

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Park County, Montana (the “County”), hereby certify that the attached resolution is a true copy of Resolution No. [____], entitled: “A RESOLUTION ORDERING A REFERENDUM ON THE CREATION OF A SPECIAL DISTRICT AND PRELIMINARILY APPROVING THE FORM OF AN INTERLOCAL AGREEMENT RELATED THERETO” (the “Resolution”), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a meeting on August 10, 2023, and that the meeting was duly held by the Board of County Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: _____
_____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand officially this 10th day of August, 2023.

County Clerk and Recorder

RESOLUTION NO. [_____]

A RESOLUTION ORDERING A REFERENDUM ON THE CREATION OF A SPECIAL DISTRICT AND PRELIMINARILY APPROVING THE FORM OF AN INTERLOCAL AGREEMENT RELATED THERETO

WHEREAS, under Montana Code Annotated, Title 7, Chapter 11, Part 10 (the “Special District Act”), a governing body of a local government, acting in combination with another local government, may create a special district that is authorized by law to perform a single function or a limited number of functions; and

WHEREAS, the Board of County Commissioners (the “County Board”) of Park County, Montana (the “County”) and the City Commission (the “City Commission”) of the City of Livingston, Montana (the “City”) desire to provide additional recreational opportunities to inhabitants of an area comprised of the City and a portion of the County outside the City, coextensive with the boundaries of High School District No. 1 (Livingston), Park County, Montana; and

WHEREAS, the 4 Ranges Community Recreation Foundation Inc., a Montana nonprofit (the “Foundation”), has undertaken to raise funds to build a multi-use community recreation complex, expected to include a recreational swimming pool, lap pool, gymnasium, running track, studio space, a large community room and additional related amenities (the “Recreation Facility”); and

WHEREAS, the Foundation proposes to raise funds for the initial construction and equipping of the Recreation Facility, with the expectation that upon completion of the Recreation Facility, fee title to the Recreation Facility would be transferred to a public entity and costs of the ongoing operation and maintenance of the Recreation Facility would be the responsibility of the public entity owner; and

WHEREAS, to provide for the ongoing operation and maintenance of the Recreation Facility, the County and the City have determined to order a referendum on the creation of the Livingston Regional Recreation Facility District (the “District”), in accordance with the Special District Act and this resolution; and

WHEREAS, the County has determined that a referendum on the creation of the District conducted in accordance with Title 13, Chapter 1, Part 5, Montana Code Annotated (“M.C.A.”), and a mail ballot election on such referendum conducted in accordance with the provisions of Title 13, Chapter 19, Parts 1-3, M.C.A., is in the best interests of the District and the electors thereof, and the County will notify the County Election Administrator of its intent to conduct a mail ballot election, which notification will be not less than 85 days prior to the date of the proposed election; and

WHEREAS, the County Election Administrator will prepare a mail ballot election plan in accordance with the provisions of Sections 7-11-1011 and 13-19-205, M.C.A.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PARK COUNTY, MONTANA, that:

Section 1. Necessity of Creating District; Operation and Maintenance. The County and the City propose to establish the District for the purpose of providing for the ongoing operation and maintenance of the Recreation Facility, including but not limited to: (1) operation, programming, maintenance (both routine and major maintenance), repair, replacement, upkeep, improvement, operational enhancement, construction, reconstruction, and implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (2) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; (3) any other functions, labor, training, supplies and/or materials necessary for management and maintenance of the Recreation Facility; and/or (4) funding a reserve account for repairs, maintenance, replacement or additions to the Recreational Facility (collectively, the "Operation and Maintenance").

Section 2. Name of District; Boundaries. The District, if it shall be created and established, shall be known as the "Livingston Regional Recreation Facility District." The County and the City have determined that the boundaries of the District shall be the boundaries of High School District No. 1 (Livingston), Park County, Montana, as depicted on the map attached as Exhibit A, as such boundaries may be adjusted from time to time in accordance with Montana law. Because some of the territory of the District is within the boundaries of the City and some of the territory in the District is outside the boundaries of the City and within the County, the County and the City will act in concert and coordinate their activities for and jointly order a referendum on the creation of the District. Contemporaneously herewith, the City Commission is or will be adopting a resolution substantially similar to this resolution. The District is not a jurisdiction-wide special district under Section 7-11-1009 of the Special District Act.

Section 3. Property to be Assessed; Assessment Methodology. All properties located in the District are to be assessed to pay or finance a portion of the costs of the Operation and Maintenance described in Section 1. In accordance with Section 7-11-1024 of the Special District Act, the costs to provide the Operation and Maintenance (which may include paying debt service with respect to any financing of costs of the Operation and Maintenance) shall be assessed against each lot or parcel of land, including the improvements thereon, for that part of the cost of the District that its taxable value bears to the total taxable valuation of property within the District.

