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FORM D

REC'D UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

OMB APPROVAL OMB Number: 3235-0076 Expires: May 31, 2005 Estimated average burden hours per response: 16.00

JAN 15 2003 FORM D

JAN 15 2003

NOTICE OF SALE OF SECURITIES OSBP PURSUANT TO REGULATION D, SECTION 4(6), AND/OR UNIFORM LIMITED OFFERING EXEMPTION

SEC USE ONLY Prefix Serial DATE RECEIVED

Name of Offering ( ) check if this is an amendment and name has changed, and indicate change. Second Facilities Expansion Offering

Filing Under (Check box(es) that apply): [X] Rule 504 [ ] Rule 505 [ ] Rule 506 [ ] Section 4(6) [ ] ULOE Type of Filing: [X] New Filing [ ] Amendment



03004601

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer ( ) check if this is an amendment and name has changed, and indicate change. Big Sky Brewing Company

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code) 120-A Hickory Street, Missoula, MT 59801 (406) 549-2777

Address of Principal Business Operations (if different from Executive Offices) (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code) (406) 549-2777

Brief Description of Business Manufacturing, marketing and sale of malt beverage products (beer).

Type of Business Organization [X] corporation [ ] limited partnership, already formed [ ] other (please specify): [ ] business trust [ ] limited partnership, to be formed

PROCESSED

Actual or Estimated Date of Incorporation or Organization: Month Year [01] [03] [X] Actual [ ] Estimated Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State: CN for Canada; FN for other foreign jurisdiction) [MT]

JAN 17 2003

THOMSON FINANCIAL

GENERAL INSTRUCTIONS

Federal: Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When To File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where To File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State: This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix to the notice constitutes a part of this notice and must be completed.

ATTENTION

Failure to file notice in the appropriate states will not result in a loss of the federal exemption. Conversely, failure to file the appropriate federal notice will not result in a loss of an available state exemption unless such exemption is predicated on the filing of a federal notice.

Handwritten signature

**A. BASIC IDENTIFICATION DATA**

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer.
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Leathers, Neal T.

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Nabozney, Bjorn J.

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Nabozney, Kristian B.

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Miller, Thomas O.

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Hauge, Ronald

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Cain, Kay C.

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Collins, Perry

Full Name (Last name first, if individual)

120-A Hickory Street, Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

**A. BASIC IDENTIFICATION DATA**

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;
- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer.
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Gregory, Gary

Full Name (Last name first, if individual)

120-A Hickory St., Missoula, MT 59801

Business or Residence Address (Number and Street, City, State, Zip Code)

Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

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Full Name (Last name first, if individual)

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Full Name (Last name first, if individual)

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Full Name (Last name first, if individual)

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Check Box(es) that Apply:  Promoter  Beneficial Owner  Executive Officer  Director  General and/or Managing Partner

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

(Use blank sheet, or copy and use additional copies of this sheet, as necessary)

**B. INFORMATION ABOUT OFFERING**

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering? .....  Yes  No  
 Answer also in Appendix, Column 2, if filing under ULOE.
2. What is the minimum investment that will be accepted from any individual? ..... \$ 4,800
3. Does the offering permit joint ownership of a single unit? .....  Yes  No
4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only. **Not Applicable**

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) .....  All States

AL	AK	AZ	AR	CA	CO	CT	DE	DC	FL	GA	HI	ID
IL	IN	IA	KS	KY	LA	ME	MD	MA	MI	MN	MS	MO
MT	NE	NV	NH	NJ	NM	NY	NC	ND	OH	OK	OR	PA
RI	SC	SD	TN	TX	UT	VT	VA	WA	WV	WI	WY	PR

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if the answer is "none" or "zero." If the transaction is an exchange offering, check this box  and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt .....	\$ _____	\$ _____
Equity .....	\$ 496,000	\$ 5,024
	<input checked="" type="checkbox"/> Common <input type="checkbox"/> Preferred	
Convertible Securities (including warrants) .....	\$ _____	\$ _____
Partnership Interests .....	\$ _____	\$ _____
Other (Specify _____) .....	\$ _____	\$ _____
<b>Total</b> .....	<b>\$ 496,000</b>	<b>\$ 5,024</b>

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

	Number Investors	Aggregate Dollar Amount of Purchases
Accredited Investors .....	0	\$ -0-
Non-accredited Investors .....	1	\$ 5,024
<b>Total (for filings under Rule 504 only)</b> .....	<b>1</b>	<b>\$ 5,024</b>

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, in the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C — Question 1.

