Section 1,
Township 7 South, Range 3 East)

Westland/TM do hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto BSL and Wiley/Leelynn, their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, 60' in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the Northwest One-quarter (NW1/4) of Section 1, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at a location more particularly described as follows, and subject to Westland/TM's right to modify the specific location of the easement due to engineering and design requirements:

Commencing at the Northwest Section Corner of Section 1, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana; Thence, North 79° 30' 56" East, a distance of 810.72 feet to the point of beginning at the intersection of the south right-of-way line of State Highway 64 and the centerline of Two Moons Road extended (Station 155+65 of State Highway Project No. 05-004(F) Unit 90); Thence South 00° 00' 00", West, a distance of 136.22 feet; Thence through a curve to the right with a central angle of 55° 00' 00", radius of 300.00 feet; Thence South 55° 00' 00" West, a distance of 197.91 feet; Thence through a curve to the left with a central angle of 45° 00' 00", radius of 300 feet; Thence South 10° 00' 00" West, a distance of 815.00 feet; Thence through a curve to the left with a central angle of 09° 53' 05" radius of 300.00 feet; Thence South 00° 06' 55" West, a distance of 756.49 feet; Thence through a curve to the right with a central angle of 29° 29' 03", radius of 300 feet; Thence South 29° 35' 58" West, a distance of 359.15 feet; Thence

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through a curve to the right with a central angle of 04° 13' 56", radius of 500 feet to the West line of said Section 1; Then continuing westerly into Section 2, Township 7 South, Range 3 East, P.M.M., through said curve to the right, with a central angle of 30° 11' 01", radius of 500.00 feet to the terminus of said easement, said easement containing 4.5423 acres (including .3663 acres within said Section 2).

A map of the foregoing easement is attached hereto as Exhibit A and by this reference incorporated herein.

All costs, expenses and fees incurred or associated with the surveying, platting and recording of the foregoing easement shall be the sole and exclusive responsibility of BSL and Wiley/Leelynn. To the extent some or all of the costs, expenses and fees associated with the surveying and platting of the foregoing easement have been incurred or paid by Westland/TM, BSL and Wiley/Leelynn agree to reimburse Westland/TM for all such fees, costs, and expenses within thirty (30) days of receipt of written documentation detailing such fees, costs and expenses.

Westland/TM expressly reserve the right to install and construct, within the above-described easement, sidewalks and curbs and plant trees, shrubs and other vegetation.

II.

GRANT OF EASEMENT

WESTLAND/TM TO WILEY/LEELYNN

(Through the North one-half (N1/2) of Section 11,
Township 7 South, Range 3 East)

Westland/TM do hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto BSL and Wiley/Leelynn, their assigns and successors-in-interest, to

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have and to hold a perpetual, non-exclusive easement, 60' in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the North One-half (NW1/2) of Section 11, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana.

The specific location of the easement across the North One-half (N1/2) of Section Eleven (§ 11) is more particularly described in that certain nonexclusive easement for access and utilities heretofore granted by WESTLAND/TM to Wiley/Leelynn, which easement was filed in August, 1997 in Book 5 of Miscellaneous at Page 472. See also Exhibit B, attached hereto and by this reference made a part hereof.

BSL/Wiley Leelynn shall, at its own expense, cause a survey of the easement, with a complete legal description of the easement, to be prepared in the form of a plat suitable for recording among the records in the office of the Clerk and Recorder of Gallatin County, Montana. In this regard, all costs, expenses and fees incurred or associated with the surveying, platting and recording of said easement shall be the sole and exclusive responsibility of BSL and Wiley/Leelynn.

Westland/TM expressly reserve the right to install and construct, within the above-described easement, sidewalks and curbs and plant trees, shrubs and other vegetation.

III.

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GRANT OF EASEMENT

WILEY/LEELYNN TO WESTLAND/TM

(Through the East 1/2 of the Southeast 1/4 of Section 2,
Township 7 South, Range 3 East)

Wiley/Leelynn does hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto Westland/TM, their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, 60' in width, for a right-of way for the construction of a paved roadway for access, (ingress and egress) for residential living, commercial development, and all uses necessarily associated with residential living and commercial development, the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the East One-half of the Southeast One-Quarter (E1/2SE1/4) of Section 2, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana. See also Exhibit B, attached hereto and by this reference made a part hereof.

Subject to Westland/TM's approval, BSL & Wiley/Leelynn agree to locate the centerline of the easement generally parallel and adjacent to the existing lotline between Lots 20 and 21, within the Firelight subdivision (as depicted on the Preliminary Plat dated May 2, 1995). Prior to the construction of a roadway over the foregoing easement, Westland/TM shall, at its own expense, cause a survey of the easement, with a complete legal description of the easement, to be prepared in the form of a plat suitable for recording among the records in the office of the Clerk and Recorder

of Gallatin County, Montana. All costs, expenses and fees incurred or associated with the surveying, platting and recording of said easement shall be the sole and exclusive responsibility of Westland/TM.

In the event Westland/TM decide, in their sole discretion, that the foregoing easement is no longer necessary or desired to provide access to their real property, or any portion thereof, located in Sections 1, 2 and 11, Township 7 South, Range 3 East P.M.M., Westland/TM shall quitclaim all their right, title, and interest in said easement to BSL/Wiley/Leelynn.

IV.

GRANT OF EASEMENT

WILEY/LEELYNN TO WESTLAND/TM

(Through the Southeast $\frac{1}{4}$ of
Section 2, Township 7 South, Range 3 East)

Wiley/Leelynn does hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto Westland/TM, their assigns and successors-in-interest, to have and to hold two (2) perpetual, non-exclusive easements, 60' in width, for a right-of way for ingress, egress, construction of a roadway for access to residential and commercial developments, and the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the Southeast one-quarter (SE $\frac{1}{4}$) of Section 2, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at the locations generally shown, set forth and described on Exhibit "B" attached hereto and by this reference fully and completely incorporated

herein.

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Unless previously surveyed and platted, Westland/TM shall, at its own expense, cause a survey of the easements, with complete legal descriptions of the easements, to be prepared in the form of a plat suitable for recording among the records in the office of the Clerk and Recorder of Gallatin County, Montana. All costs, expenses and fees incurred or associated with the surveying, platting and recording of said easements shall be the sole and exclusive responsibility of Westland/TM.

V.

GRANT OF EASEMENT

WILEY/LEELYNN, INC. TO WESTLAND/TM

(Through Section 36, Township 6 South, Range 3 East)

Wiley/Leelynn does hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto Westland/TM, their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, 100' in width, 50' on each side of a centerline located at Station 155+ 65 left of State Highway Project No. 05-004(F) Unit 90, Lone Mountain Access Road, (State Highway 64). The centerline of said easement is intended to and does commence on the south side of the State Highway hereinabove mentioned, generally known and referred to as the Big Sky Spur Road, in line with the centerline of approach for Two Moons Road, and thence generally south therefrom to the north section line of Section 1, Township 7 South, Range 3 East, to a point on said section line in the NW1/4 of said section. Said

easement shall be for a right-of-way for ingress, egress, construction of a roadway for access to residential and commercial developments, landscaping and the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the real property described above. See also Exhibit B, attached hereto and by this reference made a part hereof.

Wiley/Leelynn expressly warrant that Wiley/Leelynn has the right and authority to make the assignment herein, and that the assignment will create or transfer a valid easement in favor of Westland/TM and appurtenant to their lands, as described herein. Wiley/Leelynn and BSL agree to defend and indemnify Westland/TM from all damages, costs, attorneys fees, and other expenses whatsoever incurred as a result of any breach of this warranty.

VI.

TRANSFER OF REAL PROPERTY

BSL & WILEY/LEELYN TO WESTLAND/TM

(Approximately 5 Acres in the S1/2 of the NE 1/4 of Section 2, Township 7S, Range 3E, M.P.M.)

1. Property Description:

In consideration for the easements herein granted and given by Westland/TM as hereinabove set forth to BSL and Wiley/Leelynn, BSL and Wiley/Leelynn do hereby covenant, warrant and agree to transfer all their right, title and interest in and to the following described real property ("Real Property") to Westland/TM by warranty deed, free and clear of all encumbrances, except only those, if any, agreed to by Westland/TM:

FILM 201 PAGE 2816

The tract of real property, approximately 5 acres, located in the S1/2 of the NE 1/4 of Section 2, Township 7S, Range 3E, M.P.M. as recorded in Book 154, page 345 of the records of Gallatin County, Bozeman, Montana, together with all water rights appurtenant to said property. Deed Reference: Book 172 of Deeds, page 41.

