

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of Big Sky Resort Area District, Montana (the “District”), hereby certify that the attached resolution is a true copy of a Resolution entitled: “RESOLUTION RELATING TO \$6,800,000 RESORT TAX REVENUE BOND (3% BOND—COMMUNITY PARK PROJECT), SERIES 2025; AUTHORIZING THE ISSUANCE AND FIXING TERMS AND CONDITIONS THEREOF, CREATING SPECIAL FUNDS AND ACCOUNTS AND PLEDGING CERTAIN REVENUES AS SECURITY FOR SUCH BOND AND ANY ADDITIONAL BONDS” (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 October 8, 2025, and that the meeting was duly held by the Board of Directors of the District 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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: Sarah Blechta, Michelle Kendziorski, Grace Young, John Zirkle; voted against the same: none; abstained from voting thereon: none; or were absent: Kevin Germain.

WITNESS my hand officially this 8th day of October, 2025.

Grace Young
Grace Young (Oct 15, 2025 2:29:41 MDT)

Secretary/Treasurer

RESOLUTION NO. 2025-07R

RESOLUTION RELATING TO \$6,800,000 RESORT TAX REVENUE BOND (3% BOND—COMMUNITY PARK PROJECT), SERIES 2025; AUTHORIZING THE ISSUANCE AND FIXING TERMS AND CONDITIONS THEREOF, CREATING SPECIAL FUNDS AND ACCOUNTS AND PLEDGING CERTAIN REVENUES AS SECURITY FOR SUCH BOND AND ANY ADDITIONAL BONDS

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

Section 1. Definitions, Authorizations and Findings.

1.01. Definitions. The terms defined in this Section 1.01 shall for all purposes of this Resolution have the meanings herein specified, unless the context clearly otherwise requires:

Act means Montana Code Annotated, Title 7, Chapter 6, Part 15, as amended.

Additional Bonds means any Bonds issued pursuant to Sections 4.01, 4.02 and/or 4.03.

Administrative Expense means the portion of the 3% Resort Tax authorized by the Resort Tax Ordinances to be retained by vendors and commercial establishments to defray their costs in collecting the tax, which is currently an amount equal to 5.0% of the 3% Resort Tax.

Board means the Board of Directors of the District or any successor governing body thereof.

Bonds means the Series 2025 Bond and any Additional Bonds.

Bond Account means the account created in Section 5.04 of this Resolution.

Bond Counsel means any firm of nationally recognized bond counsel experienced in matters relating to tax-exempt financing, selected by the District.

Bondholder means the Person in whose name the Bond is registered in the Bond Register.

Bond Register means the register maintained by the Registrar.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks in the District are not open for business.

Code means the Internal Revenue Code of 1986.

Cold Smoke Bonds means the 1% Bonds to be issued by the District to pay costs of the Cold Smoke Project and pay financing costs and/or other costs of issuance.

Cold Smoke Project means the acquisition of land by the Big Sky Community Housing Trust for the development of the Cold Smoke workforce housing project and the design, construction, acquisition or installation of infrastructure related thereto.

Community Park Project means the public facilities, improvements and capital projects serving the District comprising the Big Sky Community Organization's Community Park Renovation project.

District means the Big Sky Resort Area District, Montana, and its successors and assigns.

Fiscal Year means the period commencing on the first day of July of any year and ending on the last day of June of the next year, or any other specified twelve-month period, authorized by law as the District's fiscal year.

Government Obligations means direct obligations of or obligations the principal of and the interest on which are fully and unconditionally guaranteed as to payment by the United States of America.

Holder means a Bondholder or a Noteholder.

Interest Payment Date means a date specified in a Bond or a Note and in this Resolution or a Supplemental Resolution for payment of an installment of interest on any such Obligation.

Interest Subaccount means the subaccount by that name created in the Bond Account by Section 5.04(a) hereof.

Notes means any Notes issued pursuant to any Supplemental Resolution in accordance with Section 4.05.

Noteholder means the Person in whose name a Note is registered in the Note Register.

Note Account means the account identified in Section 5.07.

Note Register means the note register maintained by the Registrar pursuant to a Supplemental Resolution.

Obligations means Bonds and/or Notes.

Operating Account means the account created by Section 5.06.

Original Purchaser means, with respect to any series of Bonds, the original purchaser of such series of Bonds. The Original Purchaser of the Series 2025 Bond is Stockman Bank.

