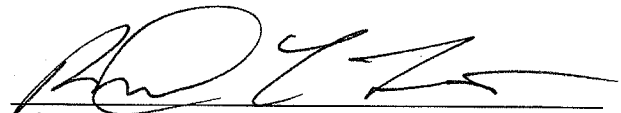


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Big Sky County Water and Sewer District No. 363, Montana (the "District"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "A RESOLUTION OF BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF INCURRING BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED FIVE MILLION AND NO/100 DOLLARS (\$5,000,000) FOR THE PURPOSE OF PAYING THE COSTS OF DESIGNING, CONSTRUCTING, AND INSTALLING IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM, CONSISTING OF CONNECTING THE MOUNTAIN VILLAGE, LONE MOOSE MEADOWS, ASPEN GROVE, AND MEADOW VILLAGE WATER SYSTEMS INTO ONE SYSTEM USING 8-INCH STEEL PIPE; DRILLING TWO NEW MEADOW VILLAGE PRODUCTION WELLS AND CONNECTING THEM TO THE SYSTEM; AND WATER SYSTEM MAINLINE REPLACEMENT WORK, ALL TO PROVIDE THE DISTRICT WITH A REDUNDANT WATER SUPPLY SYSTEM AND IMPROVE THE PUBLIC WATER SYSTEM TO DISTRIBUTE WATER DURING PEAK DEMANDS; RELATED IMPROVEMENTS; AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS" (the "Resolution"), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Directors of the District at a regular meeting on August 15, 2006, and that the meeting was duly held by the Board of Directors 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Directors voted in favor thereof: Paul "Packy" Cronin, Gary McRae, Dick Fast, Dick Allgood, Jeff Daniels and William Shropshire, voted against the same: _____; abstained from voting thereon: _____; or were absent: William Olson.

WITNESS my hand officially this 15th day of August, 2006.


Dick Fast
Secretary

RESOLUTION NO. 06-02

A RESOLUTION OF BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE WATER SYSTEM JURISDICTIONAL AREA THE QUESTION OF INCURRING BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED FIVE MILLION AND NO/100 DOLLARS (\$5,000,000) FOR THE PURPOSE OF PAYING THE COSTS OF DESIGNING, CONSTRUCTING, AND INSTALLING IMPROVEMENTS TO THE DISTRICT'S WATER SYSTEM, CONSISTING OF CONNECTING THE MOUNTAIN VILLAGE, LONE MOOSE MEADOWS, ASPEN GROVE, AND MEADOW VILLAGE WATER SYSTEMS INTO ONE SYSTEM USING 8-INCH STEEL PIPE; DRILLING TWO NEW MEADOW VILLAGE PRODUCTION WELLS AND CONNECTING THEM TO THE SYSTEM; AND WATER SYSTEM MAINLINE REPLACEMENT WORK, ALL TO PROVIDE THE DISTRICT WITH A REDUNDANT WATER SUPPLY SYSTEM AND IMPROVE THE PUBLIC WATER SYSTEM TO DISTRIBUTE WATER DURING PEAK DEMANDS; RELATED IMPROVEMENTS; AND PAYING COSTS ASSOCIATED WITH THE SALE AND ISSUANCE OF THE BONDS

RECITALS

WHEREAS, pursuant to Section 7-13-2321, Montana Code Annotated, whenever the board of directors of a county water or sewer district deems it necessary for the district to incur a bonded indebtedness, it shall by resolution so declare and state the purpose for which the debt is proposed to be incurred, the land within the district to be benefited thereby, the amount of the debt to be incurred, the land within the district benefited thereby, the maximum term the bonds proposed to be issued shall run before maturity, and the proposition to be submitted to the electors; and

WHEREAS, the Board of Directors (the "Board") of Big Sky County Water and Sewer District No. 363, Montana (the "District"), has determined that there should be submitted to the electors of the District qualified to vote at bond elections the question of whether or not the Board shall be authorized to issue and sell bonds of the District in order to obtain funds for the purpose of paying the costs of designing, constructing, and installing improvements to the district's water system (the "Water System"), consisting of connecting the Mountain Village, Lone Moose Meadows, Aspen Grove, and Meadow Village water systems into one system using 8-inch steel pipe; drilling two new Meadow Village production wells and connecting them to the system; and water system mainline replacement work, all to provide the District with a redundant water supply system and improve the public water system to distribute water during peak demands; related improvements; and paying costs associated with the sale and issuance of the bonds (the "Project"); and