2. Title Insurance.

A. Preliminary Commitment.

BSL and Wiley/Leelynn shall order at BSL/Wiley/Leelynn's expense, a preliminary commitment for title insurance showing fee title in BSL and Wiley/Leelynn and naming Westland/TM as the proposed insured party in the amount of TWO HUNDRED & THIRTY-FIVE THOUSAND DOLLARS (\$235,000.00) and committing to issue merchantable title to the Real Property in Westland/TM's name, together with legible copies of all documents and other items referred to in the Title Commitment as exceptions. BSL & Wiley/Leelynn shall pay the premium of the standard policy. Westland/TM shall bear all additional costs of an extended policy if Westland/TM elect to purchased extended coverage.

B. Title Insurance Policy.

Upon execution of this Agreement, BSL and Wiley/Leelynn shall, at its expense, furnish Westland/TM with a final policy of title insurance insuring title to the real property vested in Westland/TM in the amount of TWO HUNDRED AND THIRTY-FIVE THOUSAND DOLLARS (\$235,000.00), free and clear of all liens and encumbrances except those, if any set forth under subparagraph (A), above.

3. Document of Conveyance

Upon execution of this Agreement, the real property shall be conveyed by general warranty deed, free and clear of all

encumbrances, except those described above, and in accordance with the usual common law covenants set forth in MCA §§ 30-11-109 & 30-11-110.

4. Warranties:

BSL and Wiley Leelynn agree to warrant title to the Real Property free and clear of all encumbrances, excepting only those set forth in subparagraph 2, above, regarding Title Insurance, and in accordance with the usual common law covenants set forth in MCA §§ 30-11-109 and 30-11-110.

BSL and Wiley/Leelynn further warrant as follows:

- a. That there are no rights or claims of parties in possession or claiming to be in possession other than the seller;
- b. That, to the best of its their knowledge, there are no easements across the property herein granted to Westland/TM except those easements appearing of record;
- c. That no construction has been commenced or completed upon the above described property and no materials or services for construction have been delivered or performed thereon, which have not been paid for in full;
- d. That, with the exception of the Big Sky Sewer and Water District, no special improvement districts affecting the property conveyed hereunder have been created and that no assessments are owing by any

owners of the property conveyed hereunder as of the date of this Agreement.

- e. BSL & Wiley/Leelynn represent and warrant to Westland/TM that the real estate described above, subparagraph 1, has never, during their ownership, been used for the generation, treatment, storage, release or disposal of any hazardous or toxic waste or substance (herein "hazardous substance") regulated by federal, state or local law prior to the date of this Agreement and that it will pay, indemnify and forever hold Westland/TM harmless from all liability, including without limitation by way of specification, all clean-up costs, resource damages and attorneys fees, arising out of any such generation, treatment, storage, release, or disposal of hazardous substances on said real estate prior to the closing date.

5. Taxes and Assessments:

Westland/TM and BSL/Wiley/Leelynn agree to prorate taxes, and Special Improvement District Assessments for the current tax year, as of the date of this Agreement. BSL/Wiley/Leelynn shall pay all taxes or assessments for all prior years, in full, and their share of the prorated taxes and assessments for the current year. Westland/TM shall pay all taxes and assessments for all subsequent years, and their share of the prorated taxes and assessments for the current year.

VII.

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GRANT OF EASEMENT

WESTLAND/TM TO BSL AND WILEY/LEELYNN

(Through the S1/2 of the NE 1/4
of Section 2, Township 7S, Range 3E)

Upon transfer of the real property described in Paragraph VI, SUDRA, to Westland and TM, Westland/TM do hereby irrevocably and unconditionally, without reservation or exception, except as herein set forth, grant unto BSL and Wiley/Leelynn, their assigns and successors-in-interest, to have and to hold a perpetual, non-exclusive easement, 60' in width, for a right-of-way for ingress, egress, the construction of a roadway and the placement of underground utilities therein, together with the benefits and burdens thereunto attaching over, through and across the tract of real property, approximately 5 acres, located in the S1/2 of the NE 1/4 of Section 2, Township 7S, Range 3E, M.P.M. as recorded in Book - 154, page 345 of the records of Gallatin County, Montana, at the location more particularly set forth in Exhibit A, attached hereto and by this reference incorporated herein and made a part hereof.

All costs, expenses and fees incurred or associated with the surveying, platting and recording of the foregoing easement shall be the sole and exclusive responsibility of BSL and Wiley/Leelynn. To the extent some or all of the costs, expenses and fees associated with the surveying and platting of the foregoing easement have been incurred or paid by Westland/TM, BSL and Wiley/Leelynn agree to reimburse Westland/TM for all such fees, costs, and expenses within thirty (30) days of receipt of written

documentation detailing such fees, costs and expenses. FILM 201 PAGE 2820

Westland/TM expressly reserve the right to install and construct, within the above-described easement, sidewalks and curbs and plant trees, shrubs and other vegetation.

VIII.

TERMINATION OF EASEMENT

BSL AND WILEY/LEELYNN

(Through the West 1/2 of SECTION 1)

In further consideration for the easements herein granted and given by Westland/TM as hereinabove set forth to BSL and Wiley/Leelynn, BSL and Wiley/Leelynn do hereby irrevocably and unconditionally, without reservation or exception of any type or nature, terminate, vacate and abandon their right, title and interest in and to any and all easements (except as herein granted), and/or licenses and the right of permissive use over, through and across the real property owned by Westland/TM described as the West One-half (W1/2) of Section 1, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, at the location shown, set forth and described on Exhibit "C" attached hereto and by this reference fully and completely incorporated herein.

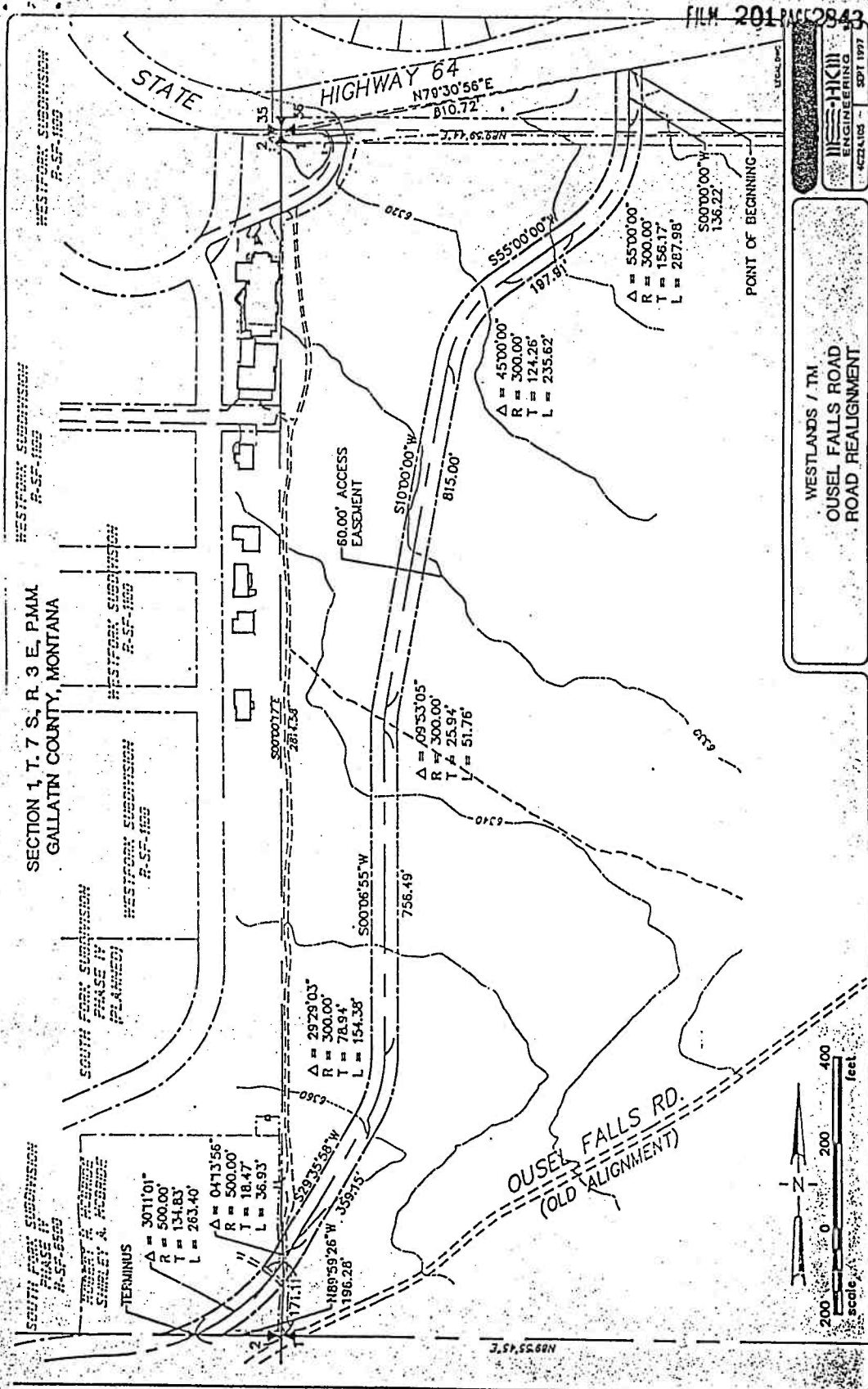
IX.

