

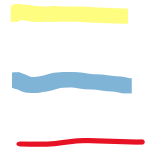
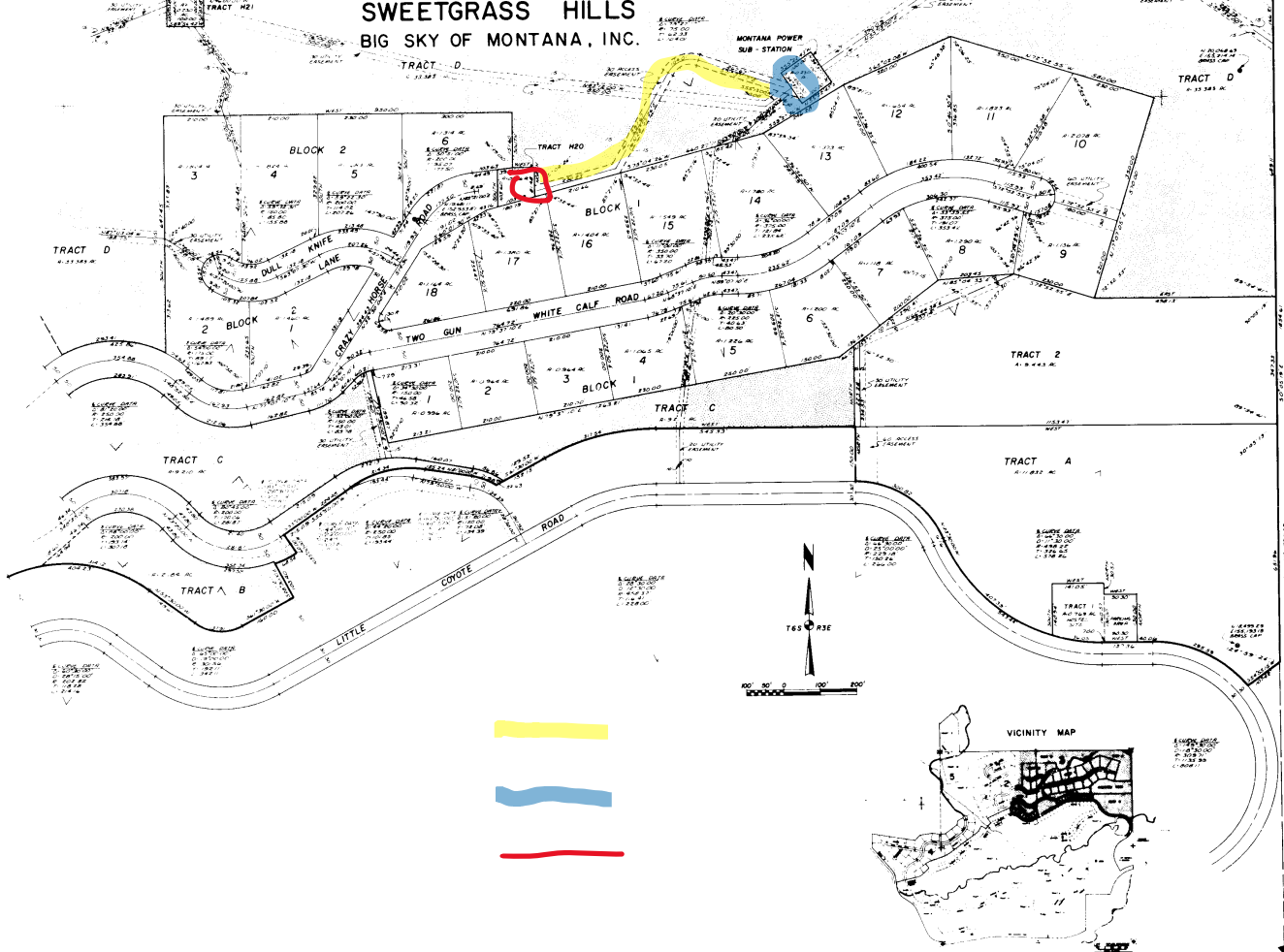
Motion for transfer of Water rights from BSCWSD to BSOA for Little Coyote Pond - Approved unanimously by the BSCWSD Board at their meeting on Dec 15, 2022:

The BSCWSD agrees to transfer, contingent on completion of the Little Coyote Pond project, 7.15 acre feet from its existing water rights to BSOA for the Little Coyote Pond project. As compensation, if BSCWSD is able to reach agreement with NWE to obtain the property in Sweet Grass Hills identified as the Montana Power Sub-station, Sweetgrass Hills Subdivision Plat H-36, Geocode no. 06042736205100000 for a future water tank, BSOA agrees to transfer or grant an easement in the existing easement road (or in an easement closely aligned to that road) through BSOA open space for utilities to include power, water lines and vehicle access and agree to a boundary realignment of acreage around the existing site if necessary for construction of the tank. If agreement on transfer of that site between BSCWSD and NWE cannot be agreed upon within 1 year of December 15, 2022, then BSOA will pay BSCWSD \$15,000 as compensation for the water rights transfer. In addition, BSOA will grant an easement to BCWSD for a fresh water irrigation inlet at the Little Coyote Pond.

The BSOA approves the preceding BSCWSD motion subject to the following conditions:

1. BSCWSD shall acquire the existing and platted easement as shown on Sweetgrass Hills Plat H-36 as indicated **in yellow on** Exhibit A attached hereto and incorporated herein by this reference (“**Existing Easement**”) from Northwest Energy (“**NWE**”) or the owner of the dominant estate as the case may be, concurrently with its acquisition of the Sweet Grass Hills property _____ and indicated in **blue** on Exhibit A (“**NWE Site**”); No comment
2. In the event the Existing Easement is inadequate for BSCWSD’s intended purpose, BSOA shall in good faith negotiate additional reasonable uses; Conditioned on BSWSD acquiring the land and easement that the easement is complete for BSWSD needs for power/water line construction and access attached hereto Exhibit B (to be drafted)
3. BSCWSD shall dismantle the existing water tower from Tract H2O identified in **red** on Exhibit A upon completion of the replacement water tank on the NWE Site, remove all material, restore native grass, and grant BSOA access to Tract D across Tract H2O; No issues with this since it is consistent with District practices of construction. BSOA access across H2O can be granted in some recordable form.
4. The replacement tank shall not exceed 1,000,000 gallons ~~and shall be completed on or before December 31, 2025;~~ Agree with 1,000,000 gallon maximum build.
5. ~~In the event BSCWSD acquires the NWE Site, BSCWSD shall contribute \$37,500 to the construction of the Pond Project as and for the freshwater inlet and access easement included in the Little Coyote Ponds Project;~~
6. ~~In the event BSCWSD does not acquire the NWE Site~~ On or before December 15, 2023, the BSWSD will notify the BSOA that they intend to purchase the NWE parcel. If BSWSD does not intend to purchase the parcel then BSOA shall pay BSCWSD the sum of Fifteen Thousand Dollars (\$15,000.00) as and for the requisite Water Rights; No other comment
7. On or before January ~~15~~31, 2023, BSCWSD shall deliver to BSOA an initial draft agreement incorporating the terms and conditions set forth herein, including necessary transfer document(s) as exhibits, for BSOA’s review and approval; No other comment
8. The final agreement shall be executed by the parties and held in escrow until the initial phase of the Little Coyote Ponds Project is complete;
and
9. In the event the definitive agreement is not executed by the parties on or before ~~January~~March 31, 2023, BSOA’s approval shall be rescinded and void without further action.

SWEETGRASS HILLS BIG SKY OF MONTANA, INC.



H-36