WHEREAS, the Board has determined that it is in the best interest of the District that the bonds to be issued to finance the Project be issued as general obligation bonds, payable from an ad valorem property tax on all property in the Water System Jurisdictional Area; and

WHEREAS, the estimated cost of the Project to be paid from the proceeds of the proposed bonds is \$5,000,000; and

WHEREAS, pursuant to Resolution No. 01-09, approved and adopted by the District on December 18, 2001, the Board has revised the boundaries of the District and an accurate and correct description of the boundary of the District is attached as Exhibit A hereto (which is hereby incorporated herein and made a part hereof); and

WHEREAS, pursuant to Resolution No. 01-11, the District has determined that the properties of the District depicted and shown on Exhibit B hereto (which is hereby incorporated herein and made a part hereof) is the property in the District to be benefitted by the Water System and which shall be referred to as the Water System Jurisdictional Area; and

WHEREAS, the District has determined that all of the property incorporated in the District will be served or benefit from either the Water System or the District's Sewer System, but that not all property will be served by or benefit from both the systems and that only those properties benefitted by the respective systems shall be subject to tax levies to pay the costs of capital improvements for such systems; and

WHEREAS, the Board has determined that it is in the best interest of the District that general obligation bonds be issued to finance the Project, which bonds will be payable from ad valorem property taxes to be levied against all property in the Water System Jurisdictional Area, unless resort tax or other revenues of the District are available therefor; and

WHEREAS, it is necessary to submit to the qualified electors of the Water System Jurisdictional Area the question of whether the Board of the District shall be authorized to issue general obligation bonds for the Project.

WHEREAS, pursuant to Sections 7-13-2323 and 13-19-104, M.C.A., such election can be conducted by a mail ballot election; and

WHEREAS, the Board has determined that a mail ballot election conducted in accordance with the provisions of Title 13, Chapter 19, Parts 1-3, M.C.A. (the "Mail Ballot Act"), is in the best interests of the District and the electors thereof, and has notified the County Election Administrator of its intent to conduct a mail ballot election; and

WHEREAS, the District will work with the Election Administrator to prepare a mail ballot election plan in accordance with the provisions of Section 13-19-205, M.C.A. (the "Mail Ballot Plan").

NOW, THEREFORE, BE IT RESOLVED By the Board of the District as follows:

1. Calling of the Election. The Board of the District hereby calls and directs a special election to be held in the District on December 5, 2006, to be conducted by mail ballot pursuant to the provisions of the Mail Ballot Act for the purpose of voting on the question of whether or not the Board shall be authorized to incur bonded indebtedness of the District, in an amount not to exceed \$5,000,000 for the purpose of paying the costs of designing, constructing, and installing improvements to the district's water system, consisting of connecting the Mountain Village, Lone Moose Meadows, Aspen Grove, and Meadow Village water systems into one system using 8-inch steel pipe; drilling two new Meadow Village production wells and connecting them to the system; and water system mainline replacement work, all to provide the District with a redundant water supply system and improve the public water system to distribute water during peak demands; related improvements; and paying costs associated with the sale and issuance of the bonds. The bonds shall be payable from an ad valorem property tax on all property in the Water System Jurisdictional Area. The bonds shall be payable during a period of not more than twenty (20) years.

2. Benefited Land. All land within the Water System Jurisdictional Area will be benefited by the Project, and such land is described as set forth in Exhibit A hereto and as shown on the map attached as Exhibit B hereto (which exhibits are incorporated by reference and made a part hereof).

3. Conduct of Election. All qualified electors of the Water System Jurisdictional Area shall be entitled to vote at the bond election. For purposes of this election, the qualified electors include those registered electors owning or residing upon real property in the Water System Jurisdictional Area, or in the case of real property in the Water System Jurisdictional Area owned by a corporation, the president, vice president or secretary of the corporation. The Secretary of the District is hereby authorized and directed to give notice of the call and details of this election to the County Election Administrator. The County Election Administrator is requested to give notice of the close of registration and thereafter prepare printed lists of the qualified electors in the Water System Jurisdictional Area entitled to vote in the election in the Water System Jurisdictional Area and to conduct the election in the form and manner prescribed by law and consistent with the Mail Ballot Plan, as follows:

The election will be conducted solely by mail ballot. Ballots will be mailed to all eligible registered voters in the Water System Jurisdictional Area on November 15, 2006, and must be returned by each voter, to the County Election Administrator's Office by mail or in person to the Gallatin County Courthouse, 311 W. Main Street, Bozeman, Montana 59715-4576, during regular business hours (8:00 a.m. to 5:00 p.m.), weekdays, November 16, 2006 through December 4, 2006.