TERMINATION OF EASEMENT

WESTLAND/TM

(Through the SE1/4 OF SECTION 2)

In consideration for the easements herein granted and given by Wiley/Leelynn as hereinabove set forth to Westland/TM, Westland/TM

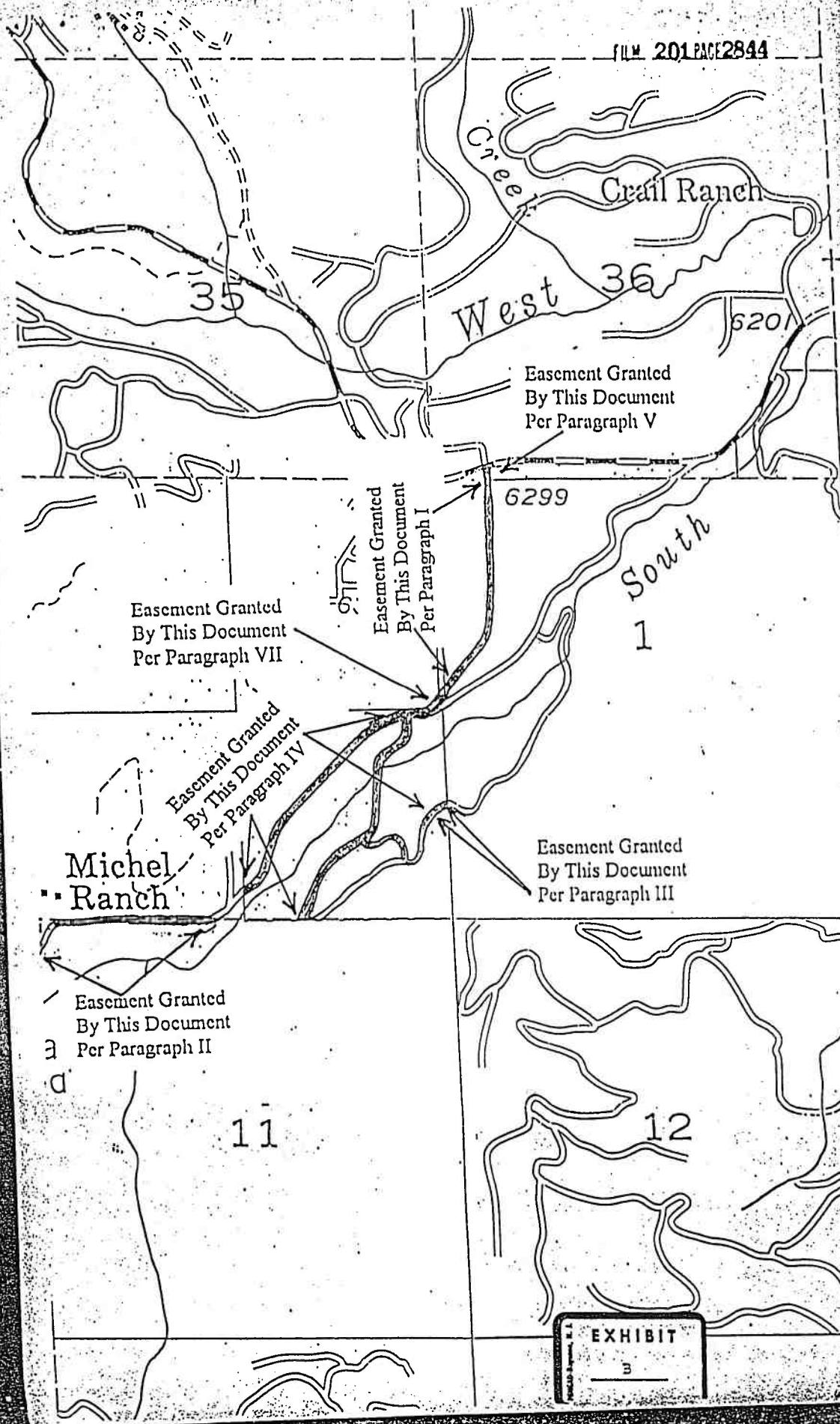


FILM 201P102843

WESTLANDS / TM
OUSEL FALLS ROAD
ROAD REALIGNMENT

INSTRUMENT OF POOR
 PHOTOGRAPHIC QUALITY

EXHIBIT



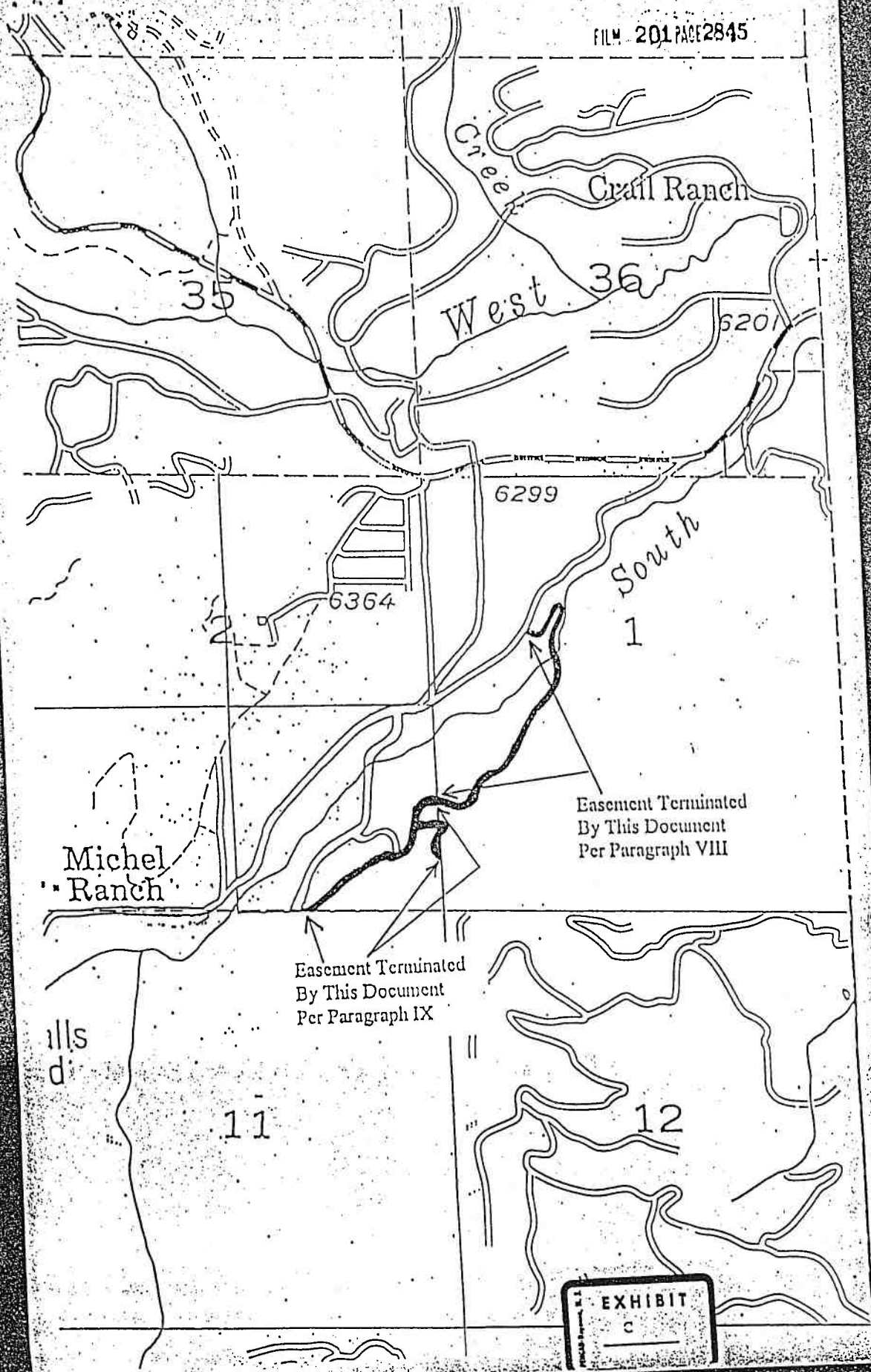


EXHIBIT
C

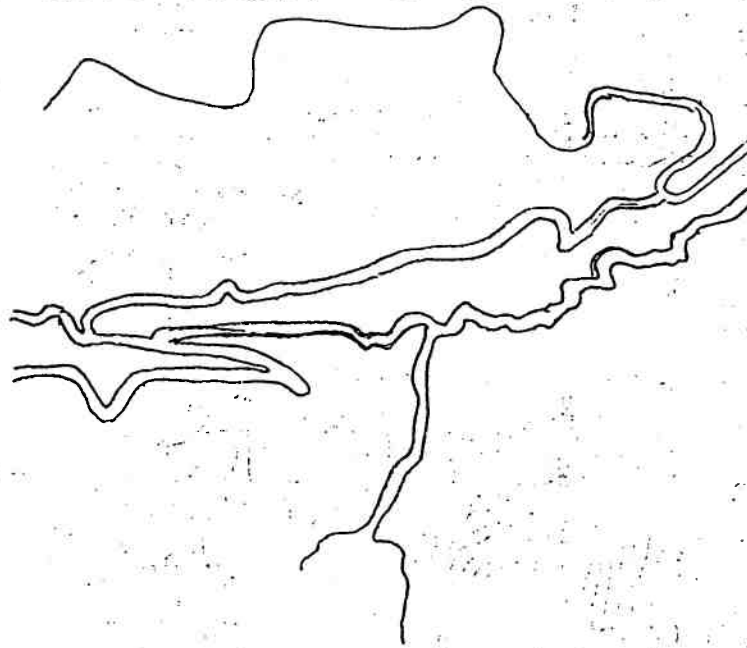
**NON-EXCLUSIVE EASEMENT FOR
EMERGENCY ACCESS**

KNOW ALL PERSONS BY THESE PRESENTS:

THE UNDERSIGNED, for and on behalf of **LEELYNN, INC. and WILEY MT., INC.**, both Oregon corporations, having one of their principal offices at 225 East Mendenhall, Bozeman, Montana 59715, jointly and severally, hereinafter collectively referred to as "Grantors", for good and valuable consideration in hand paid, do hereby assign, transfer, set over, and convey unto **BLIXSETH GROUP, INC. and C.E. HOLLIMAN & ASSOCIATES, INC.**, both Oregon corporations, as their interests may appear, hereinafter collectively referred to as "Grantees", a non-exclusive easement 60' in width for emergency access to and from lands now owned or hereafter acquired by Grantees over, through and across land now owned by Grantors in Section 9 and Section 10, Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana, on that certain roadway presently existing and more specifically shown and set forth on a map of the roadway, a copy of which is attached hereto, marked as Exhibit "A" for identification and by this reference fully and completely incorporated herein, and, in the event the existing roadway is hereafter relocated, the non-exclusive easement herein granted and given shall be applicable to the relocated roadway.

