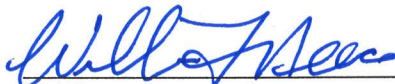


CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

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 resolution is a true copy of a Resolution entitled: "A RESOLUTION OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF INCURRING GENERAL OBLIGATION BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED SEVEN MILLION, ONE HUNDRED THIRTY SEVEN THOUSAND DOLLARS (\$7,137,000) FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING LAND FOR AND DESIGNING, CONSTRUCTING AND INSTALLING MANDATED IMPROVEMENTS TO THE DISTRICTS WASTEWATER TREATMENT SYSTEM, SATISFYING THE INTERIM ACTION WORK PLAN MANDATED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND CONSISTING OF THE FOLLOWING COMPONENTS: EXPANDING SPRAY IRRIGATION SYSTEM AT THE EXISTING GOLF COURSE AND CONSTRUCTING TEMPORARY IRRIGATION SYSTEM ON ADDITIONAL LANDS; CONSTRUCTING NEW AND REPAIRING EXISTING STORAGE PONDS; CONSTRUCTING AND EQUIPPING A NEW FILTRATION SYSTEM; INCREASING PUMP STATION CAPACITY, RELATED IMPROVEMENTS AND APPURTENANCES AND TO PAY 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 on the third reading by the Board of Directors of the District at a regular meeting on April 16, 1996, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Bill Ogle, Harry Meabon, William Neece, Stewart Peacock, Skip Radick, Dee Rothschiller; voted against the same: _____; abstained from voting thereon: _____; or were absent: Wendell Ingraham.

WITNESS my hand and seal officially this 16th day of April 1996.



William Neece, Secretary

RESOLUTION NO. 96-02

A RESOLUTION OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363, MONTANA, SUBMITTING TO THE QUALIFIED ELECTORS OF THE DISTRICT THE QUESTION OF INCURRING GENERAL OBLIGATION BONDED INDEBTEDNESS IN AN AMOUNT NOT TO EXCEED SEVEN MILLION, ONE HUNDRED THIRTY SEVEN THOUSAND DOLLARS (\$7,137,000) FOR THE PURPOSE OF PAYING THE COSTS OF ACQUIRING LAND FOR AND DESIGNING, CONSTRUCTING AND INSTALLING MANDATED IMPROVEMENTS TO THE DISTRICT'S WASTEWATER TREATMENT SYSTEM, SATISFYING THE INTERIM ACTION WORK PLAN MANDATED BY THE DEPARTMENT OF ENVIRONMENTAL QUALITY AND CONSISTING OF THE FOLLOWING COMPONENTS: EXPANDING SPRAY IRRIGATION SYSTEM AT THE EXISTING GOLF COURSE AND CONSTRUCTING TEMPORARY IRRIGATION SYSTEM ON ADDITIONAL LANDS; CONSTRUCTING NEW AND REPAIRING EXISTING STORAGE PONDS; CONSTRUCTING AND EQUIPPING A NEW FILTRATION SYSTEM; INCREASING PUMP STATION CAPACITY, RELATED IMPROVEMENTS AND APPURTENANCES AND TO PAY 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 and 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 amount of the debt to be incurred, the land within the district to be benefited thereby, the maximum term the bonds proposed to be issued shall run before maturity, and the proposition to the electors; and

WHEREAS, pursuant to Section 7-13-2332, Montana Code Annotated, the board of directors of a county water and sewer district is authorized to issue general obligation bonds to finance the acquisition, construction or improvement of facilities in accordance with the provisions Title 20, Chapter 9, Part 4, Montana Code Annotated, except to the extent that those provisions conflict with the express provisions of Part 22 and 23 of Title 7, Chapter 13; and

WHEREAS, the Board of Directors (the "Board") of Big Sky County Water & Sewer District No. 363, Montana (the "District"), has determined that there should be submitted to every registered elector owning or residing upon real property in the District 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 acquiring land for and designing, constructing and installing mandated improvements to the District's wastewater

treatment system, satisfying the Interim Action Work Plan mandated by the Department of Environmental Quality and consisting of the following components: expanding spray irrigation system at the existing golf course and constructing temporary irrigation system on additional lands; constructing new and repairing existing storage ponds; constructing and equipping a new filtration system; increasing pump station capacity, related improvements and appurtenances and to pay 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 ad valorem property tax on all benefited property in the District; and

WHEREAS, based on the information provided to the District from HKM & Associates, Billings, Montana, the District's Engineers, the estimated cost of the Project is \$7,137,000; and

WHEREAS, it is the judgment and determination of the Board that it is in the best interest of the District to undertake the Project and incur the indebtedness necessary to pay a portion of the cost of the Project.

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 an election to be held on June 4, 1996, for the purpose of voting on the question of whether or not the Board shall be authorized to issue and sell general obligation bonds of the District, in an amount not to exceed \$7,137,000 for the purpose of paying the costs of acquiring land for and designing, constructing and installing mandated improvements to the Districts wastewater treatment system, satisfying the Interim Action Work Plan mandated by the Department of Environmental Quality and consisting of the following components: expanding spray irrigation system at the existing golf course and constructing temporary irrigation system on additional lands; constructing new and repairing existing storage ponds; constructing and equipping a new filtration system; increasing pump station capacity, related improvements and appurtenances and to pay costs associated with the sale and issuance of the bonds. The bonds shall be payable during a period of not more than twenty (20) years.

2. Benefited Land. All land within the District will be benefited by the Project and an ad valorem tax will be levied against all property in the District to pay the principal and interest on the Bonds except that all property in the District currently owned by Westland Enterprises, Inc. and TM Land Partners Limited consisting of lands located in Section 31, Township 6 South, Range 4 East, and Section 1, Township 7 South, Range 3 East, as more

specifically described in the Gallatin County Clerk and Recorder's office (the "Westland Property") will not be taxed to pay principal and interest on the bonds pursuant to an order of the District Court dated June 2, 1989.

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

All of Section 19 and 30 and the N.W. 1/4 of Section 29, Township 6 South, Range 3 East, M.P.M., Madison County, Montana.

The S 1/2 of Section 25, all of Sections 26, 27, 33, 35 and 36, Township 6 South, Range 3 East, the portion of Section 31, Township 6 South, Range 4 East, situated north of the US 191 Spur Road, all of Section 1 and the NE 1/4 of Section 2, Township 7 South, Range 3 East, and that portion of the sewer outfall line easement which goes through Sections 28, 29, 33 and 34, of Township 6 South, Range 3 East, M.P.M., Madison County and Gallatin County, Montana.