Outstanding means, when used with reference to Bonds or Notes, as of the date of determination, all Bonds or Notes theretofore issued and delivered under this Resolution except:

(i) Bonds or Notes theretofore cancelled by the District or delivered to the District cancelled or for cancellation;

(ii) Bonds and portions of Bonds or Notes and portions of Notes for whose payment or redemption moneys or Government Obligations shall have been theretofore deposited in trust for the Holders of such Bonds or Notes; provided, however, that if such Bonds or Notes are to be redeemed, notice of such redemption shall have been duly given pursuant to this Resolution or a Supplemental Resolution or irrevocable instructions to call such Bonds or Notes for redemption at a stated Redemption Date shall have been given by the District; and

(iii) Bonds or Notes in exchange for or in lieu of which other Bonds or Notes shall have been issued and delivered pursuant to this Resolution;

provided, however, that in determining whether the Holders of the requisite principal amount of Outstanding Bonds or Notes have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds or Notes owned by the District shall be disregarded and deemed not to be Outstanding.

Person means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

Principal and Interest Requirements means, with respect to any Outstanding Bonds and for any Fiscal Year, the amount required to pay the principal of and interest on such Bonds during such Fiscal Year, assuming that Bonds are paid on the Principal Payment Dates and Interest Payment Dates established by the applicable section of this Resolution or any Supplemental Resolution.

Principal Payment Date means the date provided in this Resolution or a Supplemental Resolution for the payment of principal of a Bond or a Note, including a Stated Maturity of principal of any serial Bond, a payment date for an installment of principal of an amortization Bond and the Sinking Fund Payment Date for any Term Bond.

Principal Subaccount means the subaccount by that name created in the Bond Account by Section 5.04(b) hereof.

Project Account means the account created in Section 5.03 of this Resolution.

Redemption Date when used with respect to any Bond or Note to be redeemed means the date on which it is to be redeemed pursuant to this Resolution and any Supplemental Resolution.

Redemption Price when used with respect to any Bond or Note to be redeemed means the price at which it is to be redeemed pursuant to this Resolution and any Supplemental Resolution.

Registrar means the Person or Persons designated by or pursuant to this Resolution or a Supplemental Resolution to receive and disburse the principal of, premium, if any, and interest on Bonds or Notes on behalf of the District and to hold and maintain the Bond Register in accordance with Section 3.02 hereof with respect to the Series 2025 Bond or in accordance with any Supplemental Resolution with respect to Additional Bonds or to maintain the Note Register in accordance with any Supplemental Resolution with respect to Notes.

Resort Tax Ordinances means Ordinance Nos. 98-01, 99-01 and 2008-01, as amended.

Serial Bonds means Bonds which are serial bonds and not Term Bonds.

Series 2025 Bond means the District's Resort Tax Revenue Bond (3% Bond—Community Park Project), Series 2025, issued in the principal amount of \$6,800,000 pursuant to this Resolution.

Sinking Fund Payment Date means one of the dates set forth in any applicable provisions of a Supplemental Resolution (as to any series of Additional Bonds) for the making of mandatory principal payments for Term Bonds.

Stated Maturity when used with respect to any Bond means the date specified in such Bond as the fixed date on which principal of such Bond or Note is due and payable.

Subordinate Obligations means any Obligations issued pursuant to Section 4.04.

Supplemental Resolution means any resolution supplemental to this Resolution adopted pursuant to Section 8 hereof.

Term Bonds means any Bond for the payment of the principal of which mandatory payments are required by the Resolution to be made at times and in amounts sufficient to redeem all or a portion of such Bonds prior to their Stated Maturity.

1% Bond means any bond issued by the District secured by and payable from the 1% Resort Tax revenues.

1% Bond Deficiency Account means the account created by Section 5.05.

1% Resort Tax means the additional resort tax imposed by the District for infrastructure pursuant to the Act and the Resort Tax Ordinances at the rate of 1% 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. For the avoidance of doubt, "1% Resort Tax" does not include any additional resort taxes, including, without limitation, the 3% Resort Tax.

3% Resort Tax means the resort tax imposed by the District pursuant to the Act and the Resort Tax Ordinances at the rate of 3% 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. For the avoidance of doubt, "3% Resort Tax" does not include any additional resort taxes, including, without limitation, the 1% Resort Tax.

3% Resort Tax Revenues means the revenues received by the District from the 3% Resort Tax, which revenues exclude the Administrative Expense. For avoidance of doubt, 3% Resort Tax Revenues do not include any revenues received by the District from the 1% Resort Tax.

