

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the Big Sky Resort Area District, Montana (the “District”), hereby certify that the attached resolution is a true copy of Resolution No. 2025-06R, entitled: “RESOLUTION RELATING TO RESORT TAX REVENUE BONDS FOR THE COMMUNITY PARK RENOVATION PROJECT; AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED SALE THEREOF” (the “Resolution”), on file in the original records of the District in my legal custody; that the Resolution was duly adopted by the Board of Directors of the District at a regular meeting on August 13, 2025, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 Board members voted in favor thereof: Kevin Germain, John Zirkle, Michelle Kendziorski; voted against the same: none; abstained from voting thereon: Sarah Blechta; or were absent: Grace Young.

WITNESS my hand officially this 13th day of August 2025.

Grace D. Young
Grace D. Young (Aug 13, 2025 11:32:25 MDT)

Secretary

RESOLUTION NO. 2025-06R

RESOLUTION RELATING TO RESORT TAX REVENUE BONDS
FOR THE COMMUNITY PARK RENOVATION PROJECT;
AUTHORIZING THE ISSUANCE AND PRIVATE NEGOTIATED
SALE THEREOF

BE IT RESOLVED by the Board of Directors (the “Board”) of the Big Sky Resort Area District, Montana (the “District”), as follows:

Section 1. Recitals; Prior District Actions.

1.01 Authorization. Under the provisions of Montana Code Annotated, Title 7, Chapter 6, Part 15, as amended (the “Act”), the District is authorized, upon the approval of the electors of the District, to impose a resort tax of up to 3% on the retail value of goods and services sold within the District by (i) hotels, motels and other lodging or camping facilities; (ii) restaurants, fast food stores, and other food service establishments; (iii) taverns, bars, night clubs, lounges and other public establishments that serve beer, wine, liquor or other alcoholic beverages by the drink; and (iv) establishments selling luxuries, and to appropriate and expend revenue from a resort tax for any activity, undertaking, or administrative service authorized in the resolution creating a resort area and adopting a resort tax. The Act also authorizes the issuance of bonds to provide, install, or construct any of such public facilities, improvements, or capital projects and pledge for repayment of the bonds the revenue derived from the resort tax; provided that approval of the electors is required for the issuance of bonds in an amount exceeding \$500,000.

1.02 Prior District Actions. On April 13, 1992, the electors of the District authorized the District to impose a 3.00% tax on the retail value of goods and services sold within the District by certain establishments as defined in and subject to the limitations and conditions set forth in the Act and the Resort Tax Ordinances (as defined below) (the “3% Resort Tax”), for a period of 20 years. On November 2, 2006, the electors of the District extended the imposition of the 3% Resort Tax for an additional 20 years. Pursuant to such authorization as then in effect, the District has enacted Ordinance Nos. 98-010, 99-01 and 2014-02, and such ordinances collectively, and as heretofore and hereafter amended, are known as the “Resort Tax Ordinances.” The Resort Tax Ordinances are in full force and effect.

On May 6, 2025, the electors of the District extended the imposition of the 3% Resort Tax to June 30, 2065, and authorized the issuance of bonds payable from the 3% Resort Tax for the purpose of financing all or a portion of the costs of public facilities, improvements and capital projects serving the District comprising the Big Sky Community Organization’s Community Park Renovation project (the “Project”), and to pay related costs of issuance or other financing costs. By Resolution No. 2025-01R, adopted by the Board on February 4, 2025, as amended by the First Amendment to Resolution No. 2025-01R, adopted by the Board on March 13, 2025, the Board provided that the District would contribute up to \$6,800,000 to the Project.

1.03 Adequacy of 3% Resort Tax Revenues. In fiscal years 2020, 2021, 2022, 2023 and 2024 (which are the 5 most recent fiscal years for which complete collections

information is available), the District received 3% Resort Tax revenues in the amount of \$7,671,899, \$9,539,229, \$13,328,654, \$15,226,326 and \$15,356,109, respectively. The Board reasonably expects fiscal year 2025 collections to be at least equal to collections in fiscal year 2024. In accordance with the provisions of Section 7-6-1542(4) of the Act, the maximum annual principal and interest requirements on bonds payable from the 3% Resort Tax revenues must not cumulatively exceed 25% of the average 3% Resort Tax revenue received by the District during the preceding 5 years (currently, \$3,056,110.85). There are currently no bonds outstanding that are payable from or secured by the 3% Resort Tax revenues.

1.04 Recitals. The Project is now underway and the Board has determined it is in the best interests of the District to proceed to issue and sell 3% Resort Tax revenue bonds of the District (the “Bonds”) to pay costs of the Project and costs of issuance.

Section 2. Sale of Bonds; Bond Purchase Agreement. Pursuant to the Act and Section 17-5-107, Montana Code Annotated, this Board hereby determines that it is in the best interests of the District to sell the Bonds through a private negotiated sale. D.A. Davidson & Co., of Great Falls, Montana (“Davidson”), will serve as underwriter of or placement agent for the Bonds.