Tracts of land situated in the SE 1/4 of Section 34, Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana, described as Tract 1B, Certificate of Survey No. 1812, 79.579 acres; and Tract B, Certificate of Survey No. 1696, 20.009 acres

3. Conduct of Election. Every registered elector owning or residing upon real property in the District shall be entitled to vote at the bond election as provided in Section 7-13-2325, Montana Code Annotated. The Secretary of the District is hereby authorized and directed to give notice of the call and details of this election to the Gallatin County Election Administrator who will conduct the election on behalf of Gallatin County and Madison County, both in which District property is located. The Gallatin County Election Administrator is requested to give notice of the close of registration and thereafter prepare printed lists of the registered electors in the District entitled to vote in the election in the District in the form and manner prescribed by law, to prepare the ballot and arrange for the printing of the ballot and conduct the election in accordance with the provisions of Title 7, Chapter 13, Part 22 and 23, Title 13, and Title 20, Chapter 9, Part 4, as the case may be.

4. Notice of Election. The Gallatin 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 *Bozeman Chronicle*, a newspaper of general circulation in Gallatin County, the *Madisonian*, a newspaper of general circulation in Madison County and the *Lone Peak Lookout* and *Big Sky Bugle*, weekly newspapers printed and distributed throughout the District. The notice of election as published shall read substantially as shown on Exhibit A.

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

BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363
GENERAL OBLIGATION BOND ELECTION
JUNE 4, 1996

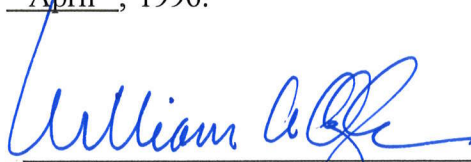
INSTRUCTIONS TO VOTERS: Make an X or similar mark in the vacant square before the words "BONDS--YES" if you wish to vote for the bond issue; if you are opposed to the bond issue make an X or similar mark in the square before the words "BONDS--NO".

Shall the Board of Directors of Big Sky County Water & Sewer District No. 363 (the District) be authorized to sell general obligation bonds of the District in an amount not to exceed SEVEN MILLION, ONE HUNDRED THIRTY SEVEN THOUSAND DOLLARS (\$7,137,000), payable over a period of not more than twenty (20) years, for the purpose of paying the costs of acquiring land for and designing, constructing and installing mandated improvements to the District's wastewater treatment system, satisfying the Interim Action Work Plan mandated by the Department of Environmental Quality and consisting of the following components: expanding spray irrigation system at the existing golf course and constructing temporary irrigation system on additional lands; constructing new and repairing existing storage ponds; constructing and equipping a new filtration system; increasing pump station capacity, related improvements and appurtenances and to pay costs associated with the sale and issuance of the bonds (the Project)? The Project will benefit all properties in the District. The bonds will be payable from an ad valorem property tax levied against all properties in the District, except that all property in the District currently owned by Westland Enterprises, Inc. and TM Land Partners Limited consisting of lands located in Section 31, Township 6 South, Range 4 East, and Section 1, Township 7 South, Range 3 East, as more specifically described in the Gallatin County Clerk and Recorder's office (the "Westland Property") will not be taxed to pay principal and interest on the bonds pursuant to an order of the District Court dated June 2, 1989.

☐ BONDS--YES

☐ BONDS--NO

Passed and approved this 16th day of April, 1996.



William A. Ogle, President
Board of Directors

ATTEST:



William Neece, Secretary

(SEAL)

EXHIBIT A

NOTICE OF BIG SKY COUNTY WATER & SEWER DISTRICT NO. 363 BOND ELECTION

NOTICE IS HEREBY GIVEN by the Board of Directors (the Board) of Big Sky County Water & Sewer District No. 363, Montana (the District), that pursuant to a certain resolution duly adopted at a regular meeting of the Board on April 16th, 1996, which resolution is available for public inspection, an election of the registered voters of the District, will be held on June 4, 1996 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 \$7,137,000 for the purpose of paying the costs of acquiring land for and designing, constructing and installing mandated improvements to the District's wastewater treatment system, satisfying the Interim Action Work Plan mandated by the Department of Environmental Quality and consisting of the following components: expanding spray irrigation system at the existing golf course and constructing temporary irrigation system on additional lands; constructing new and repairing existing storage ponds; constructing and equipping a new filtration system; increasing pump station capacity, related improvements and appurtenances and to pay costs associated with the sale and issuance of the bonds.

All land within the District will be benefited by the Project and an ad valorem property tax levied against all property in the District to pay the principal and interest on the Bonds except that all property in the District currently owned by Westland Enterprises, Inc. and TM Land Partners Limited consisting of lands located in Section 31, Township 6 South, Range 4 East, and Section 1, Township 7 South, Range 3 East, as more specifically described in the Gallatin County Clerk and Recorder's office (the "Westland Property") will not be taxed to pay principal and interest on the bonds pursuant to an order of the District Court dated June 2, 1989. The property in the District described below will be benefited by the Project and every registered elector owning or residing upon real property in the District shall be entitled to vote.

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

All of Section 19 and 30 and the N.W. 1/4 of Section 29, Township 6 South, Range 3 East, M.P.M., Madison County, Montana.

The S 1/2 of Section 25, all of Sections 26, 27, 33, 35 and 36, Township 6 South, Range 3 East, the portion of Section 31, Township 6 South, Range 4 East, situated north of the US 191 Spur Road, all of Section 1 and the NE 1/4 of Section 2, Township 7 South, Range 3 East, and that portion of the sewer outfall line easement which goes through Sections 28, 29, 33 and 34, of Township 6 South, Range 3 East, M.P.M., Madison County and Gallatin County, Montana.

Tracts of land situated in the SE 1/4 of Section 34, Township 6 South, Range 3 East, M.P.M., Gallatin County, Montana, described as Tract 1B, Certificate of Survey No. 1812, 79.579 acres; and Tract B, Certificate of Survey No. 1696, 20.009 acres

The polls shall be open between the hours of 7:00 A.M. and 8:00 P.M., and the polling place for the election shall be located at Ophir School, 45465 Gallatin Road, Gallatin Gateway, Montana 59730.

Absentee ballots may be obtained at the office of the Gallatin County Election Administrator at Room 204, Gallatin County Courthouse, 311 West Main Street, Bozeman, Montana 59715 until 12:00 noon, June 3 , 1996.

DATED this 16th day of April, 1996.

/s/ Shelley Cheney
Gallatin County Election Administrator

COMMITMENT AGREEMENT

Wastewater Treatment Works
Revolving Fund Program

between

DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION
OF THE STATE OF MONTANA

and

BIG SKY COUNTY WATER AND SEWER DISTRICT NO. 363

SRF Project # C301084-01

Principal amount of Loan	
not to exceed	\$5,513,000

COMMITMENT AGREEMENT
(General Obligation Wastewater Treatment
Works Revolving Fund Program)

This Commitment Agreement (as amended or supplemented in accordance with the terms hereof, the "Agreement"), is entered into this 28th day of May, 1996, between the Department of Natural Resources and Conservation of the State of Montana (the "Department") and the Big Sky County Water and Sewer District No. 363 (the "Borrower").

In consideration of the mutual covenants, representations and agreements contained herein, the Department and the Borrower hereby agree as follows:

Section 1. Definitions, Recitals and Other Provisions of General Application.

