

TAX REMITTANCE AGREEMENT

This Tax Remittance Agreement (“Agreement”), entered into this 20th day of December, 2011, by and between Anaconda-Deer Lodge County, 800 South Main, Anaconda, MT 59711 (“ADLC”) and Anaconda School District 10 (the “School District”). ADLC and the School District may be referred to hereinafter as “Party” and, collectively hereinafter, as the “Parties.”

Recitals

WHEREAS, Anaconda-Deer Lodge County Amended Ordinance 212 B, adopted June 16, 2009 (the “Ordinance”), established Tax Increment Financing Industrial District No. 2 (“TIFID No. 2”) in Anaconda-Deer Lodge County; and

WHEREAS, under the terms of the Ordinance, certain tax revenues are put into the TIFID No. 2; and

WHEREAS, the Ordinance requires certain of those tax revenues to be remitted to the affected taxing bodies in accordance with Mont. Code Ann. §7-15-4291; and

WHEREAS, the School District is one of the taxing bodies entitled to a remittance of tax revenues; and

WHEREAS, the Ordinance requires that ADLC and the affected taxing entities enter into an agreement regarding the remittance of tax revenues.

NOW, THEREFORE, in consideration of the mutual covenants and terms and conditions stated herein, the Parties agree as follows:

1. Definitions.

a. “Incremental Taxable Value” means the amount, if any, by which the actual taxable value at any time exceeds the base table value of all property within a tax increment financing industrial district.

b. “Limited Tax Increment” means the Tax Increment derived solely from the Mill Creek natural gas-fired electric generating station and related facilities.

c. “Mill Creek Bonds” means the tax increment revenue bonds to be issued by ADLC relating to the design, construction, and installation of infrastructure necessary to facilitate the development of the Mill Creek generating station.

d. “Tax Increment” means the collections realized from extending the tax levies, expressed in mills, of all taxing bodies in which the tax increment financing industrial district or a part thereof is located against the Incremental Taxable Value.

2. **Obligation to Remit.** As required by Section 7 of the Ordinance, ADLC shall remit to the School District its share of any Limited Tax Increment not required to pay the principal of and interest on the Mill Creek Bonds.
3. **Calculation of Remittance.** The School District's share of the available Limited Tax Increment shall be determined by calculating what percentage the number of mills attributable to the School District is of the total number of mills levied by all taxing entities mills as applied to the Tax Increment. Every remittance to the School District shall be accompanied by a reasonably adequate explanation of how ADLC calculated the amount remitted.
4. **Time of Remittance.** Remittance shall occur twice during the year to correspond with the first half and second half collection of taxes. The first half remittance to the School District shall occur on or before January 15 of any year, beginning on January 15, 2012. The second half remittance to the School District shall occur on or before July 15, of any year, beginning on July 15, 2012.
5. **Dispute.** If the School District disputes the amount of any particular remittance, it shall notify ADLC within thirty (30) business days of the date ADLC sent the remittance to the School District. Failure to dispute the amount remitted with the allotted time shall be deemed an admission by the School District it accepts the amount remitted as the correct amount.
6. **Term.** The Term of this Agreement shall coincide with the Term of the TIFID No. 2 as set forth in Section 6 of the Ordinance.
7. **Notice.** Any notice to be given hereunder shall be deemed complete when deposited in the United States Post Office, sent as registered or certified mail with full first class postage prepaid thereon, and addressed to the Parties as first set forth above, unless another address is designated in writing by a Party.
8. **Representative.** ADLC's representative for purposes of this Agreement shall be the Anaconda-Deer Lodge County Treasurer. The School District's Representative shall be School District Clerk. All communications regarding the Agreement must be directed to the appropriate representatives and only the appropriate representatives have the authority to convey decisions and information to the other Party regarding this Agreement.
9. **Amendment or Modification.** The Parties to this Agreement may amend or modify this Agreement only by written instrument executed by the Parties.
10. **Third Party Rights.** No person or entity that is not party to this Agreement has any right of action or benefit under this Agreement.
11. **Integration.** The Agreement constitutes the entire agreement between the Parties and no statement, promise or inducement that is not contained in this Agreement is binding on the Parties.

12. **Severability.** If any part, term or provision of this Agreement is held by the courts to be illegal the illegality shall not affect the validity of any other part, term or provision, and the rights of the parties shall be construed as if the part, term or provision were never part of the Agreement.

13. **Binding Effect.** This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and assigns.

14. **Counterparts.** This Agreement may be executed in counterparts, which together shall constitute one instrument.

15. **Authority.** Each Party represents and warrants that it has the full power and authority to enter into and perform this Agreement and that the person signing on behalf of each Party has been properly authorized and empowered to enter into this Agreement on behalf of such Party.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in duplicate on the day and year first above-written.

Anaconda-Deer Lodge County

By: Rebecca Gray
Name: Rebecca Gray
Title: Chief Executive

School District

By: Dr. Tom Darrell
Name: DR. TOM DARRELL
Title: SUPERINTENDENT