The non-exclusive easement for emergency access herein granted and given shall be perpetual in nature, shall run with the land of the Grantees now owned or hereafter acquired, and may be assigned and re-assigned by Grantees, their assigns and successors-in-interest.

Accommodation Recording Only
STC # 9900



STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

BEFORE ME, the undersigned authority, on this day personally appeared

_____ a competent person, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this day of _____, 19__.

Notary Public for the State of California

My commission expires this day of _____, 19__.

THIS INSTRUMENT WAS FILED FOR RECORD IN THE OFFICE OF THE
THE _____ DAY OF _____, A.D. 19__
AT 10:46 A.M., AND WAS DULY RECORDED IN BOOK _____
OF THE MISCELLANEOUS RECORDS, PAGE _____
RECORDED BY Barbara E. Williams DEPUTY

OFFICE OF COUNTY RECORDER)
 COUNTY OF GALLATIN)
 STATE OF MONTANA)
 Fee \$24.00)
 Recorder, by Shelly Wanda)
 Deputy Robert E. Dawson)
 AT 10:46 AM., AND WAS DULY RECORDED IN BOOK 201
 OF MISCELLANEOUS RECORDS, PAGE 2848
 THE 9TH DAY OF AUGUST, A.D., 1999
 THIS INSTRUMENT WAS FILED FOR RECORD IN THIS OFFICE ON

397097

INDEXED
FILED

MORRISON
 GALLATIN
 JUL 2 1999

NON-EXCLUSIVE EASEMENT FOR EASEMENT ACCESS
 ACT 1008
 T2S, R2E, SECTION 9 AND 10
 GALLATIN COUNTY, MONTANA
 JUNE 1999

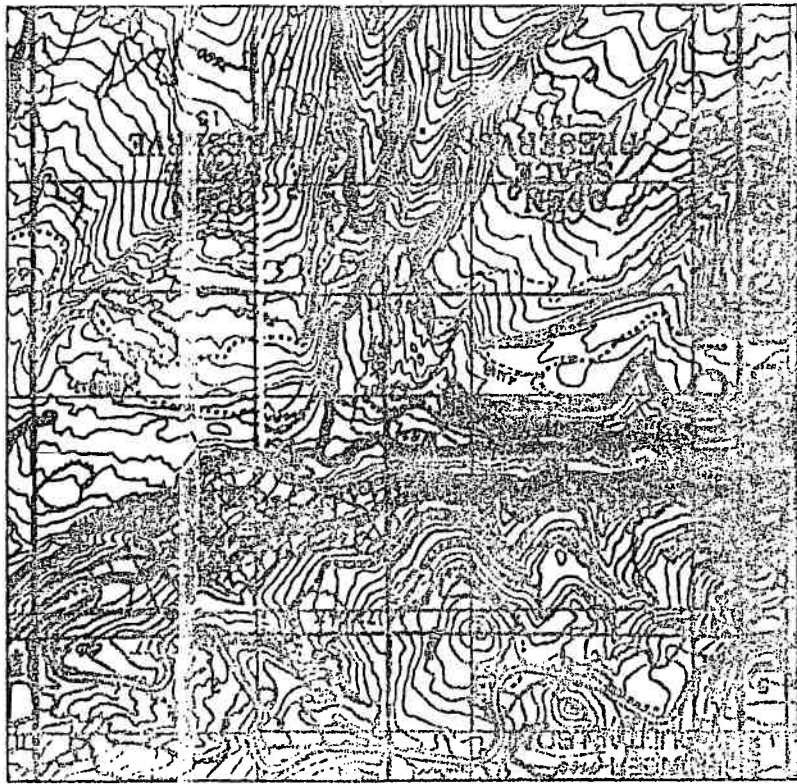
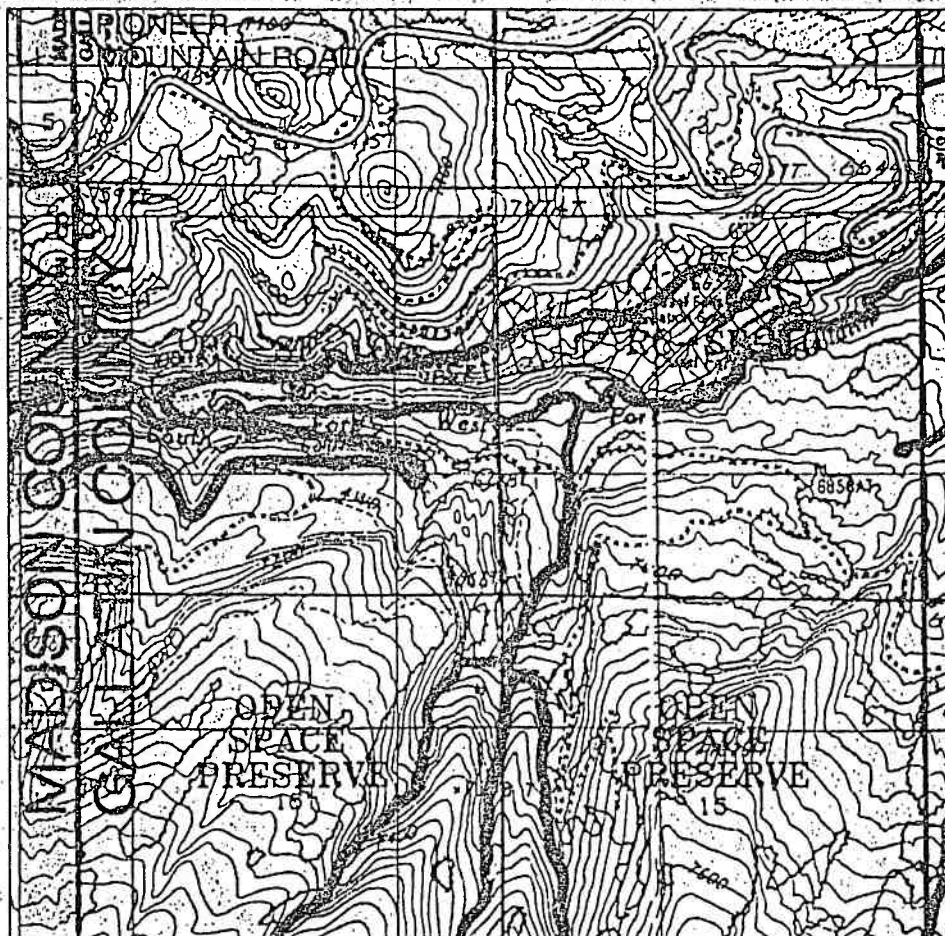