On Election Day, December 5, 2006, the only place for deposit of voted ballots will be the office of the County Election Administrator at Gallatin County Courthouse, 311 W. Main Street, Bozeman, Montana 59715-4576, which will be open from 8:00 a.m. to 8:00 p.m., and all ballots must be in that office by 8:00 p.m. in order to be counted. All ballots will be tallied in the office of the County Election Administrator after 8:00 p.m. on December 5, 2006.

A qualified voter who will be absent from the Water System Jurisdictional Area during the time the election is being conducted may:

(a) vote in person in the office of the County Election Administrator as soon as the ballots are available and until noon on November 14, 2006; or

(b) make a written request prior to noon on November 14, 2006, signed by the applicant and addressed to the office of the County Election Administrator, that the ballot be mailed to an address other than that which appears on the registration records. All ballots to be mailed will be mailed no later than November 15, 2006.

An elector may obtain a replacement ballot if his ballot is destroyed, spoiled, lost, or not received by the elector by personally appearing at the office of the County Election Administrator and by:

(a) signing an affidavit form stating the reason for the request for replacement; and

(b) if the reason given for replacement is "spoiled ballot," by returning the spoiled ballot to the office of the County Election Administrator.

4. Notice of Election. The County Election Administrator is hereby authorized and requested to cause notice of the call and holding of the election to be given not less than once a week for three consecutive weeks prior to the election by publishing notice in the *Lone Peak Lookout* and the *Bozeman Daily Chronicle*, newspapers of general circulation in Gallatin County. The notice of election as published shall read substantially as shown on Exhibit C hereto (which is incorporated by reference and made a part hereof).

5. Form of Ballot. The ballot shall be printed in substantially the following form:

BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363, MONTANA
GENERAL OBLIGATION BOND ELECTION
December 5, 2006

INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BONDS – YES" if you wish to vote for the bond issue; if you are opposed to the bond issue, make an X or similar mark in the square before the words "BONDS – NO."

Shall the Board of Directors of Big Sky County Water and Sewer District No. 363, Montana (the "District") be authorized to sell general obligation bonds of the District in an amount not to exceed Five million and No/100 Dollars (\$5,000,000), payable over a period of not more than twenty (20) years, for the purpose of paying the costs of designing, constructing, and installing improvements to the district's water system, consisting of connecting the Mountain Village, Lone Moose Meadows, Aspen Grove, and Meadow Village water systems into one system using 8-inch steel pipe; drilling two new Meadow Village production wells and connecting them to the system; and water system mainline replacement work, all to provide the District with a redundant water supply system and improve the public water system to distribute water during peak demands; related improvements; and paying costs associated with the sale and issuance of the bonds (the "Project")? The total cost of the Project is estimated to be \$5,000,000 and would be paid from the proceeds of the proposed bonds in an amount not to exceed \$5,000,000. The Project will benefit all properties in the Water System Jurisdictional Area, the boundaries of which are on file in the office of the District and the office of the Gallatin County Clerk and Recorder. The bonds shall be payable from an ad valorem property tax levied against all properties in the Water System Jurisdictional Area and other available revenues of the Water System and the Water System Jurisdictional Area.

BONDS – YES

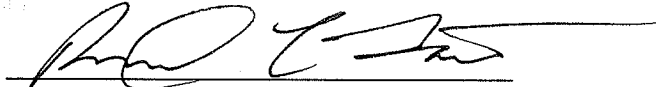
BONDS – NO

Passed and approved this 15th day of August, 2006.



President of Board of Directors

ATTEST:



Secretary

EXHIBIT A

BOUNDARIES OF BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363

EXHIBIT A-1

**LEGAL DESCRIPTION
OF THE
BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363**

The following properties constitute the Big Sky County Water & Sewer District:

Madison County

Township 6 South, Range 2 East—

NE/4 of Section 25

Township 6 South, Range 3 East—

All of Section 19

All of Section 30

NW ¼ of Section 29

Township 7 South, Range 3 East—

A part of Section 5: Tract B of COS 1357

Gallatin County

Township 6 South, Range 3 East—

A part of the S½ of Section 25: Lot 5 of Minor Subdivision 259; Tract 1 of COS 1784; Tract E of the Sweetgrass Hills Subdivision