In the first fiscal year in which assessments would be levied, the Operation and Maintenance to be undertaken and performed in the District is estimated to cost \$2,200,000, which, based on the current taxable value of the District, results in a maximum initial proposed annual assessment equal to \$35.00 for each \$100,000 of assessed market value for tax purposes of a home. Assessments for subsequent fiscal years may exceed the maximum initial proposed assessment for the Operation and Maintenance described above, and the dollar amount of such assessments in each year will depend on the fiscal year budget then in effect. No assessments will be levied until the Recreation Facility is substantially complete.

Initial costs of constructing and equipping the Recreation Facility are proposed to be paid with amounts obtained through fundraising by the Foundation, the use of New Markets Tax Credits and/or other nongovernmental funds, and not by special assessments or fees. If the referendum on the District passes, the City and County intend to create the District, but will not levy assessments until the Recreation Facility is substantially complete.

Section 4. Governance of the District; Duration. In accordance with Section 7-11-1022 of the Special District Act, the District will be administered by an appointed board according to an interlocal agreement between the County and the City (the “Interlocal Agreement”), substantially in the form attached hereto as Exhibit B. The Interlocal Agreement addresses governance of the District, administration of District, how property to be used for District purposes will be owned and the disposition of such property, who will provide the Operation and Maintenance, and other basic matters relating to the District. The Interlocal Agreement is hereby approved in substantially the form attached hereto and, if the referendum to create the District is approved, the members of the County Board are hereby authorized and directed to execute and deliver the Interlocal Agreement on behalf of the County, with such additions or deletions as may be approved by the County Board, which additions or deletions shall be conclusively approved by the County by the signatures of the County Board.

In accordance with Sections 7-11-1021 and -1025 of the Special District Act, each year the Board of Directors of the District or the “Board” (as defined in the Interlocal Agreement) shall prepare, or cause to be prepared, for approval of the City Commission and the County Board, a work plan, budget, and estimate of expenses for the Operation and Maintenance to be undertaken in the District, and all properties in the District will be assessed for the costs and expenses of the District based the annual budget.

The duration of the District shall be perpetual; provided that, the District may be dissolved in accordance with Section 7-11-1029 of the Special District Act and the provisions of the Interlocal Agreement if the City Commission and the County Board determine it is in the best interest of the City, the County and the inhabitants of the District, if it is determined that the Recreation Facility cannot or will not be completed, or if the purpose for creating the District has otherwise been fulfilled.

Section 5. The Referendum on District Creation. The County hereby calls and directs that the following question be placed on the ballot for the general election on November 7, 2023:

Shall the proposition to organize the Livingston Regional Recreation Facility District (the “District”) be adopted?

DISTRICT – YES

DISTRICT – NO

If the above proposition passes, it is estimated based on the current taxable value of the District that the initial annual assessment would be equal to \$35.00 for each \$100,000 of assessed market value for tax purposes of a home.

By voting yes, you support creation of the District for the purpose of providing for the ongoing operation and maintenance of a multi-use community recreation complex, which is expected to be constructed with nongovernmental funds.

Section 6. Notice of Election. The notice of election relating to the referendum on the creation of the District in substantially the form attached as Exhibit C is hereby approved, with such changes as may be made prior to publication of the notice to better reflect details of and matters pertaining to such election.

Section 7. Conduct of Election. As set forth in the election notice, an individual is entitled to vote if the individual (a) is a registered elector in Montana, and (b) is a resident of or owner of taxable real property in the proposed District. Appropriate officials of the County are authorized and directed to work with the County Election Administrator to ensure that the referendum on the creation of the District is conducted in accordance with the applicable provisions of Montana law.

Section 8. Effective Date. This resolution is effective as of the date set forth below and amends or supersedes the provisions of any resolutions previously adopted by the County Board to the extent such provisions conflict with the provisions of this resolution.

ADOPTED by the Board of County Commissioners of Park County, Montana, this 10th day of August, 2023.

Chair, Board of County Commissioners

ATTEST:

County Clerk and Recorder

EXHIBIT A

MAP OF DISTRICT

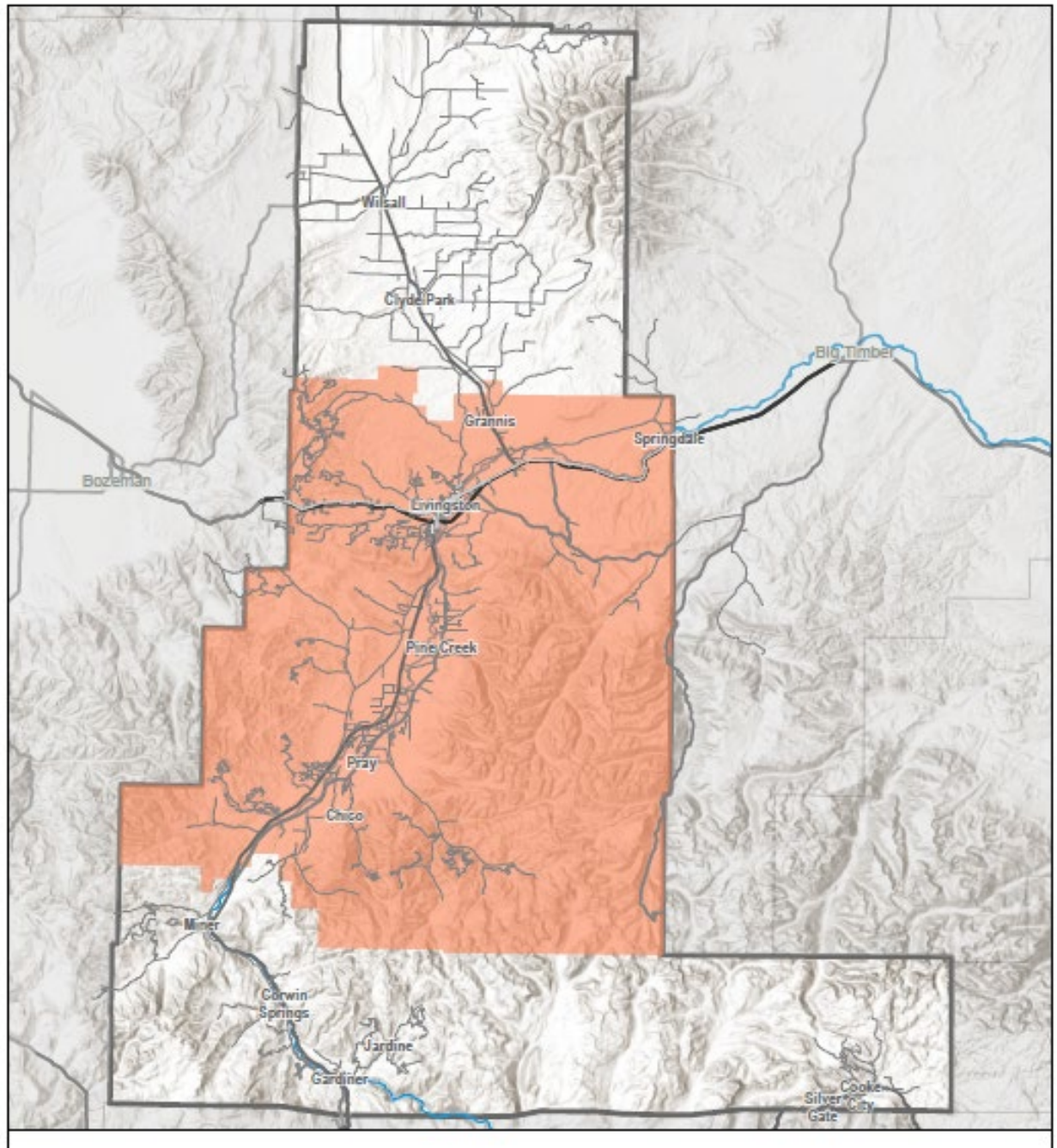


EXHIBIT B

FORM OF INTERLOCAL AGREEMENT

**[TO BE FINALIZED/SIGNED ONLY AFTER PASSAGE OF
REFERENDUM ON THE CREATION OF THE DISTRICT]**

**Interlocal Agreement Regarding the
Livingston Regional Recreation Facility District**

THIS INTERLOCAL AGREEMENT (this “Agreement”) is made and entered into by and between the **CITY OF LIVINGSTON, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, 220 E. Park Street, Livingston, Montana 59047, hereinafter referred to as “City,” and **PARK COUNTY, MONTANA**, a county existing under the laws of the State of Montana, 414 E. Callender Street, Livingston, Montana 59047, hereinafter referred to as “County.” The City and the County are collectively referred to as the “Parties” and each is individually referred to as a “Party.”

RECITALS

- A. Pursuant to a referendum ordered by the Parties under Montana Code Annotated (“MCA”), Title 7, Chapter 11, Part 10, as amended (the “Special District Act”), the electors approved the creation of the Livingston Regional Recreation Facility District (the “District”); and
- B. Pursuant to Section 7-11-1022 of the Special District Act, a special district created by a combination of local governments acting together must be administered according to an interlocal agreement; and
- C. The Parties now wish to enter into this Agreement to outline rights, duties, obligations, and responsibilities of the Parties with respect to the establishment and administration of the District.

AGREEMENT

Pursuant to the authority granted by the Special District Act, the Parties hereto agree as follows:

- 1. **Purpose.** The purpose of this Agreement is to fix the rights, duties, obligations, and responsibilities of each Party with respect to the District.
- 2. **Effective Date.** This Agreement is effective as of _____, 2023.
- 3. **Duration.** This Agreement, as it may be amended as provided herein, will remain in place until such time as it is terminated in accordance with its terms, or upon the dissolution of the District in accordance with this Agreement and the Special District Act.
- 4. **Boundaries.** The District’s boundaries are depicted on the map attached as Exhibit A and are co-terminous with the boundaries of High School District No. 1 (Livingston), Park County, Montana, as such boundaries may be adjusted in accordance with Montana law.
- 5. **Recreation Facility.** The 4 Ranges Community Recreation Foundation Inc., a Montana nonprofit (the “Foundation”), has undertaken to raise funds to build a multi-use community recreation complex, expected to include a recreational swimming pool, lap pool,

gymnasium, running track, studio space, a large community room and additional related amenities (the "Recreation Facility"). Upon completion of the Recreation Facility, fee title ownership of the Recreation Facility is expected to be transferred to the City (subject to the terms of any financing arrangements relating to the Recreation Facility), and the District will provide for the Operation and Maintenance (as hereinafter defined) pursuant to this Agreement.