EXHIBIT 'A'

JUL 2 1999

EXHIBIT 'A'

FILM 201 PAGE 2851



NON-EXCLUSIVE EASEMENT FOR EMERGENCY ACCESS
ACROSS
T7S, R3E, SECTION 9 AND 10
GALLATIN COUNTY, MONTANA
JUNE, 1999

MORRISON MAIERLE, Inc.
An Equal Opportunity Employer
240 N. 10th St. Bozeman, MT 59701 • Phone (406) 527-4500 • Fax (406) 527-4501

INDEXED ☒
PLATTED ☒

397097
OFFICE OF COUNTY RECORDER)
COUNTY OF GALLATIN)
STATE OF MONTANA)

Fee \$24.00
RT: SECURITY TITLE CO.

Shelley Varas

THIS INSTRUMENT WAS FILED FOR RECORD IN THIS OFFICE ON
THE 9TH DAY OF AUGUST, A.D., 19 99
AT 10:46 AM., AND WAS DULY RECORDED IN BOOK 201
OF MISCELLANEOUS RECORDS, PAGE 2848

RECORDER. BY Barbara E. Clawson DEPUTY

NON-EXCLUSIVE EASEMENT

FILM 201 PAGE 2852

FOR INGRESS, EGRESS AND UTILITIES

KNOW ALL PERSONS BY THESE PRESENTS:

THE UNDERSIGNED, for and on behalf of **LEELYNN, INC.** and **WILEY MT., INC.**, both Oregon corporations duly authorized to conduct business in the State of Montana, having one of their principal offices at 225 East Mendenhall, Bozeman, Montana 59715 (collectively the Grantors), do hereby grant and give unto **BLIXSETH GROUP, INC.** and **C.E. HOLLIMAN & ASSOCIATES, INC.**, both Oregon corporations (collectively the Grantees), as their interests may appear, a non-exclusive easement for ingress, egress and utilities over, through and across the following described real property owned by Grantors:

Township 7 South, Range 3 East, P.M.M., Gallatin County, Montana
Sections 2, 3, 4 and 10

Township 7 South, Range 3 East, P.M.M., Madison County, Montana
Section 5: SE $\frac{1}{4}$ SE $\frac{1}{4}$

The easement herein granted and given over, through and across the hereinabove described real property shall be 60' in width throughout its length, 30' on either side of the centerline of the presently existing paved South Fork Road, as more specifically shown and set forth on a map of the roadway, a copy of which is attached hereto, marked as Exhibit "A" for identification and by this reference fully and completely incorporated herein, and shall run with the land of Grantees now owned or hereafter acquired, is non-exclusive in nature and may be assigned and re-assigned by Grantees,

their assigns and successors-in-interest, to have and to hold for any and all lawful purposes.

The non-exclusive easement herein granted and given is subject to the payment by Grantees, their successors-in-interest and assigns, of a proportionate cost of the maintenance, including snowplowing, of the South Fork roadway as the same exists over, through and across the property of Grantors hereinabove described. The cost of all road maintenance and improvements, including snow removal, resurfacing, and other road improvements, shall be allocated on the basis of the parties' respective use of the roadway. When either party is the sole user of the roadway, or portion thereof, such party shall maintain that portion of said road so used to the standard existing at the time use commenced at the party's sole expense. However, during periods when both parties, the Grantors and Grantees, their assigns and successors-in-interest, are using the roadway or any portion thereof, maintenance, snow removal, resurfacing and/or other road improvement costs shall be in proportion to each party's use as determined by the best traffic engineering practices. As used herein, maintenance is defined as the work normally necessary to preserve and keep the roadway, road structures, and other road facilities, as nearly as possible in their present condition. Any party using any portion of the roadway shall repair, or cause to be repaired, at its sole cost and expense, that damage to said roadway occasioned by it which is in excess of that which it would cause through normal and prudent usage of said roadway. Should inordinate damage occur to the roadway which is not caused by an authorized user of the roadway, the parties hereto shall meet and agree upon the cost of repair and replacement, the party to undertake the repair and replacement, and the shares of replacement cost. This road maintenance

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provision shall be binding upon the Grantees and all of those individuals, firms, partnerships, corporations, and other entities to whom Grantees may reassign the easement herein granted and given and shall survive the dedication of the easement and the roadway constructed within the easement to Gallatin County, Montana.

IN WITNESS WHEREOF, the Grantees have hereunto executed this Non-Exclusive Easement for Ingress, Egress and Utilities this 1st day of

June 1999.

LEELYNN, INC.
An Oregon Corporation

By: Melvin McDougal
MELVIN McDOUGAL
President

WILEY MT. INC.
An Oregon Corporation

By: Norman McDougal
NORMAN McDOUGAL
President

STATE OF Montana)
 County of Gallatin) :ss

FILM 201 PAGE 2855

On this 1 day of July, 1999, before me, a Notary Public for the State of Montana, personally appeared **MELVIN McDOUGAL**, known to me to be the President of **LEELYNN, INC.**, an Oregon corporation, and acknowledged to me that he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



Sharilyn F. Beall
 Notary Public for the State of Montana
 Residing at: Bozeman
 My Commission Expires: 12-21-99

STATE OF Montana)
 County of Gallatin) :ss

On this 1 day of July, 1999, before me, a Notary Public for the State of Montana, personally appeared **NORMAN McDOUGAL**, known to me to be the President of **WILEY MT. INC.**, an Oregon corporation, and acknowledged to me that he executed the same pursuant to the power and authority vested in him.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal as of the day and year first above written.



Sharilyn F. Beall
 Notary Public for the State of Montana
 Residing at: Bozeman
 My Commission Expires: 12-21-99

FILM 201 PAGE 2856

EXHIBIT 'A'



NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES ACROSS:

T7S, R3E, SECTIONS 2, 3, 4, AND 10; GALLATIN COUNTY

T7S, R3E, SE1/4 SE1/4 SECTION 5; MADISON COUNTY

JUNE, 1999



State of Mont., County of Gallatin ss Filed for record AUGUST 9

1999 at 10:47AM., and recorded in Book 201 of

MISCELLANEOUS page 2852 Shelley Vance Recorder

FEE: \$30.00

RT: SECURITY TITLE CO.

By Barbara E. Clawson Deputy

Filed for record on the 2nd day of SEPTEMBER A.D. 1999 at 1:25 o'clock P.M. and recorded in Volume 433 of RECORDS on Page 495 - 499

Records of Madison County, Montana

By [Signature] County Recorder

Fee \$ 30.00

RETURN TO: MADISON COUNTY TITLE CO., CITY

APPENDIX C

BIG SKY GOLF COURSE WASTEWATER IRRIGATION AGREEMENT

WASTEWATER IRRIGATION AGREEMENT

April 23, 1997 3:27 pm

THIS AGREEMENT made and entered into this _____ day of _____, by and between BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363 (the "District"), of post office address Box 160670, Big Sky, Montana 59716-0670, and BOYNE USA, INC. ("Boyne"), of P.O. Box 160001, Big Sky, Montana 59716.

R E C I T A L S :

WHEREAS, Boyne is the owner of certain real property at Big Sky, Montana, upon which it owns and operates the Big Sky Ski and Summer Resort Golf Course; and

WHEREAS, the District is a county water and sewer district which owns and operates a wastewater treatment facility at Big Sky, Montana; and

WHEREAS, the District's treatment facility was designed and has been operated to dispose of its treated wastewater by means of spray irrigation upon the golf course; and

WHEREAS, pursuant to the Compliance Order dated July 13, 1993, issued by the Montana Department of Health and Environmental Sciences, as amended August 31, 1995, it is necessary to upgrade and expand the irrigation facilities; and

WHEREAS, both the District and Boyne desire to enter into a written agreement setting forth mutual commitments and agreements related to the future use and operation of the irrigation facilities.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. PURPOSE

The purpose of this Agreement is to define, describe and memorialize the parties' duties and obligations related to the disposal of treated wastewater upon the golf course and the area commonly referred to as the "horse pasture" by means of spray irrigation or snow making.