Type of Offering	Type of Security	Dollar Amount Sold
Rule 505 .....	_____	\$ _____
Regulation A .....	_____	\$ _____
Rule 504 .....	_____	\$ _____
<b>Total</b> .....	<b>0</b>	<b>\$ -0-</b>

4 a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the insurer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees .....	<input type="checkbox"/>	\$ _____
Printing and Engraving Costs .....	<input type="checkbox"/>	\$ _____
Legal Fees .....	<input checked="" type="checkbox"/>	\$ 1,500
Accounting Fees .....	<input type="checkbox"/>	\$ _____
Engineering Fees .....	<input type="checkbox"/>	\$ _____
Sales Commissions (specify finders' fees separately) .....	<input type="checkbox"/>	\$ _____
Other Expenses (identify) _____ .....	<input type="checkbox"/>	\$ _____
<b>Total</b> .....	<input checked="" type="checkbox"/>	<b>\$ 1,500</b>

**C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS**

b. Enter the difference between the aggregate offering price given in response to Part C — Question 1 and total expenses furnished in response to Part C — Question 4.a. This difference is the “adjusted gross proceeds to the issuer.” .....

\$ 1,500

5. Indicate below the amount of the adjusted gross proceed to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C — Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments to Others
Salaries and fees .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase of real estate .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Purchase, rental or leasing and installation of machinery and equipment .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ <u>405,000</u>
Construction or leasing of plant buildings and facilities .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ <u>91,000</u>
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer pursuant to a merger) .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Repayment of indebtedness .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Working capital .....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Other (specify): _____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
.....	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals .....	<input type="checkbox"/> \$ <u>0</u>	<input type="checkbox"/> \$ <u>496,000</u>
Total Payments Listed (column totals added) .....	<input type="checkbox"/> \$ <u>496,000</u>	

**D. FEDERAL SIGNATURE**

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type) Big Sky Brewing Company	Signature <i>Neal Leathers</i>	Date January 3, 2002
Name of Signer (Print or Type) Neal T. Leathers	Title of Signer (Print or Type) President	

**ATTENTION**

Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

**E. STATE SIGNATURE**

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? ..... Yes  No

See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed a notice on Form D (17 CFR 239.500) at such times as required by state law.
3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.
4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type) Big Sky Brewing Company	Signature 	Date January 3, 2003
Name (Print or Type) Neal T. Leathers	Title (Print or Type) President	

**Instruction:**

Print the name and title of the signing representative under his signature for the state portion of this form. One copy of every notice on Form D must be manually signed. Any copies not manually signed must be photocopies of the manually signed copy or bear typed or printed signatures.

**APPENDIX**

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
AL									
AK									
AZ									
AR									
CA	X		Equity						X
CO									
CT									
DE									
DC									
FL									
GA									
HI									
ID	X		Equity						X
IL									
IN									
IA									
KS									
KY									
LA									
ME									
MD									
MA									
MI	X		Equity						X
MN	X		Equity						X
MS									

**APPENDIX**

1	2		3	4				5	
	Intend to sell to non-accredited investors in State (Part B-Item 1)			Type of security and aggregate offering price offered in state (Part C-Item 1)	Type of investor and amount purchased in State (Part C-Item 2)				Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
MO									
MT	X		Equity			1	5,024		X
NE									
NV									
NH									
NJ									
NM									
NY									
NC									
ND	X		Equity						X
OH									
OK									
OR	X		Equity						X
PA									
RI									
SC									
SD	X		Equity						X
TN									
TX									
UT									
VT									
VA									
WA	X		Equity						X
WV									
WI	X		Equity						X

