State of Montana

County of Gallatin

Bozeman

I, Shelley Vance, do hereby state that I am the duly qualified, and acting Clerk and Recorder for Gallatin County, Montana;

I hereby certify that the total number of electors registered in Gallatin County at the close of registration on October 10, 2000, and eligible to vote in the General election to be held on November 7, 2000 was 56,574.

I further certify that the total number of ballots cast on November 7, 2000 was 32,532 which constitute a percentage of electors voting to be 58%.

I further certify that 18,425 ballots were cast in favor of the $10,000,000 Gallatin County bond issue.

I further certify that 12,579 ballots were cast in opposition of the $10,000,000 Gallatin County bond issue.

I hereby declare, based upon the outcome of the election held on November 7, 2000, and by the outcome of the official canvass completed by the Gallatin County Canvassing Board on November 13, 2000, that the $10,000,000 Gallatin County bond issue is hereby adopted.

Dated this 4th day of December, 2000.

Shelley Vance

Shelley Vance, Clerk and Recorder
Gallatin County, Montana

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Gallatin County, Montana (the "County"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS SUBMITTING TO THE QUALIFIED ELECTORS OF GALLATIN COUNTY, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN THE AMOUNT OF TEN MILLION AND NO/100 DOLLARS ($10,000,000.00) FOR THE PURPOSE OF PRESERVING OPEN SPACE IN GALLATIN COUNTY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN" (the "Resolution"), on file in the original records of the County in my legal custody; that the Resolution was duly adopted by the Board of County Commissioners of the County at a meeting on June 27, 2000, and that the meeting was duly held by the Board of County Commissioners and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Commissioners voted in favor thereof: Commissioners Olson, Murdock and Mitchell; voted against the same: None; abstained from voting thereon: None; or were absent: None.

WITNESS my hand officially this 27th day of June, 2000.

Shelley Vance
County Clerk and Recorder

RESOLUTION NO. 2000-40

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS SUBMITTING TO THE QUALIFIED ELECTORS OF GALLATIN COUNTY, MONTANA, THE QUESTION OF ISSUING GENERAL OBLIGATION BONDS IN THE AMOUNT OF TEN MILLION AND NO/100 DOLLARS ($10,000,000.00) FOR THE PURPOSE OF PRESERVING OPEN SPACE IN GALLATIN COUNTY SUBJECT TO THE TERMS AND CONDITIONS SET FORTH HEREIN

RECITALS

WHEREAS, a county as a public body is authorized pursuant to Section 76-6-109, M.C.A., to issue and sell general obligation bonds in the manner and within the limitations prescribed by applicable laws of Montana for the purpose of acquiring open space land consistent with the provisions of Title 76, Chapter 6, Part 1, M.C.A. (the "Act"); and

WHEREAS, Section 76-6-104, M.C.A., defines open space land as any land which is provided or preserved for: park and recreational purposes; conservation of land or other natural resources; historic or scenic purposes; or assisting in the shaping of the character, direction, and timing of community development; and

WHEREAS, a county is authorized pursuant to Section 7-7-2203, M.C.A., to issue general obligation bonds pledging the general credit of the county for that purpose upon approval of the electorate of the county, provided that such indebtedness and all other indebtedness of the county does not exceed: (1) 11.25% of the taxable value of the property subject to taxation by the county as ascertained by the last completed assessment for state and county taxes previous to this date, plus (2) 33% of the taxable value of class eight property within the city or town for tax year 1995 multiplied by 11.25%, plus (3) 50% of the taxable value attributable to electrical generation property under Montana Code Annotated, Section 15-6-141 within the city or town for tax year 1999, multiplied by 11.25%, plus (4) 50% of the taxable value attributable to telecommunications property under Montana Code Annotated, Section 15-6-141 within the city or town for tax year 1999, multiplied by 11.25%; and

WHEREAS, a board of county commissioners is authorized pursuant to Section 7-7-2222, M.C.A., to call a bond election by adopting a resolution to that effect; and

WHEREAS, the Gallatin County Open Lands Board (the "Open Lands Board") was created in November of 1998 to serve as a citizens advisory board to Gallatin County regarding the preservation of open space and related issues in Gallatin County; and

WHEREAS, the Open Lands Board has meet regularly since that time to consider options available for the preservation of open space and to make recommendations relating thereto to the County; and

WHEREAS, the Open Lands Board has received financial and professional assistance from the Trust For Public Lands; and

WHEREAS, the Open Lands Board has conducted an opinion poll throughout the County, the results of which indicate widespread support for the issuance by the County of general obligation bonds for the preservation of open space; and