2. **TERM**

The term of this Agreement shall be for ninety-nine (99) years or until such time as land application disposal of treated wastewater is no longer needed as an integral part of the District's existing or future wastewater treatment and disposal facilities, whichever occurs first, commencing on the date of the execution of this Agreement.

3. **SUBJECT REAL PROPERTY**

Boyne agrees to commit all of the land upon which the golf course is situated in tracts A and A-1, comprising approximately 185 acres of land, plus all of tracts B and B-1 generally referred to as the "horse pasture" comprising approximately 80 acres of land which are located in Section 36, Township 6 South, Range 3 East, Gallatin County ("the subject real property"), for the installation of ~~all necessary~~ irrigation equipment by the District and for the disposal of treated wastewater by the District by means of spray irrigation or snow-making. The irrigation plan on the described lands is shown in Exhibit "C-1" which is also attached hereto and incorporated herein by this reference.

4. **IRRIGATION EQUIPMENT, REPAIRS AND MAINTENANCE**

____A. After the irrigation system is installed, the District shall own, operate, repair and maintain the booster pump house, all pumps, including the booster pump, the underground equipment and the underground irrigation mainlines (shown as red and blue lines on Exhibit "B") used to transport treated wastewater to and through the subject real property for disposal. The District shall have the right, upon reasonable notice, to enter upon the subject real property for purposes of installing the irrigation system and inspecting, repairing or replacing any of the underground irrigation equipment and pipelines. Such activity shall not unreasonably interfere with Boyne's golf course operations.

____B. Boyne shall own, operate, repair and maintain all lateral irrigation piping (shown as green lines on Exhibit "B") and above-ground equipment, including but not limited to spray

irrigation heads, and swing joint risers, used to dispose of the wastewater on the subject real property by means of irrigation or snow making. Boyne shall also own, operate, repair and maintain the irrigation sprinkling control system including all wiring and communication cables, whether located above or below ground. Boyne shall also be responsible for the operation, repair and maintenance of all above-ground irrigation pipe, including automatic control valves.

C. The parties agree and acknowledge that they will cooperate in the implementation of this clause and that they will make every reasonable effort to accommodate the other parties' needs and concerns.

5. MODIFICATION OF THE IRRIGATION SYSTEM

The parties agree that the District shall have the right to modify the irrigation system as it deems necessary to satisfy its wastewater disposal needs. Such activity shall not unreasonably interfere with Boyne's golf course operations.

6. WATER QUALITY, MONITORING AND REPORTING

The District agrees and warrants that the treated wastewater transported to the subject real property for disposal by means of spray irrigation or snow-making shall be of suitable quality for irrigation and comply with any and all state-imposed water quality restrictions. The District shall install and maintain such instruments and equipment deemed necessary by the District for monitoring and measuring the disposal of wastewater including but not limited to lysimeters, monitoring wells, and flow meters. The District shall also provide the necessary technical expertise to analyze samples and collect data required for monitoring and measuring the disposal of wastewater on the subject real property.

These activities shall include, but shall not be limited to, monitoring the treated wastewater quality, the groundwater quality, and the soil condition. The District will provide Boyne, on at least an annual basis, and on a shorter term basis as agreed by the parties, with written reports which shall summarize, analyze and

interpret all of the monitoring data, and give recommendations for changes or alterations of future wastewater discharge operations. The parties shall cooperate in locating suitable sites for locating the necessary monitoring equipment.

Boyne will provide the District, on at least a weekly basis during the irrigation season, and on a shorter term basis as agreed by the parties, with written reports which shall estimate the total daily flow applied to the subject real property and the total daily flow for each separate satellite controller.

7. COMPLIANCE WITH LAWS AND REGULATIONS

The District shall comply with all applicable laws and regulations related to its wastewater treatment activities.

8. DISPOSAL SCHEDULE

Boyne agrees that as long as the District complies with the terms of this Agreement that, subject to the update capacity of the subject real property, the District may dispose of any amount of treated wastewater it deems necessary on the subject real property through irrigation or snow-making. The parties agree that the District will determine and control the schedule for disposal of treated wastewater through spray irrigation or snow-making on the subject real property. The District after consulting with Boyne, shall devise a disposal schedule and determine the amount of wastewater to be disposed of each day based upon the following factors:

- A. The wastewater needs of the District;
- B. Boyne's golf course activities;
- C. The protection of the public health and safety; and
- E. Other needs or concerns identified by the parties.

9. OPERATING EXPENSES

The parties agree that a separate electrical meter shall be installed on the booster pump for the irrigation system. Boyne shall pay for the electricity used by and for the irrigation system as measured by the booster pump electrical meter.

With exception of the electricity costs and the start-up and

shut-down costs described in paragraph 10, each party shall pay all other operating and maintenance expenses related to their individually owned portions of the irrigation system as defined in paragraph 4 of this Agreement.

10. START-UP AND SHUT-DOWN

Boyne shall pay all costs arising from the winterization of the irrigation system in the fall and the recharging of the irrigation system in the spring. Boyne shall notify the District forty-eight (48) hours in advance of start-up and shut-down.

11. INDEMNIFICATION

The District shall save and hold Boyne harmless from and indemnify Boyne against all liability, damage, loss, claims, demands and actions of any nature whatsoever which arise out of or are connected with or are claimed to arise out of or be connected with the District's operation, maintenance and use of the portion of the irrigation system owned by it as defined by paragraph 4 of this Agreement. The District shall be responsible for all liability arising from design for the portions of the system which it designed as part of the Interim Action Work Plan.

The District shall, at its own expense, investigate all such claims and demands, attend to their settlement or other disposition, defend all actions based thereon, and pay all charges of attorneys and all of the costs and expenses of any kind arising out of any such liability, damage, loss, claims, demands and actions. If economically feasible, the District shall secure, at its own cost and expense, insurance against the liability assumed in this paragraph by the District.

Boyne shall, at its own expense, investigate all such claims and demands, attend to their settlement or other disposition, defend all actions based thereon, and pay all charges of attorneys and all of the other costs and expenses of any kind arising out of any such liability, damage, loss, claims, demands and actions. If economically feasible, Boyne shall secure, at its own cost and expense, insurance against the liability assumed in this paragraph

by Boyne.

12. **NOTICE**

Any notice to be given hereunder may be served upon a party personally, or served by registered or certified mail, addressed to the parties at the following addresses:

The District: P. O. Box 160670
Big Sky, MT 59716-0670

Boyne: P. O. Box 160001
Big Sky, MT 59716-0001

A notice served by mail shall be deemed completed when deposited in any United States Post Office. Any change of address shall not be effective unless served upon the parties in the same manner as the notice referred to herein.

13. **TAXES AND ASSESSMENTS**

Real property taxes and assessments upon the golf course and other real property which is subject to this agreement shall be the sole responsibility of Boyne. Personal property taxes, if any, shall be paid by the District.

14. **INTEGRATION**

It is agreed and understood by and between the parties hereto that this Agreement constitutes the entire agreement and understanding by and between the parties regarding the wastewater treatment disposal which is the subject of this Agreement and the subject matter herein contained. This Agreement supersedes all prior and/or contemporaneous oral or written agreements and understandings of the parties which may conflict with the expressed terms, covenants and conditions herein set forth, reserved, and contained on the part of the parties to be kept and performed. In

this connection, no assertion, allegation, representation, covenant or condition not expressed in this Agreement shall affect, or be effective, to interpret the intent of the parties, modify or change this Lease, or restrict the expressed provisions contained herein.

15. GENDER AND CAPTION

As used herein the masculine shall include the feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way supplement or limit any of the provisions of this Agreement.

16. WAIVER

Waiver by either party of the breach of any of the covenants herein contained shall not bar either party from the right to enforce such covenants or to avail itself of any subsequent breach thereafter.

17. HEADINGS OF PARAGRAPHS

Headings of paragraphs in this instrument are for convenience only, and do not apply to or affect the construction of any of the terms thereof.

18. BINDING EFFECT

All of the terms of this Agreement shall be binding upon and inure to the benefit of, and be enforceable by, the heirs, assigns and personal representatives of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto signed
this Agreement as of the day and year first above written.

BIG SKY COUNTRY WATER & SEWER
DISTRICT NO. 363,

BY: _____ WILLIAM A. OGLE, President

BOYNE USA, INC.