1.1. Definitions. For purposes of this Agreement, capitalized terms herein shall have the respective meanings assigned them in this paragraph 1.1 and in the initial paragraph hereof, unless the context hereof clearly otherwise requires:

"Act" shall mean collectively Montana Code Annotated, Title 17, Chapter 5, Part 8, as amended, and Title 75, Chapter 5, Part 11, as amended.

"Administrative Expense Surcharge" shall mean a surcharge on the Loan charged by the Department to the Borrower equal to seventy-five hundreds of one percent (0.75%) per annum on the outstanding principal amount of the Loan, payable on the same dates that payments of interest on the Loan are due.

"Administrative Fee" shall mean a fee equal to five hundred seventy five thousandths of one percent (0.575%) of the initial Committed Amount, to be retained by the Department from the proceeds of the Loan.

"Board" shall mean the Board of Examiners of the State of Montana, or any successor to its function as issuer of the State's Bonds.

"Bond" shall mean the \$5,513,000 General Obligation Bond (DNRC Revolving Loan Program), Series 1996, issued to the Department to evidence the Loan.

"Bond Resolution" shall mean the resolution, in form and substance satisfactory to the Department, adopted by the Governing Body, authorizing the sale of the Bond to the Department and prescribing the terms thereof and establishing the security therefor.

"Borrower Act" shall mean Montana Code Annotated, Title 7, Chapter 13, Part 23, as amended.

"Clean Water Act" shall mean the Federal Water Pollution Control Act, 33 U.S.C. §§ 1251-1387, as amended, and all regulations, rules and interpretations issued by the EPA thereunder.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Commitment Agreement Resolution" shall mean a resolution, in form and substance satisfactory to the Department, duly adopted by the Governing Body authorizing the Borrower to execute and deliver this Agreement.

"Committed Amount" shall mean the dollar amount shown on the cover hereof.

"Costs of Issuance" shall mean all items of expense directly or indirectly payable by or reimbursable to the Department and related to the authorization, sale and issuance of the State Bonds, the proceeds of which are used to fund the Loan, including but not limited to the Board's fees, costs of preparation and reproduction of documents, initial fees and charges of the Trustee, underwriters' discount, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation and execution of such State Bonds, rating agency fees and any other cost, charge or fee in connection with the original issuance of such State Bonds.

"Department" shall mean the Department of Natural Resources and Conservation of the State of Montana, or any successors to its functions under the Program.

"DEQ" shall mean the Department of Environmental Quality of the State of Montana, or any successors to its functions under the Program.

"EPA" shall mean the Environmental Protection Agency, an agency of the United States of America, and any successor to its functions under the Clean Water Act.

"Governing Body" shall mean the council, board or other body that establishes legislative policy for the Borrower.

"Indenture" shall mean the Indenture of Trust, entered into between the Board and a corporate trustee, as such may be amended or supplemented from time to time in accordance with the provisions thereof, and pursuant to which the State Bonds are to be issued.

"Loan" shall mean the loan made to the Borrower by the Department pursuant to the Program in the maximum amount of the Committed Amount to provide funds to pay all or a portion of the Project Costs.

"Loan Date" shall mean July 5, 1996.

"Loan Loss Reserve Surcharge" shall mean a fee equal to one percent (1.00%) per annum on the outstanding principal amount of the Loan, payable on the same dates that payments of principal of and interest on the Loan are payable.

"Origination Fee" shall mean 1% of the committed amount, to be used to pay the Borrower's share of the Costs of Issuance of the series of State Bonds the proceeds of which fund the Loan.

"Program" shall mean the Wastewater Treatment Works Revolving Fund Program established under the Act, pursuant to which the Department will issue and sell the State Bonds and use the proceeds thereof and certain other funds to make the Loan to the Borrower.

"Project" shall mean the facilities, improvements and activities financed, refinanced or the cost of which is being reimbursed to the Borrower with proceeds of the Loan, and which is more fully described on Exhibit A hereto.

"Project Costs" shall mean the costs of the Project and the costs relating to the Loan that may be paid from proceeds of the Bond under the Borrower Act and that qualify as eligible costs under the Program, including, without limitation, costs of design, engineering, construction and equipping the Project, contingencies, interest payable on the Loan during construction, the Origination Fee and the Administrative Fee payable under the Program. Exhibit B contains a list of known Project Costs in amounts estimated as of the date of this Agreement.

"Rules" shall mean the rules promulgated by the State or its agencies implementing the Program.

"State" shall mean the State of Montana.

"State Bonds" shall mean the General Obligation Bonds (Wastewater Treatment Works Revolving Fund Program) issued or to be issued by the Board from time to time under the Act and the Indenture.

"System" shall mean the existing wastewater system of the Borrower and all extensions, improvements and betterments thereof hereafter constructed and acquired, including the Project.

1.2. References and Construction. All references in this instrument to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof," "hereunder," and other words of similar import refer to this Agreement as a whole and not to any particular Section or other subdivision unless the context clearly indicates otherwise. This Agreement shall be governed by and construed in accordance with the laws of the State without giving effect to conflict-of-law principles thereof.

1.3. Exhibits. The following Exhibits are attached to and by reference made a part of this Agreement:

Exhibit A: A description of the Project.

Exhibit B: A listing of all known components of Project Costs and the estimated amounts thereof as of the date of this Agreement.

Exhibit C: A summary of certain provisions of the Bond Resolution, which does not purport to be complete or definitive.

Section 2. Representations by the Department. The Department makes the following representations as the basis for its covenants herein:

2.1. The Board is authorized by the Act to issue and sell the State Bonds and apply the proceeds thereof to make loans or refinance loans to local government units and to purchase bonds or notes issued by local government units. Pursuant to this authorization, the Board, the Department and the DEQ have created and implemented the Program.

2.2. The Department has received an application from the Borrower to participate in the Program for the purpose of obtaining the Loan in the maximum principal amount equal to the Committed Amount to finance all or a portion of the Project Costs.

2.3. The Board will provide funds for the Program by issuing and selling the State Bonds from time to time in amounts sufficient, with other available funds, including EPA capitalization grant funds, to fund loans to the participants in the Program, including the Borrower. Based on the application of the Borrower, the Committed Amount of the Loan is estimated to be sufficient to pay (i) \$5,426,170 of costs of the Project, (ii) the Origination Fee of \$55,130 and (iii) the Administrative

Fee of \$31,700 The average annual interest rate on the Loan, inclusive of the Administrative Fee Surcharge and the Loan Loss Reserve Surcharge (but not taking into account the Origination Fee or the Administrative Fee), will not exceed four percent (4%) per annum.

2.4. The covenants and collateral, if any, securing the Bond (exclusive of the revenues of the System) shall be contained in the Bond Resolution and such other security instruments, if any, as the Department shall require. Forms of such documents and the forms of other documents that are required to be delivered by the Borrower to the Department with the Bond under paragraph 4.3 hereof will be provided the Borrower and its bond counsel by the Department. A summary of certain provisions of the Bond Resolution, which outlines the terms of the Loan and covenants securing the Loan, and an identification of the collateral, if any, in addition to the property taxes to be levied on taxable property in the Borrower, required to secure the Loan are contained in Exhibit C hereto. The summary does not purport to be complete or definitive, and the actual provisions of the Bond Resolution embodying the requirements outlined in Exhibit C are available from the Department upon written request.