A part of Section 26: Tract 2 of COS 1701; Tract 1 of COS 1697; and Tract 1 of COS 1501

A part of Section 28: Minor Subdivision 257, Lot 1 and Remainder
All of Section 33

A part of Section 34: Tracts of land situated in the SE¼ of Section 34
Described as Tract 1B, Certificate of Survey No. 1812, 79.579 acres; and Tract B, Certificate of Survey No. 1696, 20.009 acres; known as Aspen Groves Subdivision Phases I & II; Tracts 1, 12, 13, of Correction Certificate of Survey No. 1732B, being Tracts 1, 2, 12 and 13 of Certificate of Survey No. 1732; and Tracts 14, 15, 16, 17, 18, 20, 21, 22, and 23 of COS 1732.

Section 35 except Tract 2 of COS 1697; Tract 3 of COS 1502A; and Tract 4 of COS 1502A

All of Section 36

Township 6 South, Range 4 East—

A part of Section 31: situated north of the US 191 Spur Road, including Tract A of COS 2216; Tract A1 of COS 1354A; and remainder parcel generally located in the NW ¼ and NW ¼ NE ¼ of Section 31

Township 7 South, Range 3 East—

All of Section 1

NE ¼ of Section 2

A part of Sections 3 & 4: Tract 1 of COS 2190

EXHIBIT B

MAP OF DISTRICT

BIG SKY COUNTY WATER & SEWER DISTRICT REVISED BOUNDARY - MARCH 29, 2002

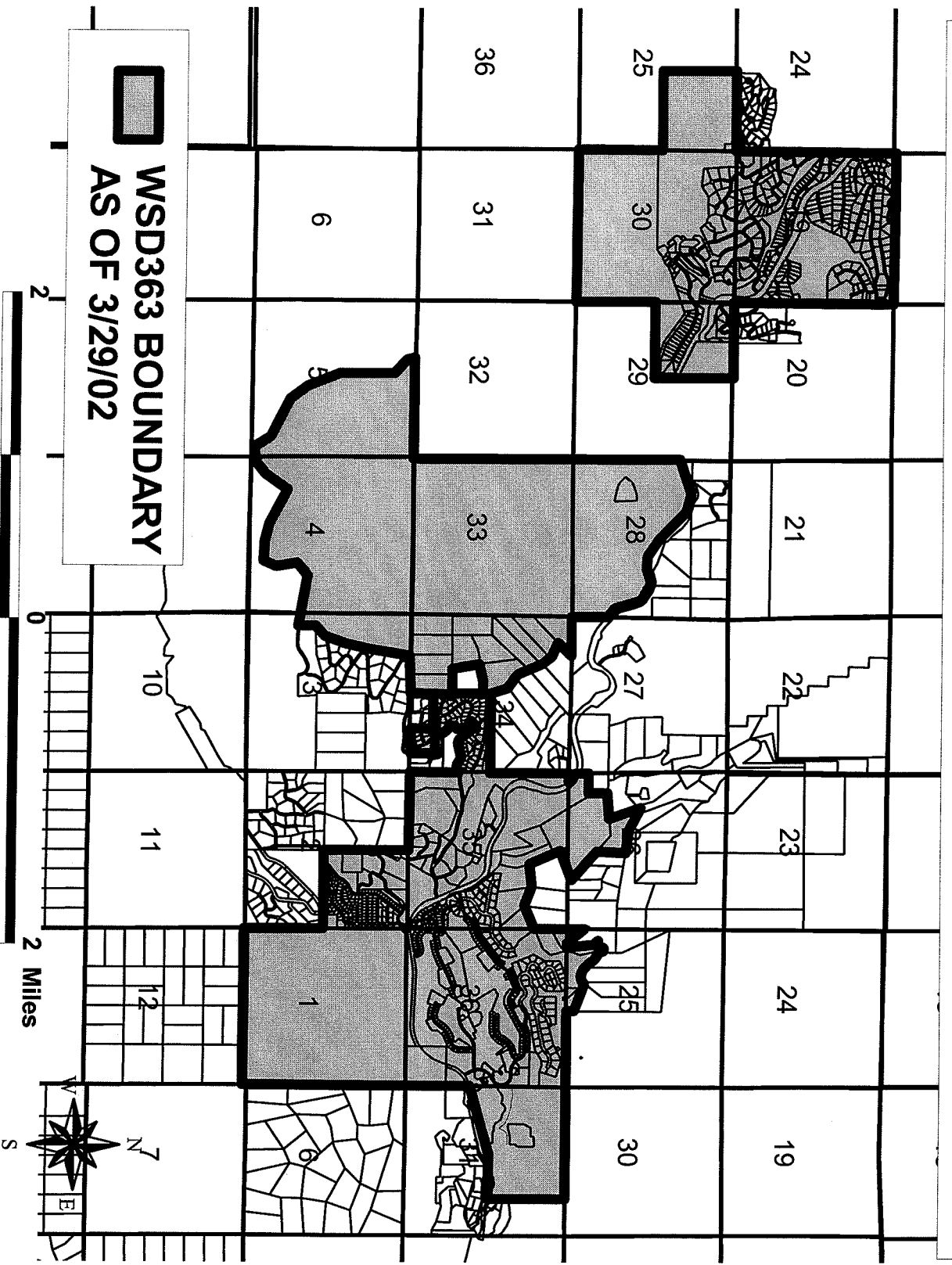


EXHIBIT C

NOTICE OF BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363

BOND ELECTION

NOTICE IS HEREBY GIVEN by the Board of Directors (the "Board") of Big Sky County Water and Sewer District No. 363, Montana (the "District"), that pursuant to a certain resolution duly adopted at a regular meeting of the Board on August 15, 2006, which resolution is available for public inspection at the Office of the Election Administrator described below, a mail ballot election of the registered voters of the Water System Jurisdictional Area will be held on December 5, 2006 for the purpose of voting on the question of whether or not the Board shall be authorized to issue general obligation bonds of the District in an amount not to exceed \$5,000,000, payable over a period of not more than twenty (20) years, for the purpose of paying the costs of designing, constructing, and installing improvements to the district's water system, consisting of connecting the Mountain Village, Lone Moose Meadows, Aspen Grove, and Meadow Village water systems into one system using 8-inch steel pipe; drilling two new Meadow Village production wells and connecting them to the system; and water system mainline replacement work, all to provide the District with a redundant water supply system and improve the public water system to distribute water during peak demands; related improvements; and paying costs associated with the sale and issuance of the bonds (the "Project"). The estimated cost of the Project is \$5,000,000.