1.02. Rules of Interpretation.

A. This “Resolution” means this instrument as originally adopted or as it may from time to time be amended or supplemented pursuant to the applicable provisions hereof.

B. All references in this instrument to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this instrument as originally adopted.

C. The words “herein”, “hereof” and “hereunder” and other words of similar import without reference to any particular Section or subdivision refer to this Resolution as a whole and not to any particular Section or other subdivision unless the context clearly indicates otherwise.

D. The terms defined in this Section shall include the plural as well as the singular.

E. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles applicable to governmental entities.

F. All computations provided herein shall be made in accordance with generally accepted accounting principles applicable to governmental entities consistently applied.

1.03. Authorization. Under the provisions of the Act, the District is authorized, upon the approval of the electorate 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 and, if approved by four of the five board members, issue bonds to provide, install, or construct public facilities, improvements, or capital projects and pledge for repayment of the bonds the revenue derived from the resort tax. The Act also authorizes the issuance of bonds to provide, install, or construct public facilities, improvements, or capital projects and pledge for repayment of the bonds the revenue derived from the resort tax; provided that the approval of the electors is required for the issuance of bonds in an amount exceeding \$500,000.

In addition, the Act authorizes District, upon the approval of the electors of the District, to impose an additional resort tax levy at the rate of up to 1% and to issue bonds payable therefrom, provided that collections of the additional 1% resort tax must be used to provide funding for infrastructure. Infrastructure, for this purpose, includes workforce and community housing projects.

1.04. Prior District Actions. On April 13, 1992, the electorate of the District authorized the District to impose the 3% Resort Tax, commencing June 1, 1992, at a rate of 3.00% for a period of twenty years. On November 7, 2006, the electorate of the District extended the authorization of the District to impose the 3% Resort Tax at a rate of 3.00% for a period of

twenty years (i.e., concluding June 1, 2032). 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 (1) extended the imposition of the 3% Resort Tax to June 30, 2065; (2) authorized the issuance of bonds payable from the 3% Resort Tax for the purpose of financing all or a portion of the costs of the Community Park Project, and to pay related costs of issuance or other financing costs; and (3) authorized the issuance of bonds payable from the 3% Resort Tax and to continue imposing the 1% Resort Tax and to issue bonds payable therefrom, for the purpose of financing applicable costs of the Cold Smoke Project and to pay related costs of issuance or other financing costs.

1.05. Outstanding Indebtedness. There are no Obligations or other indebtedness Outstanding that are payable in whole or in part from 3% Resort Tax Revenues.

1.06. Findings and Determinations. It is hereby found, determined and declared by this Board as follows:

A. The maximum annual Principal and Interest Requirements on the Series 2025 Bond are \$509,000. In Fiscal Years 2021, 2022, 2023, 2024 and 2025 (which are the 5 most recently completed Fiscal Years), the District received 3% Resort Tax Revenues in the amount of \$9,539,229, \$13,328,654, \$15,226,326, \$15,356,109, and \$17,144,979, respectively. In accordance with the provisions of Section 7-6-1542 of the Act, the Board hereby determines that the maximum annual Principal and Interest Requirements on the Series 2025 Bond (\$509,000) will not cumulatively exceed 25% of \$14,119,059, which is the average of 3% Resort Tax Revenue received by the District during the preceding 5 years ($\$14,119,059 \times 25\% = \$3,529,764$). Based on 3% Resort Tax Revenues received in the 5 most recently completed Fiscal Years, the 3% Resort Tax Revenues pledged to the repayment of the Series 2025 Bond will be sufficient in each year to pay the principal and interest on the Series 2025 Bond when due.

B. The term of the Series 2025 Bond is 20 years, which is not longer than the remaining duration of the District.

C. The projected useful life of the Community Park Project is greater than the term of the Series 2025 Bond.

D. The Community Park Project constitutes public facilities, improvements and capital projects of the type permitted under Section 7-6-1542 of the Act to be funded by the issuance of bonds. The Community Park Project provides for the public health, safety and welfare within the District within the meaning of the Resort Tax Ordinances.

E. The voters of the District approved the issuance of bonds payable from the 3% Resort Tax Revenues to finance the Community Park Project and to pay costs of issuance, as well as to finance the Cold Smoke Project.

F. It is in the best interests of the District and its residents to issue and sell the Series 2025 Bond as provided in this Resolution.