6. Board of the Special District. Except as otherwise provided in this Agreement and Bylaws of the Board (as those terms are hereinafter defined) and such other documents relating to the District and/or the Board, including, without limitation, rules and regulations, if any, the District shall be governed, administered, and operated by a Board of Directors of Livingston Regional Recreation Facility District (the "Board"), consisting of seven directors. Three directors shall reside within the limits of the City (the "City Directors") and three directors shall reside outside of the limits of the City and in the District (the "County Directors"). The City Directors shall be appointed to the Board by the Mayor of the City with approval of the City Commission. The County Directors shall be nominated by the County Commissioners and appointed to the Board by the Mayor of the City with the approval of the City Commission. Finally, one additional director shall be a member of the City Commission, and, as such, an ex officio director (the "Ex Officio Director"). The Ex Officio Director will be appointed by the Mayor with the approval of the City Commission on a yearly basis and will serve as President or Chair of the Board. The Ex Officio Director is entitled to vote only on matters before the Board as to which there is a tie vote with a quorum of the Board voting. The Board shall be governed by Bylaws of the Board of Directors of Livingston Regional Recreation Facility District (the "Bylaws"), which will set forth such things as the terms of directors; the manner of filling vacancies and the appointment of successor directors, which shall comport with Section 7-11-1021 of the Special District Act; other matters called for by the Special District Act and by Title 7, Chapter 1, Part 2, MCA and Section 2-16-501, MCA; and other appropriate considerations. The terms of the Bylaws shall be consistent with this Agreement and in the event of any conflict between this Agreement and the Bylaws, the terms of this Agreement shall prevail. The Board shall have all powers and duties of an appointed board with respect to the District as are described in the Special District Act, except as limited by this Agreement, the Bylaws, and such other documents relating to the District and/or the Board, including, without limitation, rules and regulations, if any.

The District and the Board shall have no responsibility or authority to regulate or control employment or personnel matters. The District and the Board shall not give direction to the activities of staff.

7. Fiscal Agent. The City will be the fiscal agent with respect to the District and will provide all the necessary or appropriate employees, agents, and contractors and administrative and accounting services. The District financial information will be audited at the same time as the fiscal agent undergoes its regular audits. The fiscal agent shall charge the District for the reasonable costs for work performed for the District.

8. Operation and Maintenance of the Recreation Facility.

a. The District is established for the purpose of providing for the ongoing operation and maintenance of the Recreation Facility, including but not limited to: (1) operation, programming, maintenance (both routine and major maintenance), repair,

replacement, upkeep, improvement, operational enhancement, construction, reconstruction, and implementation of measures required to maintain public health and safety or meet legal or regulatory requirements; and/or (2) purchasing, replacing, and/or maintaining equipment, tools or vehicles used to carry out the functions described herein; and/or (3) any other functions, labor, training, supplies and/or materials necessary for management and maintenance of the Recreation Facility (collectively, the “Operation and Maintenance”).

b. Unless otherwise agreed in a writing between the City and the County, the City will be responsible for providing the Operation and Maintenance through City employees, agents, or contractors.

9. Financing and Budget.

a. *Budget Preparation:* The fiscal year budget for the District will be prepared by City staff for approval as described below.

b. *Budget Approval:* Each year, City staff shall present to the Board the proposed fiscal year budget for approval by the Board. Once approved by the Board, City staff shall then present the proposed fiscal year budget for approval by the City Commission and the Board of County Commissioners. The proposed budget presentation by City staff for approval by the Board and each Party may include, but is not limited to, the following (if applicable):

i. The fees derived from the Recreation Facility.

ii. Provision for payment of debt service and any other amounts owing with respect to indebtedness or other contractual obligations of the District.

iii. Proposed maintenance and improvement projects.

iv. Scope of operations and services of the District and sources of payment for operations and services.

v. Proposed acquisitions or dispositions of tangible property.

vi. Recommended budget priorities.

vii. Amounts needed to fund the reserve account for repairs, maintenance, replacement and additions to the Recreational Facility.

c. *Assessments and Fees:* Following presentation and approval of the budget by the City Commission and Board of County Commissioners, the District shall cause the County to levy assessments, or, if applicable, the District shall impose fees, for the costs and expenses of the District, which may include, if authorized, the repayment of special assessment revenue bonds of the District, based on the approved fiscal year budget. Costs and expenses shall be assessed based on the taxable value of each lot, tract, or parcel in the

District, unless another method shall be deemed preferable by the Board, and fees shall be established and adjusted by the Board in accordance with applicable law.

d. Taxes: If the District has outstanding any general obligation bonds of the District, the Board shall cause the County to levy taxes at the appropriate rate and amount to pay debt service on such bonds.

e. Budget Amendments: All mid-year budget amendments are subject to approval by the Board and any mid-year budget amendments that affect the fiscal year budget by a dollar amount in excess of \$50,000 are subject to approval by the City Commission and the Board of County Commissioners.

f. Loan Financing: The Board will seek approval from the City Commission and the Board of County Commissioners for any single loan or any other single financing of the District that is in excess of \$250,000 in principal amount. If a single loan or a single financing of the District is less than or equal to \$250,000 in principal amount, the Board may authorize and the District may enter into such loan or financing without the approval of the City Commission or the Board of County Commissioners, so long as such loan or financing is permitted by law.