WHEREAS, the Open Lands Board has requested the Board of County Commissioners (the "Board") to support the preservation of open space lands by seeking voter approval of general obligation bonds in an amount of up to $10,000,000, for the purpose of preserving open space in Gallatin County by purchasing land and conservation easements from willing landowners for the following purposes: managing growth, preserving ranches and farms, protecting wildlife areas and water quality of streams and rivers, providing parks and recreation areas and paying costs associated with the sale and issuance of general obligation bonds, which bonds shall bear interest at a rate to be determined by the Board, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term, with all expenditures based on recommendations of the Open Lands Board (citizen's advisory committee), after public comment, and subject to an independent audit; and

WHEREAS, based on findings and recommendations of the Open Lands Board, it is the judgment of the Board that the sum of Ten Million and No/100 Dollars ($10,000,000.00) is necessary to carry out the purposes set forth above; and

WHEREAS, the Board has determined that the issuance of general obligation bonds in the amount of $10,000,000 will not cause the County to exceed its indebtedness limitation, which as currently calculated is $13,923,655; and

WHEREAS, the Board has determined there should be submitted to the electors of the County qualified to vote at bond elections the questions of whether or not the Board shall be authorized to issue and sell general obligation bonds of the County in an amount not to exceed $10,000,000, for the purpose of preserving open space in Gallatin County by purchasing land and conservation easements from willing landowners for the following purposes: managing growth, preserving ranches and farms, protecting wildlife areas and water quality of streams and rivers, providing parks and recreation areas and paying costs associated with the sale and issuance of general obligation bonds, which bonds shall bear interest at a rate to be determined by the Board, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term, with all expenditures based on recommendations of the Open Lands Board (citizen's advisory committee), after public comment, and subject to an independent audit; and

WHEREAS, it is the judgment and determination of the Board that such bonds will be payable during a term not to exceed twenty (20) years and shall be redeemable on any interest payment date after one-half of the term for which they are issued; and

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

1. Calling of the Election. The Board of the County hereby calls and directs a special County election to be held on November 7, 2000, in conjunction with the general election, for the purpose of voting on the following question:

> Shall the Board be authorized to issue and sell general obligation bonds of the County, in the amount of up to Ten Million and No/100 Dollars ($10,000,000.00), for the purpose of preserving open space in Gallatin County by purchasing land and conservation easements from willing landowners for the following purposes: managing growth, preserving ranches and farms, protecting wildlife areas and water quality of streams and rivers, providing parks and recreation areas and paying costs associated with the sale and issuance of general obligation bonds, which bonds shall bear interest at a rate to be determined by the Board, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term, with all expenditures based on recommendations of the Open Lands Board (citizen's advisory committee), after public comment, and subject to an independent audit?

2. Conduct of Election. All qualified electors of the County shall be entitled to vote at the bond election. The Gallatin County Election Administrator is hereby requested and authorized to give proper notice of the close of registration and thereafter prepare printed lists of the electors in the County entitled to vote in the election in the County and to conduct the election in the form and manner prescribed by law. The Election Administrator shall prepare the ballot and arrange for the printing of the ballot.

3. Notice of Election. The Election Administrator is hereby authorized and requested to cause notice of the call and holding of the election to be given by publishing notice at least once a week for the three consecutive weeks before the election in the *Bozeman Chronicle*, a newspaper of general circulation in the County. The notice of election as published shall read substantially as follows:

NOTICE OF OPEN SPACE BOND ELECTION
Gallatin County, Montana
November 7, 2000

NOTICE IS HEREBY GIVEN by the Board of County Commissioners (the "Board") of Gallatin County, Montana (the "County"), that pursuant to a certain resolution duly adopted at a regular meeting of the Board on June 27, 2000, a special election of the registered voters of the County will be held on November 7, 2000, in conjunction with the general election, for the purpose of voting on the following question:

> Shall the Board be authorized to issue and sell general obligation bonds of the County, in the amount of up to Ten Million and No/100 Dollars ($10,000,000.00), for the purpose of preserving open space in Gallatin County by purchasing land and conservation easements from willing landowners for the following purposes: managing growth, preserving ranches and farms, protecting wildlife areas and water quality of streams and rivers, providing parks and recreation areas and paying costs associated with the sale and issuance of general obligation bonds, which bonds shall bear interest at a rate to be determined by the Board, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term, with all expenditures based on recommendations of the Open Lands Board (citizen's advisory committee), after public comment, and subject to an independent audit?

The polling places for the election shall be the normal polling places for County residents during the general election and polls shall be open between the hours of 7:00 a.m. and 8:00 p.m., except for the polling places at Precinct 28 (Pass Creek School) and Precinct 29 (Sedan School) at which polls shall be open between the hours of 12:00 p.m. and 8:00 p.m.

Absentee ballots may be obtained at the office of the Gallatin County Election Administrator at 311 West Main Street, Room 204, Bozeman, Montana until 12:00 noon, November 6, 2000.