The bonds shall be payable from an ad valorem property tax on all property in the Water System Jurisdictional Area. All of the property in the Water System Jurisdictional Area will be benefited by the Project and the owners of such property in the Water System Jurisdictional Area as well as all registered electors of the Water System Jurisdictional Area shall be entitled to vote at the bond election. For purposes of this election, the qualified electors include those registered electors owning or residing upon real property in the Water System Jurisdictional Area, or in the case of real property owned by a corporation located in the Water System Jurisdictional Area, the president, vice president or secretary of the corporation.

A complete legal description of the property and a map of the District is attached to the resolution calling for the election as Exhibits A and B and is on file at the Gallatin County Clerk and Recorder's office at 311 W. Main Street, Bozeman, Montana 59715-4576.

The election will be conducted solely by mail ballot. Ballots will be mailed to all eligible registered voters in the Water System Jurisdictional Area on November 15, 2006, and must be returned by each voter, to the County Election Administrator's Office by mail or in person to the Gallatin County Courthouse, 311 W. Main Street, Bozeman, Montana 59715-4576, during regular business hours (8:00 a.m. to 5:00 p.m.), weekdays, November 16, 2006 through December 4, 2006.

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ballots must be in that office by 8:00 p.m. in order to be counted. All ballots will be tallied in the office of the County Election Administrator after 8:00 p.m. on December 5, 2006.

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

(a) vote in person in the office of the County Election Administrator as soon as the ballots are available and until noon on November 15, 2006; or

(b) make a written request received prior to noon on November 14, 2006, signed by the applicant and addressed to the office of the County Election Administrator, that the ballot be mailed to an address other than that which appears on the registration records. All ballots to be mailed will be mailed no later than November 15, 2006.

An elector may obtain a replacement ballot if his ballot is destroyed, spoiled, lost, or not received by the elector by personally appearing at the office of the County Election Administrator and by:

(a) signing an affidavit form stating the reason for the request for replacement; and

(b) if the reason given for replacement is "spoiled ballot," by returning the spoiled ballot to the office of the County Election Administrator.

DATED this _____ day of August, 2006.

County Election Administrator

Publication Dates: November 16, November 23, and November 30, 2006

Mail Date: November 15, 2006