Section 3. Representations by the Borrower. The Borrower makes the following representations as the basis for its covenants herein:

3.1. The Borrower is duly organized and validly existing as a political subdivision of the State, has power to enter into this Agreement and, by proper action of its Governing Body, has authorized the execution and delivery of this Agreement.

3.2. The Governing Body has duly authorized the undertaking of the Project. The Borrower has obtained or made all permits, findings and approvals required to the date hereof by any governmental agency or authority, including the EPA, for the Project, and for any necessary wastewater rate increase required for the issuance of the Bond or to pay principal thereof or interest thereon. Construction of the Project has complied and will comply with all federal and state regulations, including, without limitation, DEQ and EPA regulations and standards. The Project and the proposed Loan meet the standards of eligibility of the Program, as expressed in the Act and the Rules.

3.3. The undertaking of the Project and the issuance of the Bond in a principal amount equal to the Committed Amount to finance Project Costs and to evidence the Loan is authorized under the Borrower Act and the issuance of the Bond in a principal amount equal to the Committed Amount will not (i) cause the indebtedness of the Borrower to exceed any constitutional or statutory limitation or (ii) violate any term, condition or provision of or constitute a default under any

resolution, contract or agreement to which the Borrower is a party or by which the Borrower is bound.

3.4. The execution, delivery and performance of this Agreement have been duly authorized by the Borrower, as evidenced by a certified copy of the Commitment Agreement Resolution, adopted by the Governing Body and delivered to the Department with this Agreement.

3.5. Construction of the Project is currently estimated to begin June 5, 1996, and to be completed by November 31, 1997.

3.6. The application of the Borrower to participate in the Program which has been furnished to the Department is, as of the date hereof, accurate and complete. Any financial information furnished as part of the application is true and complete as of the dates and for the periods indicated, and there has been no material adverse change in the financial position of the Borrower or the System since the last such date or period nor has there been any material change in the character or the number of users of the System, which has not been disclosed to the Department in writing.

3.7. No indebtedness of the Borrower is outstanding that is payable in whole or in part from the revenues of the System other than \$26,621. The resolution or other documentation evidencing such indebtedness is attached as Exhibit D.

Section 4. Covenants of the Borrower and the Department.

4.1. The Borrower agrees to undertake construction of the Project and to comply with all pertinent provisions of applicable federal, state and local law, including DEQ and EPA regulations and standards, relating to the Project.

4.2. The Department agrees to use its best efforts to cause the Board to sell and issue the State's Bonds, or to apply other funds under the Program if legally available therefor, to provide funds to make the Loan to the Borrower on or before the Loan Date or such later date as is permitted under this Section 4. The Borrower acknowledges and agrees that the Board has the right, in its sole and absolute discretion, to fix the terms and conditions of the State's Bonds, to issue other State Bonds or apply other funds to fund the Loan, as it may determine is in the best interests of the Program. If the Department is unable to obtain funds to make the Loan by the Loan Date, this Agreement shall terminate without any liability accruing to the Department or the Borrower hereunder.

If the Department has obtained funds to make the Loan, it shall notify the Borrower in writing of the availability of the Loan. The notice shall state whether

the Loan will be funded, in whole or in part, with proceeds of State Bonds and indicate the series designation thereof, if other than the State's Bonds.

4.3. The Borrower hereby agrees to cause its Governing Body to adopt the Bond Resolution and to cause the Bond to be executed and delivered to the Department and the Loan made on or before October 5, 1996, a date not less than 90 days after the Loan Date. The Bond Resolution shall contain the provisions outlined in Exhibit C hereto, unless otherwise agreed in writing by the Department. On the date of delivery of the Bond, the Borrower will also deliver to the Department: (i) a certified copy of the Bond Resolution; (ii) an executed counterpart of any document, if any, granting the Department a security interest in collateral, if any, securing the Loan; (iii) an opinion of bond counsel, satisfactory to the Department, addressed to the Department and dated as of the date the Bond is issued, in form and substance acceptable to the Department, to the effect that: the Bond Resolution has been duly and validly adopted by the Governing Body; the Bond has been duly authorized, executed and delivered; the Bond constitutes a valid and binding general obligation of the Borrower enforceable in accordance with its terms, subject to customary exceptions as to enforceability; and the interest on the Bond is not includable in gross income for purposes of federal income taxation; (iv) such other documents, certificates, opinions or agreements as are required under the Bond Resolution to be delivered to the Department as of the date of issuance of the Bond, and (v) such other opinions and certificates as the Department may reasonably request to demonstrate compliance with, or the ability of the Borrower to comply with, its representations, covenants and agreements contained in the Bond Resolution.

4.4. In consideration of the covenants of the Department herein, the Borrower agrees that if the Borrower fails to adopt the Bond Resolution and issue the Bond and the other documents referred to in paragraph 4.3 hereof by the date specified in said paragraph 4.3, the Borrower shall pay, whether or not the Loan is made or, if made, from whatever source, the Origination Fee.

The amount described in the immediately preceding paragraph shall be payable by the Borrower upon written demand therefor by the Department and, if not paid within 30 days after demand therefor, shall bear interest from the date of demand at an annual interest rate equal to ten percent (10.00%) per annum until paid in full.

4.5. If the Borrower fails to adopt the Bond Resolution and issue the Bond and the other documents referred to in paragraph 4.3 hereof by the date specified in said paragraph 4.3, the Department has no further obligation hereunder and may use the proceeds of State Bonds or other funds designated to fund the Loan for other purposes of the Program, including funding loans to other participants. If, however, (i) the Department consents, in its sole and absolute discretion, in a writing signed

by the Director of the Department or, in the event of his absence or disability, the acting Director of the Department, to an extension of the date specified in paragraph 4.3 hereof for the issuance of the Bond and the delivery of the related documents and (ii) the Borrower has paid to the Department an amount equal to the amount payable under paragraph 4.4 hereof, calculated by the Department and has observed any other conditions to such extension imposed by the Department in such consent, then the date in paragraph 4.3 hereof shall be deemed extended until the date specified in the consent, and this Agreement shall continue in full force and effect, except that (x) the Committed Amount shall be deemed reduced by the amount of the payment by the Borrower under clause (ii), and (y) the provisions of paragraph 4.4 hereof shall be deemed no longer effective.

Section 5. Modification of Project; Adjustment of Committed Amount.

5.1. Unless modified or adjusted pursuant to paragraph 5.2 hereof, the Borrower acknowledges and agrees that the Project shall conform substantially to the description thereof in Exhibit A hereto, the estimated Project Costs as of the date of issuance of the Bond shall not exceed the total amount of Project Costs stated on Exhibit B hereto, and the maximum principal amount of the Loan, and the maximum principal amount of the Bond evidencing the Loan, shall be equal to the Committed Amount.