**APPENDIX**

1	2 Intend to sell to non-accredited investors in State (Part B-Item 1)		3 Type of security and aggregate offering price offered in state (Part C-Item 1)	4 Type of investor and amount purchased in State (Part C-Item 2)				5 Disqualification under State ULOE (if yes, attach explanation of waiver granted) (Part E-Item 1)	
State	Yes	No		Number of Accredited Investors	Amount	Number of Non-Accredited Investors	Amount	Yes	No
WY	X		Equity						X
PR									

REC'D

JAN 15 2003



STATE OF MONTANA  
JOHN MORRISON  
STATE AUDITOR  
COMMISSIONER OF SECURITIES  
P.O. Box 4009  
Helena, Montana 59604  
(406) 444-2040

APPLICATION FOR  
EXEMPTION  
FROM REGISTRATION

1. Name, address, and telephone number of issuer.

Big Sky Brewing Company (406) 549-2777

120-A Hickory Street

Missoula, MT 59801

2. Name, address, and telephone number of contact person.

Neal T. Leathers, President (406) 549-2777

Big Sky Brewing Company

120-A Hickory Street

Missoula, MT 59801

3. Description of Securities.

Common Stock

Type	Units	Amount	Units in MT	Amt in Mt
Common	15,500	\$496,000	10,813	\$346,016
Total	15,500	\$496,000	10,813	\$346,016

4(a). List the states in which it is proposed to offer the securities for sale.

Montana, Washington, Oregon, Michigan, Idaho, Wyoming, North Dakota, South Dakota, Minnesota and California

4(b). List the states in which the securities are eligible for sale.

All of the states listed in 4(a) under Uniform Limited Offering Exemptions

4(c). List the states in which have refused, by order or otherwise, to authorize the sale of the securities, or have revoked or suspended the right to sell the securities, or in which an application has been withdrawn.

None

5. State the federal statute or rule under which the offering will be made.

Rule 504 of Regulation D (17 CFR § 230.504)



(d). If the offering is limited to a special group, describe the limitations. Examples are employees of the issuer, a certain number of individuals (as required to qualify under subchapter S of the Internal Revenue Code), persons of certain suitability characteristics, or any other limitations  
The offering is limited to no more than 25 individuals as allowed under Mont. Code Ann. § 30-10-105(8)(b)(2001).

(e). State whether a disclosure document is used in connection with sales or offers of the security. A modified business plan is provided with offers.

8. Describe the restrictions on subsequent transfer of any interest in the securities. State whether the certificates bear a legend notifying holders of restrictions. The stock certificates all bear a legend notifying shareholders of the attached restriction on the transfer of stock. The legends stamped on each certificate are attached.

9. Summarize the business of the issuer.  
Issuer is engaged in the manufacture, marketing and sale of malt beverage products namely ale (beer). Issuer also sells promotional material related to its beer products including T-shirts, glassware, caps, and food products made with Issuers beer or bearing Issuer's trademarks.

10. State the use of net proceeds from sale of the issue. Suggested categories are: rent, utilities, payroll (by position or type), purchase or lease of types of equipment or inventory, payment of notes, accounts payable, marketing or promotion costs, taxes, professional and advisory fees, permits and licenses, insurance, salaries to officers and directors, wages and supplies. Categories will vary depending on the plans of the company.

Anticipated use of net proceeds	Amount
<u>Equipment &amp; labor for installation</u>	<u>\$ 405,000</u>
<u>Construction of taproom/gift shop</u>	<u>45,000</u>
<u>Construction of office space</u>	<u>46,000</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

The omission of a material fact or misstatement of a material fact to investors constitutes a violation of the Securities Act of Montana, giving rise to administrative, civil, or criminal liabilities.

DATED This 3rd day of January, 19 03.