1.07. Recitals. All acts, conditions and things required by the Constitution and laws of the State of Montana to be done, to exist, to happen and to be performed prior to the issuance of the Series 2025 Bond have been done, do exist, have happened, and have been performed in due time, form and manner, wherefore it is now necessary for this Board to establish the form and terms of the Series 2025 Bond, to provide for the security thereof and to issue the Series 2025 Bond forthwith.

Section 2. The Bonds.

2.01. General Title. The general title of the Bonds of all series shall be “Resort Tax Revenue Bonds (3% Bonds),” with appropriate additions to note the project being financed and/or for refunding bonds.

2.02. General Limitations; Issuable in Series. The aggregate principal amount of Bonds that may be authenticated and delivered and Outstanding under this Resolution is not limited, except as provided in this Sections 2 and Section 4 hereof and except as may be limited by law.

The Bonds may be issued in series as from time to time authorized by the Board. With respect to the Bonds of any particular series, the District may incorporate in or add to the general title of such Bonds any words, letters or fixtures designed to distinguish that series.

The Bonds are special limited obligations of the District. Principal of, premium, if any, and interest on the Bonds are payable solely from the 3% Resort Tax Revenues or other sources which may be pledged to the payment of any series of Bonds (other than to the extent payable out of proceeds of the Bonds). The Bonds are not general obligations of the District, and the general credit of the District is not pledged thereto. Neither the Bonds nor any of the agreements or obligations of the District contained herein shall be construed to constitute an indebtedness of the District for purposes of any statutory or constitutional debt limitation.

If any Interest Payment Date, Principal Payment Date or Redemption Date shall be on other than a Business Day, then such payment may be made on the next succeeding Business Day, with the same force and effect as if made on the Interest Payment Date, Principal Payment Date or Redemption Date (whether or not such next succeeding business day occurs in a succeeding month).

Except as otherwise provided or required by the context hereof, the provisions of this Resolution shall be equally applicable and binding on any Notes issued hereunder.

2.03. Terms of Particular Series. Each series of Bonds (except the Series 2025 Bond, which is created by Section 3 hereof) shall be created by a Supplemental Resolution. The Bonds of each series (other than the Series 2025 Bond, as to which specific provision is made in this instrument) shall bear such date or dates, shall be payable at such place or places, shall have such Stated Maturities and Redemption Dates, shall bear interest at such rate or rates, from such date or dates, shall be payable in such installments and on such dates and at such place or places, and may be redeemable at such price or prices and upon such terms (in addition to the prices and

terms herein specified for redemption of all Bonds) as such shall be provided for in the Supplemental Resolution creating that series, all upon such terms as the District may determine.

Any series of Bonds may be secured by a debt service reserve account, as set forth in the Supplemental Resolution relating to such Bonds, and the District reserves the right to create a debt service reserve account in the Bond Account in connection with the issuance of Bonds secured by such an account. If created, the establishment and maintenance of the debt service reserve account will be a first lien on 3% Resort Tax Revenues, funded with 3% Resort Tax Revenues remaining after providing for the requirements of the Interest Subaccount and Principal Subaccount within the Bond Account.

2.04. Form and Denominations of Particular Series. All Bonds shall be issued as fully registered Bonds. The form of the Bonds of each series (other than the Series 2025 Bond, as to which specific provisions are made in Section 3 hereof) shall be established by the provisions of the Supplemental Resolution creating such series. The Bonds of each series shall be distinguished from the Bonds of other series in such manner as the Board may determine.

The Bonds of each series shall be issuable in such denominations as may be provided in the provisions of the Supplemental Resolution creating such series (other than the Series 2025 Bond, as to which specific provisions are made in this instrument).

2.05. Execution and Authentication. The Bonds shall be executed on behalf of the District by the manual or facsimile signatures of the Chair of the Board and Secretary/Treasurer (or other officers of the District authorized by proceedings of the Board), and shall have the official seal of the District affixed, imprinted or reproduced thereon; provided, that if required by applicable laws, one such signature on each Bond shall be a manual signature. In the event any Bonds bear the manual or facsimile signature of an officer who ceases before delivery of the Bonds to be such officer, the signature shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until delivery. Notwithstanding such execution, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Bond has been duly executed by the manual signature of an authorized representative of the Registrar. Certificates of authentication on each Bond need not be signed by the same representative. The executed certificate of authentication on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution and in accordance with the provisions hereof.

Section 3. The Series 2025 Bond.