10. Providing for Payment of Costs and Expenses. The Board shall cause the County to levy special assessments against lots, tracts and parcels in the District and shall cause fees for use or enjoyment of the Recreation Facility to be charged. Revenues derived from such assessments and fees shall be applied to costs of the Operation and Maintenance, unless applied to securing the repayment of or repaying District borrowings or financings. The City shall provide employees, agents, or contractors to perform Operation and Maintenance. Accordingly, unless otherwise agreed in writing by the Parties, revenues received by the District from special assessments or fees, unless required to pay or repay District obligations, shall be transferred from the District to the City and the City shall apply such amounts to defray costs and expenses of the City in providing the Operation and Maintenance or otherwise providing services to the District.

11. Contracts. The District, through the Board, may enter into one or more agreements with the City necessary or appropriate for operation and administration of the District and/or for the Operation and Maintenance. So long as appropriate approvals have been obtained consistent with this Agreement, if any, the City Manager is authorized to sign on behalf of the City all documents and contracts between the District and the City called for or arising under or in connection with this Agreement. In addition, with the prior written consent of the City Manager, the Board may enter into contracts for matters that the City is not reasonably able to perform or that are better suited to be direct obligations of the District by following the procurement process adopted by the Board. The Board, to the extent practical, shall adopt procurement processes that are identical to those of the City. All bid awards for work solicited by the Board are subject to approval by the Board. Unless otherwise agreed to in writing by the City and County, all contract costs shall be paid either by the District or the City and, if paid by the City, the District shall reimburse the City for such costs.

12. Insurance. The City shall obtain coverage from the Montana Municipal Interlocal Authority under the Memorandum of Coverage issued to the City, naming the County and the

District as additional insureds. The coverage shall include errors and omissions coverage for the Board and such other coverages as the City and the County deem advisable and that the City may obtain under the Memorandum of Coverage, including, without limitation, coverage for property and liability matters. The premiums for any District insurance will be costs and expenses of the District and included in the fiscal year budget of the District. Insurance obtained by or for the District will contain provisions, including, but not limited to, provisions regarding types of insurance and coverage amounts, that are reasonably acceptable to the County. The City shall provide to the County annually a Certificate of Insurance, signed by the City Manager or other appropriate City official, identifying all of the material terms of insurance obtained by the City for the benefit of the District or the Board pursuant to this Section 12. The County may specify the insurance information that it desires to be set forth in the Certificate of Insurance, so long as such information is reasonable and readily available.

13. Indemnification. To the extent permitted by law, the City shall defend, indemnify and hold harmless the County, its employees and agents, from all claims, liabilities, demands, causes of action or judgments, including costs and attorney fees, asserted by or awarded to third parties as a result of any negligent action or omission or willful misconduct of the City, its employees or agents, occasioned, arising out of, or in any way arising from the City's undertakings pursuant to or obligations under this Agreement.

14. Records Access and Retention. The Parties agree to provide to each other access to any records created, obtained, or maintained by the District or the Parties pursuant to this Agreement.

15. Supersedes all Prior Agreements. This Agreement replaces and supersedes any and all prior agreements between the Parties with respect to the District.

16. Dispute Resolution. In the event the Board is unable to resolve any disagreement concerning the operation and management of the District, or the interpretation of this Agreement, the Bylaws, or other documents regarding the District and/or the Board, the Board shall cause the matter to be heard by the governing body of each Party, which shall attempt to finally resolve the matter. In the event the governing bodies are unable to resolve the matter, the Parties shall submit the matter to binding mediation, to be conducted by a mediator jointly selected by the Parties.

17. No Assignment, Transfer, or Delegation. Neither Party may assign, transfer, or delegate, their rights, duties, or obligations pursuant to this Agreement without prior express written consent of the other Party.