_____
County Clerk and Recorder

Publish: _____, 2000
_____, 2000
_____, 2000

4. Ballots. The Election Administrator is hereby requested to prepare suitable ballots for use at the election at the polling places, together with the precinct lists.

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

OFFICIAL BALLOT
GALLATIN COUNTY, MONTANA
OPEN SPACE BOND ELECTION
NOVEMBER 7, 2000

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 be authorized to issue and sell general obligation bonds of the County, in the amount of up to Ten Million and No/100 Dollars ($10,000,000.00), for the purpose of preserving open space in Gallatin County by purchasing land and conservation easements from willing landowners for the following purposes: managing growth, preserving ranches and farms, protecting wildlife areas and water quality of streams and rivers, providing parks and recreation areas and paying costs associated with the sale and issuance of general obligation bonds, which bonds shall bear interest at a rate to be determined by the Board, payable semiannually during a term of not to exceed twenty (20) years and redeemable on any interest payment date after one-half of their term, with all expenditures based on recommendations of the Open Lands Board (citizen's advisory committee), after public comment, and subject to an independent audit?

[ ] OPEN SPACE BONDS -- YES

[ ] OPEN SPACE BONDS -- NO

6. That a copy of this resolution will be provided to the Election Administrator as soon as possible after its adoption and approval in order to inform him/her of the details of the election and the pertinent requests and authorizations as to the conduct of the election.

7. Open Space Bond Account; Use of Bond Proceeds. If authorized to issue and sell bonds for the purposes set forth in this resolution, the County will deposit the proceeds of such bonds, exclusive of accrued interest, in the Open Space Acquisition Bond Account, and used for the authorized purposes, consistent with the requirements in Section 8 hereof, as may be further augmented by a subsequent resolution or ordinance of the Board.

8. Procedure, Limitations and Expenditure of Open Space Bond Acquisition Account. With respect to the expenditure of funds from the Open Space Bond Acquisition Account, the Board hereby agrees and covenants that no expenditures will be made from the Open Space Bond Acquisition Account unless recommended by the Open Lands Board after public comment.

9. Reimbursement Expenditures.

(a) The United States Department of Treasury has promulgated final regulations governing the use of proceeds of tax-exempt bonds, all or a portion of which are to be used to reimburse the County for project expenditures paid by the County prior to the date of issuance of such bonds. Those regulations (Treasury Regulations, Section 1.150-2) (the "Regulations") require that the County adopt a statement of official intent to reimburse an original expenditure not later than 60 days after payment of the original expenditure. The Regulations also generally require that the bonds be issued and the reimbursement allocation made from the proceeds of the bonds within 18 months (or three years, if the reimbursement bond issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) after the later of (i) the date the expenditure is paid or (ii) the date the project is placed in service or abandoned, but (unless the issue qualifies for the "small issuer" exception from the arbitrage rebate requirement) in no event more than three years after the date the expenditure is paid. The Regulations generally permit reimbursement of capital expenditures and costs of issuance of the bonds.

(b) Other than (i) expenditures to be paid or reimbursed from sources other than the bonds, (ii) expenditures permitted to be reimbursed under the transitional provision contained in Section 1.150-2(j)(2) of the Regulations, (iii) expenditures constituting preliminary expenditures within the meaning of Section 1.150-2(f)(2) of the Regulations, or (iv) expenditures in a "de minimus" amount (as defined in Section 1.150-2(f)(1) of the Regulations), no expenditures for the project have been paid by the County before the date 60 days before the date of adoption of this resolution.

(c) The County reasonably expects to reimburse the expenditures made for costs of the project out of the proceeds of bonds in an estimated maximum aggregate principal

amount of $10,000,000 after the date of payment of all or a portion of the costs of the project. All reimbursed expenditures shall be capital expenditures, a cost of issuance of the bonds or other expenditures eligible for reimbursement under Section 1.150-2(d)(3) of the Regulations.

(d) As of the date hereof, there are no County funds reserved, allocated on a long-term basis or otherwise set aside (or reasonably expected to be reserved, allocated on a long-term basis or otherwise set aside) to provide permanent financing for the expenditures related to the project, other than pursuant to the issuance of the bonds. The statement of intent contained in this resolution, therefore, is determined to be consistent with the County's budgetary and financial circumstances as they exist or are reasonably foreseeable on the date hereof.

(e) The County's financial officer shall be responsible for making the "reimbursement allocations" described in the Regulations, being generally the transfer of the appropriate amount of proceeds of the bonds to reimburse the source of temporary financing used by the County to make prior payment of the costs of the project. Each allocation shall be evidenced by an entry on the official books and records of the County maintained for the bonds or the project and shall specifically identify the actual original expenditure being reimbursed.

PASSED AND ADOPTED by the Board of County Commissioners of Gallatin County, Montana, this 27th day of June, 2000.

Chair of the Board of County Commissioners

Attest:

County Clerk and Recorder