5.2. After the date of this Agreement and before the date specified in paragraph 4.3 hereof, the Borrower may request that the Department consent to a modification of the Project, an increase in the costs thereof or an adjustment in the Committed Amount. If the Department, in its sole and absolute discretion, after consultation with the DEQ, determines to consent to a modification in the Project, an increase in the costs thereof or an increase or decrease in the Committed Amount, such consent shall be evidenced in a written amendment to this Agreement executed by the Department and the Borrower. The Borrower hereby agrees to pay upon demand the reasonable costs and expenses of the Department and the DEQ and their agents and consultants, including the fees and disbursements of counsel and bond counsel, in considering any such modification, whether or not the Department consents thereto.

Section 6. Miscellaneous.

6.1. Notices. All notices or other communications hereunder shall be sufficiently sent or given and shall be deemed sent or given when delivered or mailed by certified mail, postage prepaid, to the parties at the following addresses:

Department:

Department of Natural Resources
and Conservation
1625 Eleventh Avenue
P.O. Box 201601
Helena, Montana 59620
Attention: Anna Miller

Borrower:

Big Sky County Water & Sewer
District # 363
P. O. Box 160670
Big Sky, MT 59716
Attention: Ron Edwards
District Manager

6.2. Binding Effect; Conditions; Assignment. This Agreement shall inure to the benefit of the parties hereto and shall be binding upon the Department and the Borrower and their respective successors; provided however, that the obligation of the Borrower to issue the Bond and the obligation of the Department to purchase the Bond is dependent and conditioned upon the authorization of the electors of the District. The Borrower may not assign its interest in this Agreement without the prior written consent of the Department.

6.3. Severability. If any provision of this Resolution shall be determined to be unenforceable at any time, it shall not affect any other provision of this Agreement or the enforceability of that provision at any other time.

6.4. Amendments. This Agreement may be amended only by a writing executed by the Department and the Borrower.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION OF
THE STATE OF MONTANA

By Wayne A. Wetzel
Its Dep Dir
Date of Execution 10 Jun-96

BIG SKY COUNTY WATER AND SEWER
DISTRICT NO. 363

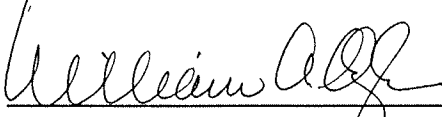
By  William A. Ogle
Its PRESIDENT
Date of Execution June 6, 1996

EXHIBIT A

DESCRIPTION OF PROJECT

For the purpose of paying the costs of acquiring land for and designing, constructing and installing mandated improvements to the District's wastewater treatment system, satisfying the interim Action Work Plan mandated by the Department of Environmental Quality and consisting of the following components which will be utilized in the District's long-term improvement plan: expanding spray irrigation system at the existing golf course and constructing temporary irrigation system on additional lands; constructing new and repairing existing storage ponds; constructing and equipping a new filtration system; increasing pump station capacity; related improvements and appurtenances; and to pay costs associated with the sale and issuance of the bonds.

EXHIBIT B

ESTIMATED AMOUNT OF PROJECT COSTS

Costs of the Project:

Administration	\$ 140,785
Land and Rights of Way	0
Architectural & Engineering Fees	451,660
Equipment	0
Construction	4,833,725
Subtotal	\$5,426,170

Other Costs:

Interest During Construction	\$ 0
Administrative Fee	31,700
Origination Fee	55,130
Subtotal	\$ 86,830

Total	\$5,513,000
-------	-------------

Total Loan	\$5,513,000
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EXHIBIT C

SUMMARY OF THE BOND RESOLUTION

The following is a summary of certain provisions of the Bond Resolution, which outline the terms of the Loan and covenants securing the Loan, and an identification of the collateral, if any, in addition to the ad valorem taxes to be levied in the District. This summary does not purport to be complete or definitive, and the actual provisions of the Bond Resolution embodying the requirements hereinafter outlined are available from the Department upon written request.

Terms of Loan

Maximum Principal Amount of Loan: \$5,513,000

Maximum Interest and Carrying Charge on Loan: 4% per annum

Comprising:

Interest rate	2.25% per annum
---------------	-----------------

Administrative Expense	
------------------------	--

Surcharge	.75% per annum
-----------	----------------

Loan Loss Reserve Surcharge	1.00% per annum
-----------------------------	-----------------

Other Upfront Program Costs

Origination Fee	\$55,130
-----------------	----------

Administrative Fee	\$31,700
--------------------	----------

Disbursement of Loan

Proceeds of the Loan are to be disbursed after costs are incurred upon requisition and certification to the DEQ. If the DEQ approves the requisition, it will forward the requisition to the DNRC for approval. The DNRC, upon approving the requisition, will direct the trustee for the State Bonds to make the disbursement. The initial disbursement will include amounts for the Origination Fee and the Administrative Fee, which amounts will be retained by the DNRC.

Repayment of Loan

Interest, Administrative Expense Surcharge and Loan Loss Reserve Surcharge are payable in semiannual installments on each January 1 and July 1 (a "Payment Date"), commencing on the first Payment Date after the closing date of the Loan, unless such date is less than 30 days after the closing date in which case such

payments will commence on the next succeeding Payment Date. Principal is payable, commencing on the second Payment Date after completion of the Project, in semiannual installments in \$1,000 amounts or integral multiples thereof. The amount of a principal installment shall be such that principal and interest at an assumed rate of four percent (4%) per annum are amortized, as nearly as practicable (in principal amounts of \$1,000 or integral multiples thereof), in 32 equal semiannual payments, over a term commencing on January 1, 1997 and concluding on the 32nd Payment Date following closing of the Loan.

Attached as Exhibit C-1 is a preliminary schedule of the payment terms of the Loan, based on the Loan Date and estimated construction schedule for the Project, assuming that the Loan is disbursed in an amount equal to the Committed Amount. A similar schedule will be appended to the Bond Resolution and the Bond, which will be adjusted following completion of the Project on the basis of the actual closing date of the Loan, the amount of the Loan disbursed and the completion date.

Term of Loan (from closing date): 16 years

Prepayment Requires Consent

Prepayment is permitted, whether in whole or in part, only with the prior written consent of the DNRC and so long as no default is continuing under the Bond Resolution. Any permitted prepayment must include, in addition to the principal amount prepaid plus interest accrued thereon, all Administrative Surcharge and Loan Loss Reserve Surcharge accrued thereon to the date of prepayment.

Security for the Loan

Security

The Loan will be evidenced by the Bond. The Bond must be a valid and binding general obligation of the Borrower enforceable in accordance with its terms. The full faith and credit of the Borrower is to be pledged to the payment of the principal of and interest on the Bond, and ad valorem taxes will be required by law to be levied annually during the term of the Bond on all taxable property within the limits of the Borrower, without limitation as to rate or amount, in amounts sufficient to pay the principal of and interest on the Bond as due.

The Borrower anticipates using resort tax revenues appropriated by Madison and Gallatin Counties to the Borrower to defray debt service on the Bond.