18. Dissolution of the District.

a. Written Agreement. The City and the County, by prior written agreement, may initiate dissolution of the District in accordance with Section 7-11-1029 of the Special District Act and any other applicable state law. The dissolution of the District may not relieve the Parties of the obligation to pay and discharge in full all obligations, charges, and indebtedness of or existing against the District prior to the date of dissolution, including, without limitation, paying in full and discharging all bonds, loans, or other

indebtedness of the District.

b. *Undertakings of Each of the City and County to Comply with the Special District Act.* In effecting the dissolution of the District, each of the City Commission of the City and the Board of County Commissioners of the County shall comply with the provisions of Section 7-11-1029 of the Special District Act, including, but not limited to, making findings that it is in the best interest of the City and County, respectively, or the inhabitants of the District that the District be dissolved or that the purpose for creating the District has been fulfilled and the District is not needed in perpetuity; adopting resolutions of intention to dissolve the District; coordinating notices of intent to dissolve the District; and otherwise performing the undertakings required of a governing body under Section 7-11-1029 of the Special District Act.

c. *Hiring of Professionals.* The Board, with the prior approval of the City Commission and the Board of County Commissioners, by separate resolutions or joint resolution, may hire third-party professionals to assist in the dissolution of the District, including, without limitation, certified public accountants, lawyers, appraisers, and real estate agents/brokers, to assist in and facilitate the dissolution.

d. *Disposition of the Recreation Facility in Dissolution Proceedings.* If dissolution proceedings relating to the District are commenced pursuant to the written agreement of the City and the County and an insufficient protest to dissolution is received, the Recreation Facility shall continue to be owned by the City. In the event that at the time of dissolution, the District has acquired tangible property owned by the District (“District Property”), District Property shall be deemed to be owned by the City and the County, with the City holding a proportionate ownership interest determined by dividing the most recent certified taxable value of the City by the most recent certified taxable value of the District and with the County holding a proportionate ownership interest determined by dividing the most recent certified taxable value of the District less the most recent certified taxable value of the City by the most recent certified taxable value of the District. This obligation that District Property be owned jointly by the City and the County in the context of dissolution proceedings shall be deemed to satisfy the provisions of the Special District Act to the effect that local governments shall proportionally share the ownership of real or personal property acquired pursuant to an interlocal agreement. The City shall have the right of first option to purchase District Property, or any portion thereof, by acquiring the County’s proportionate ownership interest in District Property, or any portion thereof, at a price equal to its fair market value as determined by an appraiser jointly selected by the City and County. Such right of first option to purchase shall be governed by the provisions set forth on the attached Exhibit B. If the City acquires the County’s proportionate ownership interest in District Property, or any portion thereof, in a proceeding to dissolve the District pursuant to its right of first option to purchase, all of the net proceeds of such acquisition shall first be applied to satisfying outstanding liabilities, debts, or obligations of the District and any remaining net proceeds, if any, will be transferred to the County. If a third party that is other than the City or the County acquires an ownership interest in the District Property, or any portion thereof, in a proceeding to dissolve the District, all of the net proceeds of such acquisition shall first be applied to satisfying outstanding liabilities, debts, or obligations of the District and any remaining net proceeds, if any, will be transferred to

the City and the County pro rata in proportion to each of their respective ownership interests determined as described above in this Section 18(d).

19. Amendment or Termination of Agreement. This Agreement may be amended or terminated only by the written agreement of both Parties. All amendments to and any termination of this Agreement must first be approved by the City Commission and the Board of County Commissioners.

20. Governing Law and Venue. This Agreement and any amendments hereto shall be governed and construed in accordance with the laws of the State of Montana. If a dispute arises, the proper venue for the hearing of the case is the District Court of the Sixth Judicial District of the State of Montana, in Park County.

21. Headings. The section headings contained in this Agreement are for reference purposes only and do not affect the meaning or interpretation of the Agreement.

22. Severability. If any term or provision of this Agreement is held to be illegal, void or in conflict with any Montana law, the validity of the remaining terms and conditions shall not be affected. The rights and obligations of the Parties shall be construed and enforced as if this Agreement did not contain the part held to be invalid.

23. Execution in Counterparts. This Agreement may be executed by the Parties in multiple counterparts and this Agreement, when fully executed, shall be effective as of the date set forth in Section 2 above. When so executed and delivered, each such counterpart shall be deemed an original, and all such counterparts shall be deemed one and the same document. Transmission of images of signed signature pages by facsimile, e-mail or other electronic means shall have the same effect as the delivery of manually signed documents in person.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement to be effective as of the date set forth in Section 2 above.

CITY OF LIVINGSTON:

By: _____
Mayor

Date: _____

By: _____
City Manager

Date: _____

PARK COUNTY:

By: _____
Chair, Board of County Commissioners

Date: _____

By: _____
Commissioner, Board of County Commissioners

Date: _____

By: _____
Commissioner, Board of County Commissioners

Date: _____

EXHIBIT A

[Boundaries of the District]