BY: _____ JOHN KIRCHER, President

EXHIBIT "A"

LEGAL DESCRIPTION

A tract of land being Tract A of Meadow Village Subdivision Big Sky of Montanan Inc., Third Filing, lying in the South East Quarter (SE $\frac{1}{4}$) of the North West Quarter (NW $\frac{1}{4}$), and the South Half (S $\frac{1}{2}$) of the North East Quarter (NE $\frac{1}{4}$), and the South Half (S $\frac{1}{2}$) of Section 36, T. 6 S., R. 3 E., M. P. M., Gallatin County, Montana, which Tract is more particularly described as follows:

From the East One Quarter (E $\frac{1}{4}$) Section corner of Section 36, said Township and Range run South 29°33'10" West for 837.17 ft. to the point of beginning of the herein described Tract. Said point of beginning being 50.00 ft. northerly and on the right of way of Lone Mountain Trail. From said point of beginning along said right of way, along a curve to the left, having a tangent bearing of South 50°42'00" West, and a right of way radius of 868.53 ft., a central angle of 26°47'45" and having an arc length of 406.19 ft., to the point of a spiral curve to the left. Said spiral having a short tangent of 52.33 ft., a long tangent of 102.33 ft., a spiral angle of 5°15'00" and having an arc length of 154.58 ft. to the point of tangency; thence run South 18°39'15" West for 234.02 ft. to the point of a spiral curve to the right, said spiral having a long tangent of 98.69 ft., a short tangent of 48.71 ft., a spiral angle of 3°00'00", and having an arc length of 147.38 ft. to the point of a circular curve; thence along a 1382.43 ft. radius curve to the right, with a central angle of 67°47'45", and an arc length of 1,635.77 ft. to the point of a spiral curve; thence along a spiral curve to the right having a short tangent of 48.71 ft., a long tangent of 98.69 ft., a spiral angle of 3°00'00" and having an arc length of 147.38 ft. to the point of tangency; thence run North 87°33'00" West for 1,397.96 ft. to the point of a spiral curve to the left. Said spiral having a long tangent of 101.15 ft., a short tangent of 51.17 ft., a spiral angle of 2°37'30", and having an arc length of 152.62 ft. to the point of a circular curve; thence along a 1,687.02 ft. radius curve to the left, with a central angle of 7°26'15", and an arc length of 218.99 ft. to the point of a spiral curve; thence along a spiral curve to the left having a short tangent of 51.17 ft., a long tangent of 101.15 ft., a spiral angle of 2°38'30", and having an arc length of 152.62 ft., to the point of tangency; thence run South 79°45'45" West for 292.49 ft. to the Easterly right of way intersection of Two Moons Road thence long said right of way run North 9°06'45" West for 81.49 ft., thence run North 80°53'15" West for 120.00 ft.; thence run North 9°06'45" West for 21.73 ft. to the point of a circular curve; thence along a 250.52 ft. radius curve to the left, with a central angle of 95°09'15", and an arc length of 416.05 ft. to the point of tangency; thence run South 75°44'00" West for 240.91 ft. to the point of a circular curve; thence along a 231.97 ft. radius curve to the right having a central angle of 133°30'00" and an arc length of 540.49 ft.; thence run North 11°10'16" East for 56.58 ft. to a point on a circular curve and on the Southerly right of way of Curley Bear Road; thence along a 234.63 ft. radius curve to the left along said right of way having tangent bearing of South 78°49'44" East a central angle of 20°56'16" and an arc length of 85.74 ft. to the point of tangency; thence run North 80°14'00" East for 152.96 ft.; thence run South 9°46'00" East for 120 00 feet.; thence run North 80°14'00" East for 200.00 ft. to the point of a circular curve; thence along a 1582.40 ft. radius curve to the left, having a central angle of 15°00'00" and an arc length of 414.27 ft. to the point of tangency; thence run North 65°14'00" East for 400.00 ft.; thence run South 24°46'00" East for 70.00 ft.; thence run North 83°39'00" East for 470.91 ft. thence run North 39°19'00" East for 266.92 ft.; thence run North 19°37'38" West for 80.00 ft. to a point on a circular curve; thence along a 5579.58 ft. radius curve to the right having a tangent bearing of North 70°22'22" East, a

central angle of 0°21'38" and an arc length of 35.12 ft. to the point of tangency; thence run North 70°44'00" East for 64.79 ft. to the point of a circular curve; thence along a 150.00 ft. radius curve to the left having a central angle of 71°45'54" and an arc length of 187.88 ft. thence on an angle to the left run South 88°58'00" West for 100.00 ft. to a point on a circular curve, said point being on the Cul-de-Sac of Curley Bear Road; thence along a 50.00 ft. radius curve to the left having a tangent bearing of North 1°02'00" West, a central angle of 14°55'53" and an arc length of 13.03 ft. thence on an angle to the right run North 73°44'00" East for 230.00 ft.; thence run North 18°16'00" West for 203.36 ft.; thence run South 83°44'00" West for 361.51 ft.; thence run South 19°18'29" East for 120.00 ft. to a point on a circular curve; thence on an angle to the right along a 5879.58 ft. radius curve to the left, having a tangent bearing of South 70°41'31" West, a central angle of 5°27'31" and an arc length of 560.14 ft.; thence run South 65°14'00" West for 245.65 ft.; thence run North 25°46'00" West for 242.00 ft.; thence run South 67°44'00" West for 70.00 ft.; thence run South 57°35'32" West for 492.01 ft.; thence run South 14°02'05" East for 160.00 ft. to a point on a circular curve; thence on an angle to the right, along a 1282.40 ft. radius curve to the right, having a tangent bearing of South 75°57'55" West, a central angle of 4°16'05" and an arc length of 95.53 ft. to the point of tangency thence the following courses and distances:

South 80°14'00" West for 262.94 ft.

South 29°14'00" West for 79.21 ft.

South 9°46'00" East for 58.44 ft. to the Northerly right of way of Curley Bear Road; thence along said right of way run South 80°14'00" West for 40.17 ft. to the point of a circular curve; thence along a 174.63 ft. radius curve to the right having a central angle of 7°52'04" and an arc length of 23.98 ft.; thence on an angle to the right, run North 29°14'00" East for 10.99 ft. to the point of a circular curve; thence along a 280.00 ft. radius curve to the left having a central angle of 23°50'06", and an arc length of 104.00 ft.; thence on an angle to the left run North 82°02'49" West for 20.00 ft. to a point on a circular curve; thence on an angle to the right along a 260.00 ft. radius curve to the left having a tangent bearing of North 7°57'11" East, a central angle of 37°14'40" and an arc length of 169.01 ft. thence on an angle to the left run South 58°24'53" West for 100.13 ft. to a point on a circular curve and the Easterly right of way of Two Moons Road; thence along said right of way on an angle to the right, along a 160.00 ft. radius curve to the left having a tangent bearing of North 27°51'24" West, a central angle of 35°00'15" and an arc length of 97.75 ft.; thence on an angle to the right, the following courses and distances:

North 53°07'00" East for a distance of 970.44 ft

North 78°37'00" East for a distance of 1710.00 ft.

North 31°53'00" West for a distance of 925.00 ft.

North 58°07'00" East for a distance of 240 00 ft.

South 68°53'00" East for a distance of 550 00 ft., to a point on a circular curve; thence on an angle to the right along a 150.00 ft. radius curve to the left, having a tangent bearing of south 29°54'15" East, a central angle of 60°05'44" and an arc length of 157.33 ft. to the point of tangency; thence run East for 500.00 ft. to the point of a circular curve; thence along a 574.41 ft. radius curve to the left, having a central angle of 60°00'00", and an arc length of 601.52 ft. to the point of tangency; thence run North 30°00'00" East for 121.86 ft. to the point of a circular curve; thence along a 370.87 ft. radius curve to the right, having a central angle 13°17'55", and an arc length of 86.06 ft.; thence on an angle to the right the following courses and distances:

South 39°10'37" East for a distance of 193.21 ft.
North 71°30'00" East for a distance of 365.48 ft.
North 58°00'00" East for a distance of 100.00 ft.
North 82°00'00" East for a distance of 270.00 ft.

