

CERTIFICATE AS TO ORDINANCE AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Big Sky County Water & Sewer District No. 363, Montana (the "District"), hereby certify that the attached Ordinance is a true copy of an Ordinance entitled: "AN ORDINANCE OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363, MONTANA, GRANTING THE PETITIONS OF SPANISH PEAKS HOLDINGS, LLC, THUMB DEVELOPMENT, LLC, and KARI SUE LOCATI, TO ADD LAND TO THE DISTRICT"(the "Ordinance"), on file in the original records of the District in my legal custody; that the Ordinance was duly adopted by the Board of Directors of the District at a regular meeting on April ____, 2004, 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notice of such meeting given as required by law; and that the Ordinance has not as of the date hereof been amended or repealed.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: _____; voted against the same: _____; abstained from voting thereon: _____; or were absent: _____.

WITNESS my hand and seal officially this ____ day of April, 2004.

Secretary

ORDINANCE NO. 04-1001

Second Reading Draft

AN ORDINANCE OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363, MONTANA, GRANTING THE PETITION OF SPANISH PEAKS HOLDINGS, LLC, THUMB DEVELOPMENT, LLC, and KARI SUE LOCATI TO ANNEX LAND INTO THE DISTRICT.

BE IT ordained by the Board of Directors (the ABoard@) of the Big Sky Water & Sewer District No. 363, Montana (the ADistrict@) as follows:

Section 1. Recitals and Findings.

1.01. The District has received a Petition from Spanish Peaks Holdings, LLC, Thumb Development, LLC and Kari Sue Locati (the "Petitioners") requesting the annexation of certain parcels of real property into the District, which Petition has been determined and certified to meet the requirements of the Title 7, Chapter 13, Parts 22 and 23, Montana Code Annotated.

1.02. The Board determined that the annexation of the Petitioners' parcels of real property into the District, as requested in the Petition, is in the best interest of the District.

1.03. Section 7-13-2341(5), Montana Code Annotated, allows the District to grant the Petition by adopting an Ordinance, without referring the Ordinance to a vote of the qualified electors of the District and the qualified electors of the proposed addition(s), if the following conditions are met:

- (a) The Board must first determine that the District has water and sewer facilities with capacities greater than required to meet the needs of the current District;
- (b) The Petition must be filed by contiguous property owners requesting service and the addition of their real property to the District.
- (c) All of the property owners to whom service is to be extended must consent in writing to the annexation of their real property into the District.

1.04 The District has water and sewer facilities with capacities greater than required to meet the current needs of the District. The requested annexation of the Petitioners' parcels will not require the District to obtain additional capacity for its water and sewer facilities.

1.05 The Petitioners each own specific parcels of real property contiguous to the District, and each have petitioned the District to annex their respective parcel of real property into the District. Each Petitioner has consented in writing to the annexation of their respective parcel into the District pursuant to the terms and conditions set forth in the Annexation Agreement executed by the Petitioners and the District on April ____, 2004. Pursuant to the Annexation Agreement, the Petitioners have agreed to allow the District to dispose of treated wastewater by means of spray irrigation on the golf course to be constructed by the Petitioners on their respective parcels. The Petitioners have further agreed to reimburse the District for all costs incurred by it related to the annexation process, including but not limited to the attorney's fees and other legal expenses incurred by the District.

Section 2. Addition of the Property. The boundaries of the District are hereby modified to include the following parcels of real property owned by the Petitioners:

Parcel 1 (owned by Spanish Peaks Holdings, LLC):

The S 2 NE 3 and E 2 NE 3 NE 3 and S 3 of Section 31, Township 6 South, Range 3 East, P.M.M., and all of Section 32, Township 6 South, Range 3 East, P.M.M., excepting therefrom all of Yellowstone Mountain Club Subdivision Phases I and II, Madison County, Montana, containing 741 acres, more or less.

Parcel 2 (owned by Thumb Development, LLC):

Tract 1 of Certificate of Survey No. 1550, Madison County, Montana, excepting therefrom all lands previously annexed into District No. 363.

Parcel 3 (owned by Kari Sue Locati):

Tract 19 of Certificate of Survey No. 1732, Gallatin County, Montana.

Section 3. Effect of the Annexation of Property into the District. Upon the filing of the Certificate of Approval of the Ordinance and the subsequent issuance and filing of the corresponding Certificate by the Montana Secretary of State, the parcels described above shall each become a part of the District, shall be included in the both the Water System Jurisdictional Area and the Sewer System Jurisdictional Area, shall be subject to all the rules, regulations, ordinance fees, charges, taxes levied or imposed against other real property within the District, and the Petitioners, as owners of the parcels, shall receive the rights, privileges and powers set forth in Title 7, Chapter 13, Part 22 and 23, Montana Code Annotated.

Section 4. Instructions to Secretary; Filing. The President and Secretary of the Board are hereby directed to certify the Board's approval of this Ordinance to the Montana Secretary of State, the Gallatin County Clerk and Recorder, and the Madison County Clerk and Recorder, and to request that the Secretary of State issue a Certificate certifying that the Ordinance has been approved and that the parcels have been annexed into the District. The Secretary of State shall transmit the Certificate to the Gallatin County Clerk and Recorder and the Madison County Clerk and Recorder for filing, upon which the annexation of the parcels into the District shall be deemed to be complete.

Passed and approved this _____ day of April, 2004.

President, Board of Directors

ATTEST:

Secretary

(SEAL)