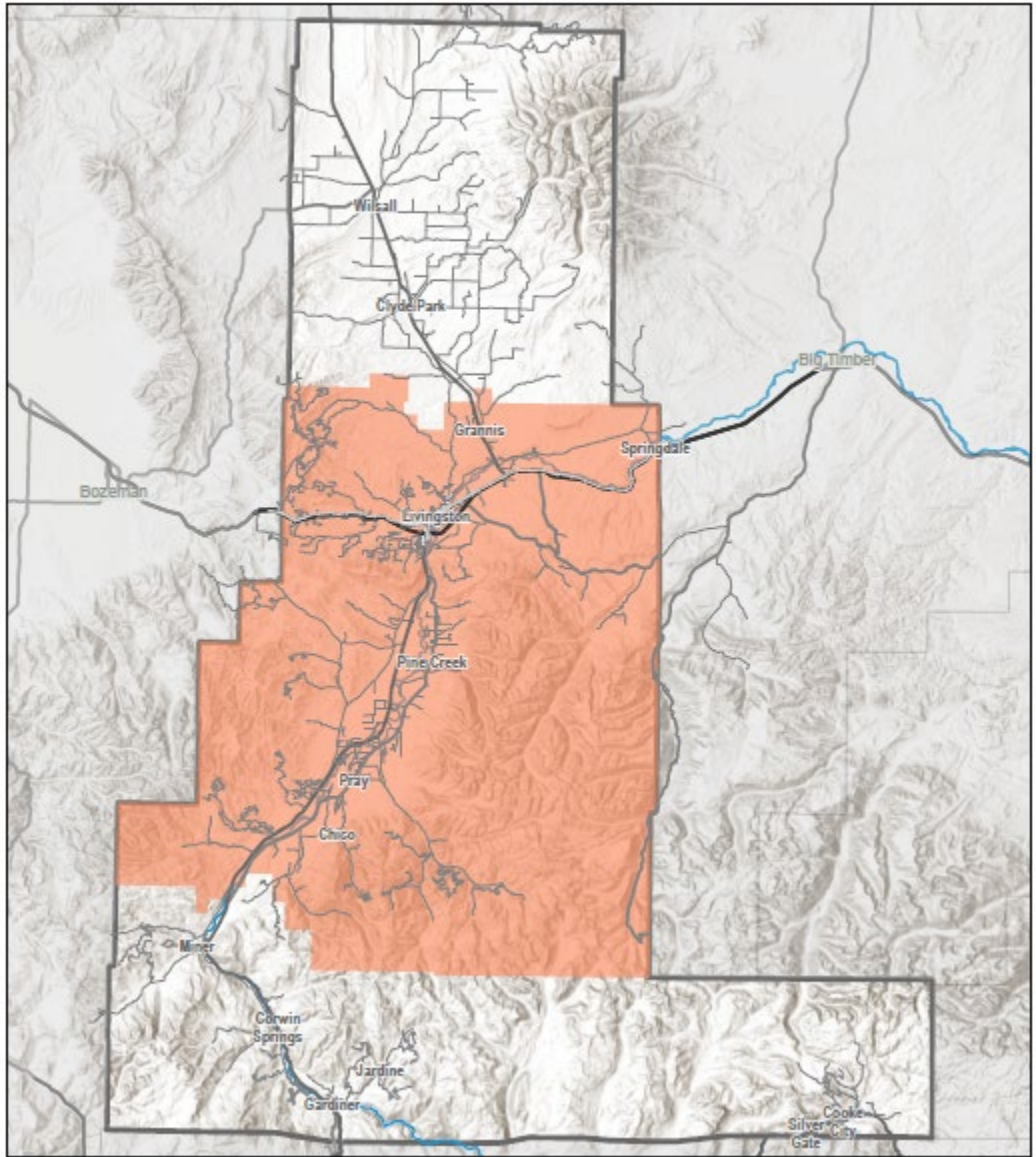


EXHIBIT B

Details Regarding City's Right of First Option to Purchase

This EXHIBIT B is attached to and is made a part of that certain Interlocal Agreement Regarding the Livingston Regional Recreation Facility District (the "Agreement") between the City of Livingston, Montana (the "City") and Park County, Montana (the "County"). Terms used with initial capital letters but not defined in this EXHIBIT B have the meanings given them in the Agreement.

1. Purpose. The purpose of this EXHIBIT B is to set forth details with regard to the City's right of first option to purchase the County's interest in the District Property, or any portion thereof (the "Option"), in dissolution proceedings relating to the District as set forth in Section 18(d) of the Agreement.
2. Determination of Purchase Price. In any proceeding to sell or liquidate the District Property, or any portion thereof, pursuant to dissolution of the District in accordance with Section 7-11-1029 of the Special District Act and other applicable laws, the City shall have the Option to purchase the County's ownership interest in the District Property, or any portion thereof, at a purchase price determined by an appraiser jointly selected by the City and the County or otherwise as set forth below that is equal to the appraised value of County's ownership interests in such District Property (the "Purchase Price"). The City's and the County's respective proportionate ownership interests in the District Property (including, without limitation, the Option Property as that term is defined below) shall be determined as provided in the first sentence of Section 18d. of the Agreement.
3. Exercise of Option. To exercise the Option, the City shall by written notice to the County identify that portion of the District Property as to which it desires to exercise its Option (the "Option Property"). The County and the City shall thereafter jointly select a professional appraiser licensed in the State of Montana with regard to determining the Purchase Price of the Option Property by a date that is no later than 60 days after the date of the City's delivery of such written notice. In the event the Parties are unable to or do not select jointly an appraiser within such 60-day period, either Party may request that a judge of the Park County District Court appoint an appraiser.
4. Purchase of District Property. Within 30 days after the determination of the Purchase Price of the Option Property by the appraiser, the City shall elect whether to proceed with the consummation of the purchase of the County's ownership interest in the Option Property by delivery of written notice to the County specifying whether the City will proceed with the purchase or will not proceed with the purchase of the County's ownership interest in the Option Property. If the City by written notice to the County elects not to purchase such interest, the Option shall expire in all respects and the Option Property shall be sold or liquidated in accordance with the dissolution provisions of the Special District Act and other applicable law. If the City elects to purchase the County's ownership interest in the Option Property, the City shall so