3.01. Title, Principal Amount, Interest Rate and Payment Dates.

(a) The Series 2025 Bond to be issued hereunder shall be denominated “Resort Tax Revenue Bond (3% Bond—Community Park Project), Series 2025” and shall be issued in the principal amount of \$6,800,000. The Series 2025 Bond shall mature, subject to prior redemption as hereinafter provided, on July 1, 2045. The Series 2025 Bond shall bear interest on the Outstanding principal amount from the date of original issue, or from such later date to which interest has been paid or duly provided for, until paid or discharged at the rate of 4.00% per annum. The principal of and interest

on the Series 2025 Bond shall be payable in the amounts and on the respective Interest Payment Dates and Principal Payment Dates reflected in the Debt Service Schedule attached as Schedule I to the Series 2025 Bond.

(b) Principal of and interest on the Series 2025 Bond shall be payable by check or draft of the Registrar mailed to (or, as appropriate, wired to) the Holder as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each payment date; *provided* that the final installment of principal (whether at maturity or earlier redemption) shall be paid by the Registrar only upon presentation and surrender of each of the Series 2025 Bond at the principal office of the Registrar. The Registrar shall note in the Bond Register each principal payment on the Series 2025 Bond.

3.02. System of Registration. The District hereby appoints the District Finance and Compliance Director to act as bond registrar, transfer agent and paying agent for the Series 2025 Bond (the “Registrar”). The District reserves the right to appoint a bank, trust company or fiscal company as successor bond registrar, transfer agent or paying agent, as authorized by the Model Public Obligations Registration Act of Montana (the “Registration Act”), and the District agrees to pay the reasonable and customary charges of the Registrar for the services performed. This Section 3.02 shall establish a system of registration for the Series 2025 Bond as defined in the Registration Act. The effect of registration and the rights and duties of the District and the Registrar with respect thereto shall be as follows:

(a) Bond Register. The Registrar shall keep at its principal office a bond register in which the Registrar shall provide for the registration of ownership of the Series 2025 Bond and the registration of transfers and exchanges of the Series 2025 Bond entitled to be registered, transferred or exchanged.

(b) Transfer. Upon surrender to the Registrar for transfer of the Series 2025 Bond duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Series 2025 Bond of a like aggregate principal amount, interest rate and maturity. The Registrar may, however, close the books for registration of transfer of the Series 2025 Bond or portion thereof selected or called for redemption.

(c) Exchange. Whenever any Series 2025 Bond is surrendered by the registered owner for exchange, the Registrar shall authenticate and deliver a new Series 2025 Bond of a like aggregate principal amount, interest rate and maturity, as requested by the registered owner or the owner’s attorney duly authorized in writing.

(d) Cancellation. Any Series 2025 Bond surrendered upon any transfer or exchange shall be promptly canceled by the Registrar and thereafter disposed of as directed by the District.

(e) Improper or Unauthorized Transfer. When any Series 2025 Bond is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Series 2025 Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(f) Persons Deemed Owner. The District and the Registrar may treat the person in whose name any Series 2025 Bond is at any time registered on the Bond Register as the absolute owner of such Series 2025 Bond, whether such Series 2025 Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Series 2025 Bond and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the District upon such Series 2025 Bond to the extent of the sum or sums so paid.

(g) Taxes, Fees and Charges. For every transfer of the Series 2025 Bond or exchange of the Series 2025 Bond (except for an exchange upon the partial redemption of a Series 2025 Bond), the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee or other governmental charge required to be paid with respect to such transfer or exchange.

(h) Mutilated, Lost, Stolen or Destroyed Bond. In case any Series 2025 Bond shall become mutilated or be lost, stolen or destroyed, the Registrar shall deliver a new Series 2025 Bond of like aggregate principal amount, interest rate and maturity in exchange and substitution for and upon cancellation of any such mutilated Series 2025 Bond or in lieu of and in substitution for any such Series 2025 Bond lost, stolen or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case of a Series 2025 Bond lost, stolen or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Series 2025 Bond was lost, stolen or destroyed, and of the ownership thereof, and upon furnishing to the Registrar an appropriate bond or indemnity in form, substance and amount satisfactory to it, in which both the District and the Registrar shall be named as obligees. Any Series 2025 Bond so surrendered to the Registrar shall be canceled by it and evidence of such cancellation shall be given to the District. If the mutilated, lost, stolen or destroyed Series 2025 Bond has already matured or such Series 2025 Bond has been called for redemption in accordance with its terms, it shall not be necessary to issue a new Series 2025 Bond prior to payment.