The Bond Resolution will provide that the Borrower may, when it determines the amount of ad valorem tax to be levied in each year to pay principal of and interest on the Bond as due, take into account the amount of resort tax revenues then on hand in the debt service account.

Other Covenants and Representations

Among other provisions in the Bond Resolution, covenants will require the Borrower, among other things, to preserve the exemption from federal income taxation of the interest on the Bond and on the State Bonds, maintain the System and insurance thereon, maintain the corporate existence of the Borrower, observe certain investment restrictions, furnish to the DNRC an annual audited financial report, and indemnify the DNRC, the DEQ and the trustee under the Indenture against any claim or loss arising from the Project, the operation of the System or the financing of the Project. The Borrower will also make representations regarding its ability to adopt the Bond Resolution and to issue the Bond and with respect to the Project and the System.

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS (INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS RELATED THERETO

BE IT RESOLVED BY THE Board of Directors (the Governing Body) OF BIG SKY WATER & SEWER DISTRICT #363 (the Borrower) AS FOLLOWS:

ARTICLE I

DETERMINATIONS AND DEFINITIONS

Section 1.01. Definitions. The following terms will have the meanings indicated below for all purposes of this Resolution unless the context clearly requires otherwise. Capitalized terms used in this Resolution and not defined herein shall have the meanings set forth in the Loan Agreement.

Adjusted Interest Rate means the rate of interest on the Bonds determined in accordance with the provisions of Section 3.03 of the Indenture.

Authorized Representative shall mean the officers of the Borrower designated by the Governing Body and set forth in the Commitment Agreement Resolution hereto, to act on behalf of the Borrower by written certificate furnished to the Trustee, containing the specimen signature of such persons and signed on behalf of the Borrower by a duly authorized official.

Board shall mean the Board of Investments of the State of Montana, a public body corporate organized and existing under the laws of the State and its successors and assigns.

Board Act shall mean Section 2-15-1808, Title 17, Chapter 5, Part 16, MCA, as amended.

Bonds shall mean the Bonds issued by the Board pursuant to the Indenture to finance the Program.

Borrower shall mean the Borrower above named.

Indenture shall mean that certain Indenture of Trust dated March 1, 1991 by and between the Board and the Trustee pursuant to which the Bonds are to be issued and all supplements thereto.

Loan means the loan of money by the Board to the Borrower under the terms of the Loan Agreement pursuant to the Act and the Borrower Act and evidenced by the Note.

Loan Agreement means the Loan Agreement between the Borrower and the Board, including any amendment thereof or supplement thereto entered into in accordance with the provisions thereof and hereof.

Loan Agreement Resolution means this resolution or such other form of Resolution that the Board may approve and all amendments and supplements thereto.

Loan Date means the date of Closing a Loan.

Loan Rate means the rate of interest on the loan which is initially 4.85% per annum through February 15, 1997 and thereafter a rate equal to the Adjusted Interest Rate on the Bonds id up 1.5% per annum as necessary to pay Program Expenses.

Note means the promissory note to be executed by the Borrower pursuant to the Loan Agreement, in accordance with the provisions hereof and thereof, in substantially the form set forth in Exhibit C to the Loan Agreement, or in such form that may be approved by the Board.

Program shall mean the INTERCAP Revolving Program of the Board pursuant to which the Board will issue and sell Bonds and use the proceeds to make loans to participating Local Government Units.

Project shall mean those items of equipment, personal or real property improvements to be acquired, installed, financed or refinanced by the Borrower from the proceeds of the Loan as set forth in Exhibit A to the Loan Agreement.

Security Instrument means a security agreement in substantially the form set forth in Exhibit H to the Loan Agreement, and, a Uniform Commercial Code financing statement, in a form acceptable to the Board and the Trustee granting a security interest in, or a lien on, the property constituting the Project or other real or personal properties added to or substituted therefor.

Trustee shall mean First Trust Company of Montana National Association and its successors.

Section 1.02. Authority. The Borrower is authorized to undertake the Project and is further authorized by the Borrower Act to enter into the Loan Agreement for the purpose of obtaining a loan to finance or refinance the acquisition and installation costs of the Project.

Section 1.03. Execution of Agreement and Delivery of Note. Pursuant to the Indenture and the Board Act, the Board has issued and sold the Bonds and deposited a part of proceeds thereof in the Loan Fund held by the Trustee. The Board has, pursuant to the Commitment Agreement, agreed to make a Loan to the Borrower in the principal amount of \$26,754.11 and upon the further terms and conditions set forth herein, and as set forth in the Commitment Agreement and the Loan Agreement.

ARTICLE II

THE LOAN AGREEMENT

Section 2.01. Terms. (a) The Loan Agreement shall be dated as of the Loan Date, in the principal amount of \$26,754.11 and shall constitute a valid and legally binding obligation of the Borrower. The obligation to repay the Loan shall be evidenced by a Note which shall be in the form of Exhibit C to the Loan Agreement. The Loan shall bear interest at the initial rate 4.85% per annum through February 15, 1997 and thereafter at the Adjusted Interest Rate, plus up to 1.5% per annum as necessary to pay the cost of administering the Program (the Program Expenses). All payments may be made by check or wire transfer to the Trustee at its principal corporate trust office.

(b) The Loan Repayment Dates shall be February 15 and August 15 of each year with the first Loan Repayment Date determined as follows:

(i) If the Loan Date is less than 120 calendar days preceding a Loan Repayment Date, the first Loan Repayment will be that Loan Repayment Date, but the first Loan Repayment shall be an interest only payment.

(ii) If the Loan Date is less than 60 calendar days preceding a Loan Repayment Date, the first Loan Repayment Date shall be the next following Loan Repayment Date, and the Loan Repayment shall be an interest and principal payment.

(iii) In all other instances the first Loan Repayment shall be due on the first Loan Repayment Date occurring after the Loan Date and shall consist of both a principal and interest payment.

(c) The principal amount of the Loan may be prepaid in whole or in part (if in part, in an amount of \$10,000 or more) by paying the Prepayment Amount on February 15 and August 15 of each year, or if the fifteenth is not a business day, on the next succeeding Business Day, provided that the Borrower has given written notice of its intention to prepay the Loan in whole or in part to the Trustee and the Board no later than 30 days prior to the designated prepayment date.

(d) The Prepayment Amount shall be equal to the principal amount of the Loan outstanding, plus accrued interest thereon to the date of prepayment.

(e) Within fifteen days following an Adjustment Date, the Trustee shall calculate the respective amounts of principal and interest payable by each Borrower on and with respect to its Loan Agreement and Note for the subsequent August 15 and February 15 payments, and prepare and mail by first class mail a statement therefor to the Borrower.