notify the County in writing and the City shall proceed to purchase and the County shall proceed to sell the County's interest on the Option Property as expeditiously as reasonably practicable pursuant to documents and instruments reasonably acceptable to the City and the County. Such documents and instruments shall provide that the net proceeds of the Purchase Price shall first be applied to satisfying outstanding liabilities, debts, or obligations of the District and any remaining net proceeds, if any, will be transferred to the County.

EXHIBIT C

FORM OF NOTICE OF REFERENDUM ON THE CREATION OF A SPECIAL DISTRICT

NOTICE IS HEREBY GIVEN that the City Commission of the City of Livingston, Montana (the “City”) and the Board of County Commissioners of Park County, Montana (the “County”), jointly propose to create a special district (the “District”) pursuant to Montana Code Annotated, Title 7, Chapter 11, Part 10, as amended (the “Special District Act”), to provide additional recreational opportunities to inhabitants of an area comprised of the City and a portion of the County outside the City, such area being coextensive with the boundaries of High School District No. 1 (Livingston), Park County, Montana. The District, if created and established, will be known as the “Livingston Regional Recreation Facility District.”

Pursuant to a resolution duly adopted by the City Commission of the City on August 11, 2023, and a resolution duly adopted by the Board of County Commissioners of the County on August 10, 2023, the City and the County have directed that the following question be placed on the ballot for the general election on November 7, 2023:

Shall the proposition to organize the Livingston Regional Recreation Facility District (the “District”) be adopted?

If the above proposition passes, it is estimated based on the current taxable value of the District that the initial annual assessment would be equal to \$35.00 for each \$100,000 of assessed market value for tax purposes of a home.

By voting yes, you support creation of the District for the purpose of providing for the ongoing operation and maintenance of a multi-use community recreation complex, which is expected to be constructed with nongovernmental funds.

An individual is entitled to vote on the proposition to organize the District set forth above if the individual (a) is a registered elector in Montana, and (b) is a resident of or owner of taxable real property in the proposed District. If the individual desires to vote on the above proposition because he or she is a registered elector in Montana and is an owner of taxable real property in the proposed District, but does not reside in the proposed District, such individual shall provide written proof of the individual’s qualifications to vote to the Park County Election Administrator by no later than October [10], 2023.

The election on the above referendum will be conducted solely by mail ballot. Ballots will be mailed on October [18], 2023, to all eligible registered electors in Montana who are a resident of or owner of taxable real property in the proposed District who have established to the satisfaction of the County Election Administrator that they are authorized to vote, and must be returned by each voter by mail, to the Park County Election Administrator, 414 E. Callender Street, Livingston, Montana, or ballots may be delivered in person to the Park County Election Administrator located at 414 E. Callender Street, in Livingston, Montana during regular business hours (8:00 a.m. to 5:00 p.m.) weekdays (exclusive of holidays) October [20], 2023 through November 6, 2023.

On Election Day, November 7, 2023, the only places for deposit of voted ballots will be the office of the Park County Election Administrator located at 414 E. Callender Street, in Livingston, Montana, and such other ballot drop-off locations as are identified in the election instructions provided by the Park County Election Administrator, which will be open from 8:00 a.m. to 8:00 p.m. All ballots will be tallied in the office of the Park County Election Administrator on November 7, 2023 as required by law.

A qualified voter who will be absent during the time the election is being conducted may:

(a) vote in person in the office of the Park County Election Administrator as soon as the ballots are available and until 8:00 p.m. on Election Day; or

(b) make a written request prior to noon on November 6, 2023, signed by the applicant and addressed to the office of the Park County Election Administrator, requesting the ballot be mailed to an address other than that which appears on the registration records.

An elector may obtain a replacement ballot if his or her ballot is destroyed, spoiled, lost, or not received by the elector, by filling out and mailing, emailing, or faxing back a completed replacement ballot request form or by personally appearing at the office of the Park County Election Administrator at 414 E. Callender Street, in Livingston, Montana.

Ballots may be returned in person at the places of deposit listed in the election instructions of the Park County Election Administrator, or returned by mail. If returning by mail, please use the then-prevailing first-class-postage price or one Forever Stamp. Postmark date does not apply; ballots returned by mail must be received by the 8:00 p.m. Election Day deadline to be counted.

Electors who miss the close of registration deadline may register late and vote in the election if the Park County Election Administrator receives and verifies the electors' voter registration information or other information to establish that he or she is entitled to vote prior to 8 p.m. on November 7, 2023.

DATED this ____ day of _____, 2023.

/s/
Park County Election Administrator

Publish: [*Livingston Enterprise*]: [_____] [3x no earlier than 40 days and no later than 10 days before the election].