The Bonds shall be sold on terms and at a purchase price within the following limitations:

- (1) Davidson’s fee for acting as placement agent or underwriter shall not exceed 0.975% of the principal amount of the Bonds, exclusive of original issue premium or discount;
- (2) the principal amount of the Bonds shall not exceed \$6,800,000, exclusive of original issue premium or discount;
- (3) the maximum annual principal and interest requirements on the Bonds, cumulatively with the principal and interest requirements on bonds payable from the 3% Resort Tax related to the Cold Smoke Project, if any, shall not exceed 25% of the average 3% Resort Tax revenue received by the District during the preceding 5 years;
- (4) the true interest cost (TIC) of the Bonds shall not exceed 6.50%; and
- (5) the term of the Bonds shall not exceed 20 years.

All costs of issuing the Bonds (including, without limitation, but only as applicable, placement agent fees, underwriter’s discount, the fees and expenses of bond counsel, bank fees (if any), fees of Purchaser’s counsel (if any), rating agency fees, bond insurance fees (if any), the term sheet preparation costs (if any), the fees of the paying agent and registrar and dissemination agent, the Preliminary and final Official Statement costs (if any), Depository Trust Company fees, CUSIP costs, continuing disclosure report fees (if any), printing costs, and other miscellaneous expenses) shall be paid by the District.

The Vice Chair, the Secretary/Treasurer and the Executive Director are hereby authorized and directed to approve the principal amounts, purchase price, maturity or payment dates, interest rates, redemption provisions, and conditions pertaining to the purchase and sale of the

Bonds, subject to the limitations contained above in this Section 2. Upon approving such terms, the Vice Chair, the Secretary/Treasurer and the Executive Director are hereby authorized and directed to approve, execute and deliver a bond purchase agreement (the “Bond Purchase Agreement”), containing the agreement of the District to sell, and the agreement of the Purchaser (or Davidson, if it acts as underwriter) to purchase, the Bonds on the terms so approved, and containing such other provisions as such officers shall deem necessary and appropriate. In the event of the absence or disability of any of the Vice Chair, the Secretary/Treasurer and the Executive Director, another member or members of this Board shall make such approvals and execute and deliver the Bond Purchase Agreement. The execution and delivery by not less than two appropriate officers of the District of the Bond Purchase Agreement shall be conclusive as to the approval of such officers of the terms of the Bonds and the agreement of the District to sell the Bonds on such terms in accordance with the provisions thereof.

The Vice Chair, the Secretary/Treasurer and the Executive Director are authorized to undertake such actions and execute and deliver such documents as are necessary or appropriate to facilitate the purchase and sale of the Bonds.

Section 3. Form. The form of the Bonds and the security therefor shall be prescribed by a subsequent resolution to be adopted by this Board.

Section 4. Private Placement Process. If Davidson acts as placement agent, the purchaser of the Bonds (the “Purchaser”) will be determined by a process overseen by the placement agent. If Davidson is to act as placement agent, (i) the Board authorizes and directs Davidson, as placement agent, to prepare appropriate requests for proposals to solicit responses on purchasing the Bonds from banks and other financial institutions, and (ii) upon approval by appropriate District officials, the Board authorizes and directs Davidson, as placement agent, to distribute the requests for proposals and other appropriate materials to potential responders and to field inquiries and evaluate any responses for Board approval or ratification.

Section 5. Preliminary Official Statement; Other. If Davidson purchases the Bonds as underwriter, the Vice Chair, the Secretary/Treasurer, the Executive Director and other staff of the District, in cooperation with Davidson, as underwriter, and Dorsey & Whitney LLP, as Bond Counsel, are hereby authorized and directed to prepare a Preliminary Official Statement to be distributed by Davidson to potential purchasers of the Bonds. Each of the Vice Chair, the Secretary/Treasurer, and the Executive Director (or in the event of the absence or disability of any of them, another member of this Board) is hereby authorized and directed on behalf of the District to approve the Preliminary Official Statement, and to deem it a “final” official statement as of its date in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities and Exchange Act of 1934, and following such approval, to authorize Davidson, if it acts as underwriter, to distribute the Preliminary Official Statement.

Section 6. Continuing Disclosure. If Davidson acts as underwriter, to permit Davidson and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12, the District will covenant and agree, for the benefit of the registered holders and beneficial owners from time to time of the outstanding Bonds, to provide annual reports of specified information and notice of the occurrence of certain events.

PASSED AND APPROVED by the Board of Directors of the Big Sky Resort Area District, Montana, this 13th day of August, 2025.

Sarah Blechta
Sarah Blechta (Aug 13, 2025 15:04:11 MDT)

Chair

Attest: Grace D. Young
Grace D. Young (Aug 18, 2025 21:32:25 MDT)
Secretary










Resolution 2025 06R

Final Audit Report

2025-08-19

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