Section 2.02. Use and Disbursement of the Proceeds. The proceeds of the Loan will be expended solely for the purposes set forth in Exhibit A to the Loan Agreement. The proceeds from the sale of the Note to the Board shall remain in the Borrower's Account pending disbursement at the request of the Borrower to pay the budgeted expenditures in anticipation of which the Note was issued. Requests for disbursement of the Loan shall be made to the Board. Prior to the closing of the Loan and the first disbursement, the Borrower shall have delivered to the Trustee a certified copy of this resolution, the executed Loan Agreement and Note in a form satisfactory to the Borrower's Counsel and the Board's Bond Counsel and such other certificates, documents and opinions as set forth in the Loan Agreement or as the Board or Trustee may require.

Section 2.03. Payment and Security for the Note. In consideration of the making of the Loan to the Borrower by the Board, the provisions of this Resolution shall be a part of the Agreement of the Borrower with the Board. The provisions, covenants and Agreements herein set forth to be performed by or on behalf of the Borrower shall be for the benefit of the Board. The Loan Agreement and Note shall constitute a valid and legally binding obligation of the Borrower and the principal of and interest on the Loan shall be payable from any revenues of the Borrower, and any other money and funds of the Borrower otherwise legally available therefor. The repayment of the Loan shall be secured by a security interest in the Project being financed. The Borrower shall enforce its rights to receive and collect all revenues to insure the prompt payment of the Borrower obligations hereunder.

Section 2.04. Levy and Appropriate Funds to Repay Loan. The Borrower agrees that in order to meet its obligation to repay the Loan and all other payments hereunder that it will budget, assess, and collect fees and charges for and appropriate in each fiscal year during the term of the Loan an amount sufficient to pay the principal of and interest hereon.

ARTICLE III

CERTIFICATIONS, EXECUTION AND DELIVERY

Section 3.01. Authentication of Transcript. The Authorized Representative, as designated on Exhibit 1, are authorized and directed to prepare and furnish to the Board and to attorneys approving the validity of the Bonds, certified copies of this resolution and all other resolutions and actions of the Borrower and of said officers relating to the Commitment Agreement, the Loan Agreement, the Note, the Security Agreement and certificates as to all other proceedings and records of the Borrower which are reasonably required to evidence the validity and marketability of the Note. All such certified copies and certificates shall be deemed the representations and recitals of the Borrower as to the correctness of the statements contained therein.

Section 3.02. Legal Opinion. The attorney to the Borrower is hereby authorized and directed to deliver to the Board at the time of Closing of the Loan his or her opinion regarding the Loan, the Loan Agreement, the Note and this Resolution in substantially the form of the opinion set forth in Exhibit D to the Loan Agreement.

Section 3.03. Execution. The Loan Agreement, Note, Security Agreement and any other document required to close the Loan shall be executed in the name of the Borrower and shall be executed on behalf of the Borrower by the signatures of the Authorized Representatives of the Borrower.

PASSED AND APPROVED by the Big Sky County Water & Sewer Dist #363
Board of Directors this 7th day of
May, 1996.

By William Neece
Its BOARD SECRETARY
William NEECE

Attest:

By [Signature]
Its General Manager

Member Bill Neece seconded the motion and the following members voted in favor of thereof: William Ogle, Harold P. Meabon, Wendell Ingraham, Dee Rothschilder, Bill Neece, Stewart Peacock. the following members voted against the same: None

Absent: Skip Radick

EXHIBIT A
TO LOAN AGREEMENT
DESCRIPTION OF THE LOAN

COPY

(1) Loan Commitment, Computed as Follows:

Costs of Project	\$26,621.00
Origination Fee-	
2.0% X Costs of Project	\$266.21
Less Commitment Acceptance Fee	
(.50% X Total Project Amount)	(133.10)
Total Capitalized Origination Costs	<u>133.11</u>
Principal Amount of Loan	<u>\$26,754.11</u>

(2) Breakdown and Description of
Project and Cost:

<u>Description of Item to be Financed</u>	<u>Allocated Amount of Loan for Item</u>
1995 GMC Suburban	\$26,621.00
Remaining Origination Fee	<u>133.11</u>
Total	\$26,754.11

Dated: May 31, 1996

BIG SKY WATER & SEWER
DISTRICT #363

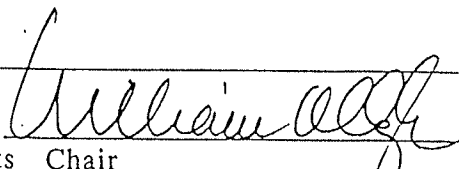
By 
Its Chair
WILLIAM OGLE

EXHIBIT E
TO LOAN AGREEMENT

CERTIFICATE OF MINUTES RELATING TO
RESOLUTION NO. 96-03

Issuer: Big Sky Water & Sewer District #363

Kind, Date, time and place of meeting: A board meeting held on May 7, 1996
at 3:00 o'clock P.m. in Big Sky, Montana.

Members present: William Ogle, Harold P. Meabon, Wendell Ingraham, Dee Rothschiller,
Bill Neece, Stewart Peacock.

Members absent: Skip Radick

Documents attached:

Minutes of said meeting (pages): 1 through 8

RESOLUTION NO. 96-03

RESOLUTION AUTHORIZING PARTICIPATION IN THE BOARD OF
INVESTMENTS OF THE STATE OF MONTANA ANNUAL ADJUSTABLE RATE
TENDER OPTION MUNICIPAL FINANCE CONSOLIDATION ACT BONDS
(INTERCAP REVOLVING PROGRAM), APPROVING THE FORM AND TERMS
OF THE LOAN AGREEMENT AND AUTHORIZING THE EXECUTION AND
DELIVERY OF DOCUMENTS RELATED THERETO

I, the undersigned, being the fully qualified and acting recording officer of the public
body issuing the obligations referred to in the title of this certificate, certify that the documents
attached hereto, as described above, have been carefully compared with the original records of the
public body in my legal custody, from which they have been transcribed; that the documents are
a correct and complete transcript of the minutes of a meeting of the governing body at the
meeting, insofar as they relate to the obligations; and that the meeting was duly held by the
governing body at the time and place and was attended throughout by the members indicated
above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this 24th day of May
1996.