  
Neal T. Leathers

Title: President, Big Sky Brewing Company

**Excerpt from Bylaws of Big Sky Brewing Company**  
**Stock Transfer Restrictions**

**Section 6.7 Restriction of Stock.**

(a) No Stock in the Corporation shall be transferred to any person, partnership, Corporation or other entity unless the stock shall first have been offered for sale by written notice to the Corporation; upon receipt of the written notice, the Corporation shall have seven (7) business days (excluding weekends and legal holidays) to notify the selling Shareholder, in writing, of the Corporation's intent to purchase the stock. If the Corporation indicates its intention to purchase the stock, the Corporation shall have thirty (30) calendar days from the date of its notice of intent to consummate and close its purchase of the stock.

(b) Any offer submitted to the Corporation pursuant to the provision of this Bylaw, shall be for the sale price and on the same terms offered by any third person, partnership, corporation or other entity, and said offer from any third person or organization shall be submitted in writing, together with an affidavit either from the third party offeror or the Shareholder making the transfer certifying said offer to be a bona fide offer. All such third party written offers shall be submitted with the above-mentioned notice to the Corporation via certified mail return receipt requested.

(c) All certificates of stock issued upon the transfer of stock under this section shall bear the following endorsement:

"No shares of this Corporation shall be transferred to any person, partnership, corporation or other entity or organization unless said transfer is made in accordance and compliance with Section 6.7 of Article VI of the Bylaws of the Corporation on file with the Secretary of the Corporation."

Additionally, a Shareholder transferring Stock must transfer a minimum of twenty-five (25) shares or all of a Shareholder's stock, whichever is less.

(d) All transfers of the Corporation's outstanding shares of stock that comprise ten percent (10%) or more ownership in the Corporation may be subject to a background check and subsequent approval by the U.S. Bureau of Alcohol, Tobacco & Firearms, and the State of Montana; any Shareholder holding ten percent (10%) or more ownership of the Corporation's outstanding shares of stock may be subject to a background check and subsequent approval by the U.S. Bureau of Alcohol, Tobacco & Firearms, and the State of Montana.

(e) Sub-paragraphs (a) and (b) of this section shall not apply to transfers of Stock between a Shareholder and an immediate member of the Shareholder's family. For the purposes of this section, "an immediate member of the Shareholder's family" means the Shareholder's father, mother, spouse/domestic partner, brother, sister, child, grand-child or great-grand-child,

whether natural or adoptive. The original transferring Shareholder shall complete an affidavit, in a form acceptable to the Corporation's attorney, attesting to the fact that the Stock is being transferred pursuant to an immediate family member and shall state the degree of kinship with the immediate family member.

(f) This Bylaw shall be superseded and repealed by any written buy-sell agreement entered into between the Corporation and/or all of its Shareholders subsequent to the signing of these Bylaws.

*Commentary: First Amendment: amendment of this section was unanimously approved by the Board of Directors at the second quarter board meeting on August 8, 1998, and approved for adoption by a unanimous vote of the Shareholders at a Special Shareholder Meeting on November 7, 1998. Second Amendment: amendment of this section was unanimously approved by the Board of Directors at the second quarterly board meeting on July 17, 1999, and approved for adoption by a majority of the Shareholders at a Special Shareholder Meeting on October 16, 1999.*

# TRANSFER RESTRICTED

See Reverse Side of this Certificate for Specific Restrictions.

Transfer of the shares represented by this certificate is restricted by provisions contained in the by-laws of the corporation issuing this certificate, or by provisions contained in an agreement between said corporation and its stockholders. The full text of the restrictions as contained in said by-laws or agreement may be examined at the principal office of the corporation.

The securities represented by this stock certificate have been acquired pursuant to an investment representation on the part of the Purchaser thereof and shall not be sold, pledged, hypothecated, donated, or otherwise transferred, whether or not for consideration, by the Purchaser except upon the issuance to the Company of a favorable opinion of its counsel or the submission to the Company of such other evidence as may be satisfactory to counsel to the Company, in either case to the effect that any such transfer shall not be in violation of the Securities Act of 1933, as amended, and applicable state securities law.