Due North 0°00'00" East for a distance of 140.00 ft. to the Southerly right of way of Little Coyote Road, thence along said right of way run West 0°00'00" East for a distance of 137.36 ft. to the point of a circular curve; thence along 229.74 ft. radius curve to the right having a central angle of 149°30'00" and an arc length of 729.83 ft. to the point of tangency; thence run South 59°30'00" West for 144.41 ft. to the point of a circular curve; thence along a 528.22 ft. radius curve to the left having a central angle of 69°11'26" and an arc length of 637.88 ft. to the Northerly right of way of Black Otter Road; thence on an angle to the right, along said right of way run South 70°00'00" West for 26.37 ft. to the point of a circular curve; thence along a 410.74 ft. radius curve to the right having a central angle of 20°00'00" and an arc length of 143.38 ft. to the point of tangency; thence run East for 562.35 ft. to the point of a circular curve; thence along a 560.87 radius curve to the left, having a central angle of 29°16'58" and an arc length of 281.54 ft.; thence on an angle to the right the following courses and distances:

North 25°00'00" West for a distance of 99.72 ft.
South 65°00'00" West for a distance of 185.00 ft.
North 25°00'00" West for a distance of 100.00 ft.
South 65°00'00" West for a distance of 92.73 ft.
North 25°00'00" West for a distance of 12.00 ft.
South 65°00'00" West for a distance of 23.44 ft.
South 25°00'00" East for a distance of 12.00 ft.
South 65°00'00" West for a distance of 483.83 ft.
Due West 0°00'00" West for a distance of 95.00 ft.
South 65°00'00" West for a distance of 276.00 ft.
South 25°00'00" East for a distance of 180.58 ft.

Due East 0°00'00" East for a distance of 43.36 ft. to a point on the Northerly right of way, on the Cul-de-Sac of Black Otter Road; thence on an angle to the right around said Cul-de-Sac, along a 50.00 ft. radius curve to the left, chord bearing and distance, South 24°41'21" East for 90.86 ft., having a central angle of 229°22'41" and an arc length of 200.17 ft. to the Southerly right of way of Black Eagle Road; thence run South 86°15'00" East, along said right of way, for 17.60 ft. to the point of a circular curve; thence along a 1026.45 ft. radius curve to the left, having a central angle of 45°45'00" and an arc length of 819.60 ft. to the point of tangency; thence run North 48°00'00" East for 205.66 ft. to the point of a circular curve; thence along a 490.87 ft. radius curve to the right, having a central angle of 40°49'47" and an arc length of 349.80 ft. to the Easterly right of way of Yellowtail Road; thence run South along said right of way a distance of 131.48 ft.; thence the following courses and distances:

Due East 0°00'00" East for a distance of 70.00 ft.
South 30°45'00" West for a distance of 419.12 ft.
South 48°00'00" East for a distance of 141.80 ft.
South 13°30'00" West for a distance of 55.00 ft.
South 69°30'00" West for a distance of 110.00 ft.
North 20°30'00" West for a distance of 35.00 ft.

South 69°30'00" West for a distance of 100.00 ft. to the point of a circular curve; thence along a 889.30 ft. radius curve to the left, having a central angle of 31°45'00" and an arc length of 492.80 ft. to the point of tangency; thence run South 37°45'00" West for 199.29 ft. to the point

South 39°10'37" East for a distance of 193.21 ft.
North 71°30'00" East for a distance of 365.48 ft.
North 58°00'00" East for a distance of 100.00 ft.
North 82°00'00" East for a distance of 270.00 ft.

Due North 0°00'00" East for a distance of 140.00 ft. to the Southerly right of way of Little Coyote Road, thence along said right of way run West 0°00'00" East for a distance of 137.36 ft. to the point of a circular curve; thence along 229.74 ft. radius curve to the right having a central angle of 149°30'00" and an arc length of 729.83 ft. to the point of tangency; thence run South 59°30'00" West for 144.41 ft. to the point of a circular curve; thence along a 528.22 ft. radius curve to the left having a central angle of 69°11'26" and an arc length of 637.88 ft. to the Northerly right of way of Black Otter Road; thence on an angle to the right, along said right of way run South 70°00'00" West for 26.37 ft. to the point of a circular curve; thence along a 410.74 ft. radius curve to the right having a central angle of 20°00'00" and an arc length of 143.38 ft. to the point of tangency; thence run East for 562.35 ft. to the point of a circular curve; thence along a 560.87 radius curve to the left, having a central angle of 29°16'58" and an arc length of 281.54 ft.; thence on an angle to the right the following courses and distances:

North 25°00'00" West for a distance of 99.72 ft.
South 65°00'00" West for a distance of 185.00 ft.
North 25°00'00" West for a distance of 100.00 ft.
South 65°00'00" West for a distance of 92.73 ft.
North 25°00'00" West for a distance of 12.00 ft.
South 65°00'00" West for a distance of 23.44 ft.
South 25°00'00" East for a distance of 12.00 ft.
South 65°00'00" West for a distance of 483.83 ft.
Due West 0°00'00" West for a distance of 95.00 ft.
South 65°00'00" West for a distance of 276.00 ft.
South 25°00'00" East for a distance of 180.58 ft.

Due East 0°00'00" East for a distance of 43.36 ft. to a point on the Northerly right of way, on the Cul-de-Sac of Black Otter Road; thence on an angle to the right around said Cul-de-Sac, along a 50.00 ft. radius curve to the left, chord bearing and distance, South 24°41'21" East for 90.86 ft., having a central angle of 229°22'41" and an arc length of 200.17 ft. to the Southerly right of way of Black Eagle Road; thence run South 86°15'00" East, along said right of way, for 17.60 ft. to the point of a circular curve; thence along a 1026.45 ft. radius curve to the left, having a central angle of 45°45'00" and an arc length of 819.60 ft. to the point of tangency; thence run North 48°00'00" East for 205.66 ft. to the point of a circular curve; thence along a 490.87 ft. radius curve to the right, having a central angle of 40°49'47" and an arc length of 349.80 ft. to the Easterly right of way of Yellowtail Road; thence run South along said right of way a distance of 131.48 ft.; thence the following courses and distances:

Due East 0°00'00" East for a distance of 70.00 ft.
South 30°45'00" West for a distance of 419.12 ft.
South 48°00'00" East for a distance of 141.80 ft.
South 13°30'00" West for a distance of 55.00 ft.
South 69°30'00" West for a distance of 110.00 ft.
North 20°30'00" West for a distance of 35.00 ft.

South 69°30'00" West for a distance of 100.00 ft. to the point of a circular curve; thence along a 889.30 ft. radius curve to the left, having a central angle of 31°45'00" and an arc length of 492.80 ft. to the point of tangency; thence run South 37°45'00" West for 199.29 ft. to the point

of a circular curve; thence along a 231.97 ft. radius curve to the right, having a Central angle of 71°00'00", and an arc length of 287.45 ft. to the point of tangency; thence the following courses and distances:

North 71°15'00" West for a distance of 299.37 ft.

North 10°11'07" East for a distance of 188.89 ft.

North 66°15'00" West for a distance of 236.65 ft.

South 31°00'00" West for a distance of 555.26 ft.

South 73°45'00" East for a distance of 466.42 ft.

North 18°45'00" East for a distance of 115.00 ft.

South 71°15'00" East for a distance of 200.00 ft. to the point of a circular curve; thence along a 531.97 ft. radius curve to the left, having a central angle of 36°25'06" and an arc length of 338.13 ft.; thence on an angle to the right the following courses and distances:

South 17°40'09" East for a distance of 90.00 ft.

North 61°00'00" East for a distance of 397.18 ft.

North 00°09'00" West for a distance of 194.76 ft.

North 39°51'00" East for a distance of 175.88 ft.

North 38°08'56" West for a distance of 6.13 ft. to a point on a circular curve; thence on an angle to the right along a 589.30 ft. radius curve to the right, having a tangent bearing of North 51°51'04" East, a central angle of 17°38'55" and an arc length of 181.52 ft. to the point of tangency; thence run North 69°30'00" East for 155.33 ft. to the point of a circular curve; thence along a 508.10 ft. radius curve to the left, having a central angle of 69°30'00" and an arc length of 616.33 ft. to the point of tangency; thence run North for 400.00 ft.; thence run West for 120.00 ft. to the Easterly right of way of Yellowtail Road; thence run North along said right of way for 31.58 ft. to the Southerly right of way of Black Otter Road; thence run East along said right of way for 512.38 ft. to the point of a circular curve; thence along a 470.74 ft. radius curve to the left, having a central angle of 20°00'00" and an arc length of 164.32 ft. to the point of tangency; thence run North 70°00'00" East for 18.97 ft. to a point on a curve, and the Westerly right of way of Little Coyote Road; thence on an angle to the right along said right of way, along a 528.22 ft. radius curve to the left having a tangent bearing of South 16°15'06" East, a central angle of 10°14'54" and an arc length of 94.48 ft. to the point of tangency; thence run South 26°30'00" East for 275.54 ft. to the point of beginning; and

Tracts of land described as Tract B and Tract B-1 of Meadow Village Subdivision, Plat I-12-D, Big Sky of Montanan Inc., Second Filing, lying in the South East Quarter (SE¼) of Section 35, and the South West Quarter (SW¼), T. 6 S., R. 3 E., M. P. M., Gallatin County, Montana.

EXHIBIT "C-1"

MAP OF GOLF COURSE IRRIGATION SYSTEM



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