

EXHIBIT C

WASTEWATER IRRIGATION AGREEMENT

THIS AGREEMENT made and entered into this 25th day of July, 1997, 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. Boyne also agrees to commit Tract 8 for temporary irrigation purposes, with the understanding that in the event Boyne decides to develop Tract 8 (Amended Tract 8, Lot 2), upon reasonable notice the District will remove or reroute its irrigation equipment from Tract 8 and no longer use Tract 8 for temporary irrigation purposes. The District agrees that any removal or relocation of any irrigation equipment on Tract 8 must be done so as to not interfere with Boyne's development of the property.

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. The District shall have access to the computer for the irrigation control system for purposes of backing up irrigation data files and generating irrigation flow reports. 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 "C-1") and above-ground equipment, including but not limited to spray irrigation heads, and swing joint risers, all 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 the central control computer and 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 that they will cooperate in the implementation of this clause and that they will make all reasonable efforts 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 local, state, and Federal water quality restrictions. The District shall install and maintain such instruments and equipment as determined 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 be responsible for all tasks, such as analyzing samples and collecting data, as 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 if necessary. 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 uptake 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 subject to Boyne's reasonable operation of the golf course, 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
- D. 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**

The District shall be responsible for the winterization of the irrigation system in the fall and the recharging of the irrigation system in the spring. The District shall notify Boyne 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, arising from Boyne's operation and use of the irrigation system, 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: General Manager
P. O. Box 160670
Big Sky, MT 59716-0670

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

Copy to: Kirwan & Barrett
P. O. Box 1348
Bozeman, MT 59771-1348

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.

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.

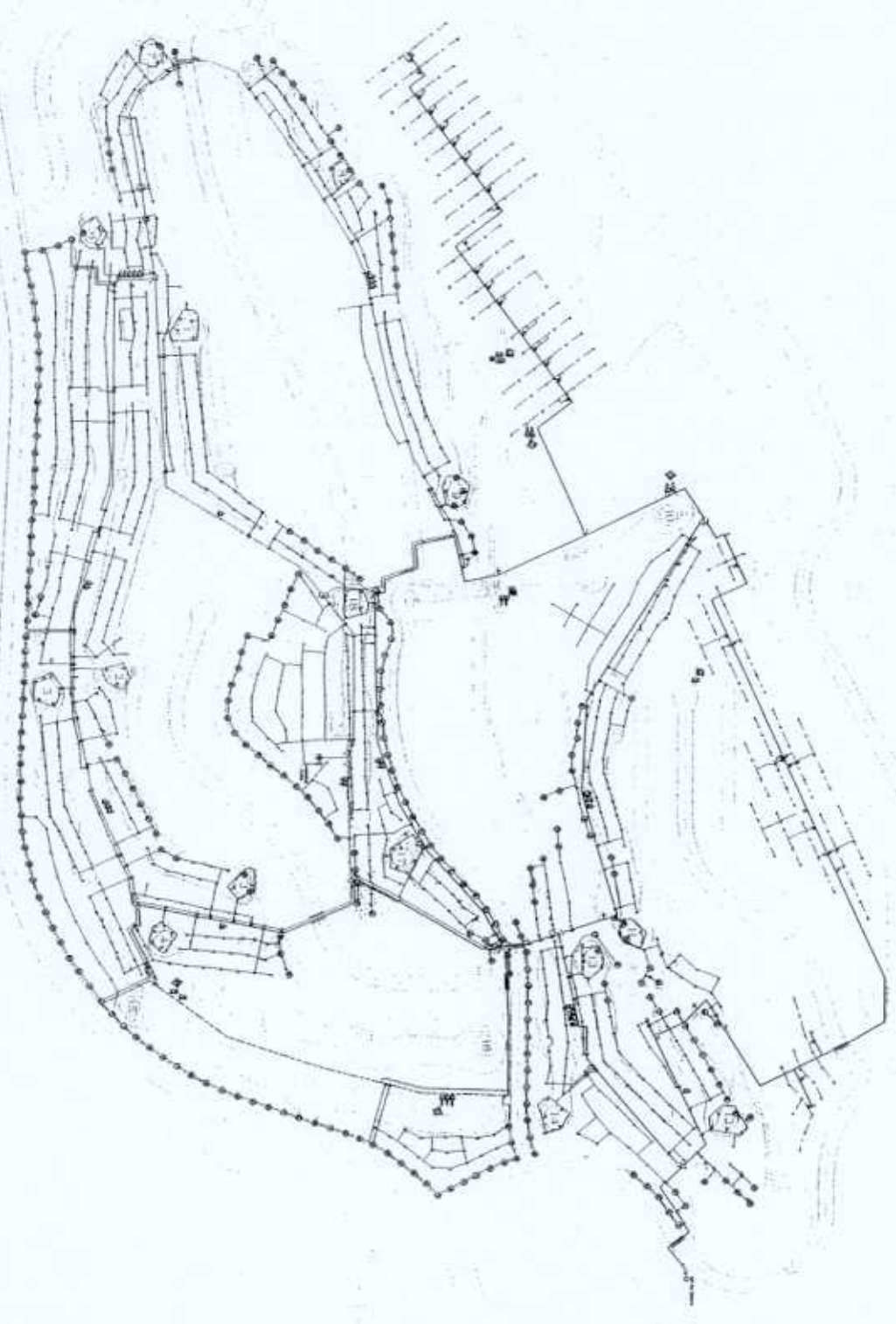
IN WITNESS WHEREOF, the parties hereto have hereunto signed this Agreement as of the day and year first above written.

BIG SKY COUNTY WATER & SEWER
DISTRICT NO. 363,

BOYNE USA, INC.

BY: _____
WILLIAM A. OGLE, President

BY: _____
TITLE: _____



DATE	1/20/11
SCALE	AS SHOWN
PROJECT NO.	10001100
DATE	5/27/08
DESIGNED BY	JAL
CHECKED BY	JAL
DATE	5/27/08
BY	JAL
DATE	5/27/08

CONTRACT INFORMATION
 CONTRACT NO. 10001100
 PROJECT NAME: BIG SKY GOLF COURSE
 CLIENT: BIG SKY GOLF COURSE

COPYRIGHT
 © 1998
 ALL RIGHTS RESERVED

Big Sky Golf Course EXHIBIT 'C-1' - IRRIGATION PLAN

THIS PLAN IS THE PROPERTY OF THE ENGINEER AND ARCHITECT. IT IS TO BE USED ONLY FOR THE PROJECT AND SITE SPECIFICALLY IDENTIFIED HEREON. IT IS NOT TO BE REPRODUCED, COPIED, OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, INCLUDING PHOTOCOPYING, RECORDING, OR BY ANY INFORMATION STORAGE AND RETRIEVAL SYSTEM, WITHOUT THE WRITTEN PERMISSION OF THE ENGINEER AND ARCHITECT.