By William Neece
Its BOARD SECRETARY
William NEECE

STATE OF MONTANA
GENERAL OBLIGATION BONDS
WASTEWATER TREATMENT WORKS
(REVOLVING FUND PROGRAM) SER 91

BORROWER: Big Sky

PROJECT NAME:

FINAL LOAN PAYMENT

1/1/13

LOAN COMMITMEN \$5,513,000

OF LOAN PAYMENTS:

33

LOAN AMOUNT: 5,513,000

PROJECT NUMBER:

INTEREST RATE: 4.00%

DATE OF FUNDING:

07/05/96

	PAYMENT DUE	LOAN LOSS RESERVE	DM EXPENS SURCHARGE	INTEREST PAYMENT	PRINCIPAL PAYMENT	O/S LOAN BALANCE	TOTAL AMOUNT OF PAYMENT
1	01-01-97	26,952.44	20,214.33	60,643.00	122,000.00	5,391,000.00	\$229,809.78
2	07-01-97	26,955.00	20,216.25	60,648.75	122,000.00	5,269,000.00	\$229,820.00
3	01-01-98	26,345.00	19,758.75	59,276.25	124,000.00	5,145,000.00	\$229,380.00
4	07-01-98	25,725.00	19,293.75	57,881.25	127,000.00	5,018,000.00	\$229,900.00
5	01-01-99	25,090.00	18,817.50	56,452.50	129,000.00	4,889,000.00	\$229,360.00
6	07-01-99	24,445.00	18,333.75	55,001.25	132,000.00	4,757,000.00	\$229,780.00
7	01-01-00	23,785.00	17,838.75	53,516.25	135,000.00	4,622,000.00	\$230,140.00
8	07-01-00	23,110.00	17,332.50	51,997.50	137,000.00	4,485,000.00	\$229,440.00
9	01-01-01	22,425.00	16,818.75	50,456.25	140,000.00	4,345,000.00	\$229,700.00
10	07-01-01	21,725.00	16,293.75	48,881.25	143,000.00	4,202,000.00	\$229,900.00
11	01-01-02	21,010.00	15,757.50	47,272.50	146,000.00	4,056,000.00	\$230,040.00
12	07-01-02	20,280.00	15,210.00	45,630.00	149,000.00	3,907,000.00	\$230,120.00
13	01-01-03	19,535.00	14,651.25	43,953.75	152,000.00	3,755,000.00	\$230,140.00
14	07-01-03	18,775.00	14,081.25	42,243.75	155,000.00	3,600,000.00	\$230,100.00
15	01-01-04	18,000.00	13,500.00	40,500.00	158,000.00	3,442,000.00	\$230,000.00
16	07-01-04	17,210.00	12,907.50	38,722.50	161,000.00	3,281,000.00	\$229,840.00
17	01-01-05	16,405.00	12,303.75	36,911.25	164,000.00	3,117,000.00	\$229,620.00
18	07-01-05	15,585.00	11,688.75	35,066.25	167,000.00	2,950,000.00	\$229,340.00
19	01-01-06	14,750.00	11,062.50	33,187.50	171,000.00	2,779,000.00	\$230,000.00
20	07-01-06	13,895.00	10,421.25	31,263.75	174,000.00	2,605,000.00	\$229,580.00
21	01-01-07	13,025.00	9,768.75	29,306.25	177,000.00	2,428,000.00	\$229,100.00
22	07-01-07	12,140.00	9,105.00	27,315.00	181,000.00	2,247,000.00	\$229,560.00
23	01-01-08	11,235.00	8,426.25	25,278.75	185,000.00	2,062,000.00	\$229,940.00
24	07-01-08	10,310.00	7,732.50	23,197.50	188,000.00	1,874,000.00	\$229,240.00
25	01-01-09	9,370.00	7,027.50	21,082.50	192,000.00	1,682,000.00	\$229,480.00
26	07-01-09	8,410.00	6,307.50	18,922.50	196,000.00	1,486,000.00	\$229,640.00
27	01-01-10	7,430.00	5,572.50	16,717.50	200,000.00	1,286,000.00	\$229,720.00
28	07-01-10	6,430.00	4,822.50	14,467.50	204,000.00	1,082,000.00	\$229,720.00
29	01-01-11	5,410.00	4,057.50	12,172.50	208,000.00	874,000.00	\$229,640.00
30	07-01-11	4,370.00	3,277.50	9,832.50	212,000.00	662,000.00	\$229,480.00
31	01-01-12	3,310.00	2,482.50	7,447.50	216,000.00	446,000.00	\$229,240.00
32	07-01-12	2,230.00	1,672.50	5,017.50	221,000.00	225,000.00	\$229,920.00
33	01-01-13	1,125.00	843.75	2,531.25	225,000.00	0.00	\$229,500.00
		516,797.44	387,598.08	1,162,794.25	5,513,000.00		7,580,189.78

MONTANA STATE REVOLVING PROGRAM
LOAN SIZING ANALYSIS
04-Jun-96

MONTANA STATE REVOLVING PROGRAM
LOAN SIZING ANALYSIS

BORROWER.....Big Sky Interim Work Plan
REVISION

CAPITALIZED INTEREST CALCULATION
FOR.....Big Sky Interim Work Plan

INPUT ASSUMPTIONS:

PROJECT COST(1)..... \$5,426,170
COMMITMENT AMOUNT..... \$5,513,000
CONSTRUCTION PERIOD (MONTHS)... 12
CAPITALIZE INTEREST THRU MONTH 0
FIRST DISBURSEMENT (MONTH)....AUG
INTEREST RATE ON LOAN(2)..... 4.00X
LOAN AMORTIZATION PERIOD (YRS) 16
FORM OF LOAN (REV OR SID).....GO

RESULTING EST'D LOAN AMOUNT:

PROJECT COST(1)..... \$5,426,170
CAPITALIZED INTEREST..... 0
DEBT SERVICE RESERVE..... 0
DEPOSIT TO REVOLVING FUND..... 0
ADMINISTRATIVE FEE..... 31,700
ORIGINATION FEE..... 55,130

TOTAL EST'D LOAN AMOUNT..... \$5,513,000

EST'D ANNUAL PAYMENT..... \$473,126

(1) Includes construction, engineering fees,
contingencies, administration and related costs.

(2) Including administrative and loan loss reserve
surcharges.

filename: BIGSKYRV.WK1

MONTH	LEVEL DRAW %	EST'D DRAW %	RESULTING DRAW (\$)	MONTHLY INTEREST	ACCRUED INTEREST	INTEREST PAYMENT
1 AUG	8X	7X	\$466,662	\$1,556	\$1,556	\$0
2 SEP	8X	11X	596,879	3,545	0	0
3 OCT	8X	11X	596,879	5,535	0	0
4 NOV	8X	11X	596,879	7,524	0	0
5 DEC	8X	4X	217,047	8,248	0	0
6 JAN	8X	4X	217,047	8,971	0	0
7 FEB	8X	3X	162,785	9,514	0	0
8 MAR	8X	3X	162,785	10,057	0	0
9 APR	8X	3X	162,785	10,599	0	0
10 MAY	8X	3X	162,785	11,142	0	0
11 JUN	8X	3X	162,785	11,684	0	0
12 JUL	8X	3X	162,785	12,227	0	0
13 AUG	0X	3X	162,785	12,770	0	0
14 SEP	0X	3X	162,785	13,312	0	0
15 OCT	0X	7X	379,832	14,578	0	0
16 NOV	0X	7X	379,832	15,844	0	0
17 DEC	0X	6X	325,570	16,930	0	0
18 JAN	0X	4X	217,047	17,653	0	0
19 FEB	0X	4X	217,047	18,377	0	0
20 MAR	0X	0X	0	18,377	0	0
21 APR	0X	0X	0	18,377	0	0
22 MAY	0X	0X	0	18,377	0	0
23 JUN	0X	0X	0	18,377	0	0
24 JUL	0X	0X	0	18,377	0	0
25			0			
TOTAL....	100X		100X \$5,513,000			\$0