3.03. Redemption.

(a) Optional Redemption of Series 2025 Bond. The District may prepay and redeem on any date, in whole or part, any unpaid principal of the Series 2025 Bond at a price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, without premium. If the Series 2025 Bond is prepaid in part, the Original Purchaser or then-registered owner of the Series 2025 Bond will either apply such prepayment in inverse order of principal installments or reamortize the principal

remaining upon redemption and prepayment at the interest rate over the then-remaining term in equal or substantially equal semiannual installments of principal and interest, as directed by the District. So long as the Series 2025 Bond is held by one registered owner, upon partial redemption and prepayment there shall be no need to exchange a new Series 2025 Bond for the unredeemed portion of the existing Series 2025 Bond; provided that the amortization schedule attached as Schedule I to the form of the Series 2025 Bond shall be replaced by an amortization schedule reflecting the prepayment

(b) Notice of Redemption. The Redemption Date and the principal amount of the Series 2025 Bond to be redeemed shall be fixed by the District, which, if the Registrar is other than a District official, shall give notice thereof to the Registrar at least 45 days prior to the Redemption Date or such lesser period as the Registrar accepts. The Registrar, at least 20 days prior to the designated Redemption Date, shall cause notice of redemption to be mailed, by first class mail to the Owner of the Series 2025 Bond to be redeemed at its address as it appears on the Bond Register, but no defect in or failure to give such mailed notice shall affect the validity of proceedings for the redemption of any Series 2025 Bond not affected by such defect or failure. The notice of redemption shall specify the Redemption Date, Redemption Price, the numbers and interest rate and the place at which the Series 2025 Bond is to be surrendered for payment, which is the principal office of the Registrar. Official notice of redemption having been given as aforesaid, the Series 2025 Bond or portion thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and from and after such date (unless the District shall default in the payment of the Redemption Price) such Series 2025 Bond or portion thereof shall cease to bear interest.

3.04. Form of Series 2025 Bond. The Series 2025 Bond shall be in substantially the form set forth in Exhibit A hereto (which is hereby incorporated herein and made a part hereof), with such appropriate variations, omissions and insertions as are permitted or required by the Resolution.

3.05. Preparation, Execution and Delivery of Series 2025 Bond. The Series 2025 Bond shall be prepared under the direction of the Secretary/Treasurer and shall be executed on behalf of the District by the signature of the Chair of the Board attested to by the Secretary/Treasurer. Notwithstanding such execution, the Series 2025 Bond shall not be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until a certificate of authentication on such Series 2025 Bond has been duly executed by the manual signature of the Registrar. When the Series 2025 Bond has been fully executed and authenticated, it shall be delivered by the Registrar to the Original Purchaser upon payment of the purchase price, and the Original Purchaser shall not be obligated to see to the application of the purchase price.

Section 4. Additional Bonds.

4.01. General Provisions. In addition to the Series 2025 Bond, whose issuance and delivery is provided for in Section 3 hereof, Additional Bonds may at any time and from time to time be issued, sold and delivered by the District but only upon compliance with the conditions

of this Section 4.01 and Section 4.02 or 4.03, whichever may be applicable, and upon filing with the Secretary/Treasurer:

(a) a Supplemental Resolution authorizing the issuance of and creating the designated series of Additional Bonds and the sale thereof to the Original Purchaser or Purchasers named therein for the purchase price set forth therein; and

(b) A certificate executed by the Board Chair and the Secretary/Treasurer stating that upon the issuance of such series of Bonds, no default hereunder has occurred and is continuing which would not be cured upon the issuance of such series of Bonds and the application of the proceeds thereof.

4.02. Additional Bonds to Finance Projects or to Refund Subordinate Obligations. Additional Bonds may be issued to finance all or a portion of the cost of any Project or to refund Subordinate Obligations. Prior to the delivery of such series of Bonds, there shall be filed with the Secretary/Treasurer:

(a) the items required by Section 4.01; and

(b) a certificate of the Chair of the Board and the Secretary/Treasurer: (i) describing in brief and general terms the project or projects to be financed and estimating the costs thereof, or describing the Subordinate Obligation(s) to be refunded; (ii) whether the Additional Bonds will be secured by a debt service reserve account, and if so, the amount which will be required to be deposited in the debt service reserve account with respect to the Additional Bonds proposed to be issued; (iii) determining that the maximum Principal and Interest Requirements on the Outstanding Bonds and the Additional Bonds proposed to be issued will not cumulatively exceed 25% of the average of the 3% Resort Tax Revenues received by the District during the preceding 5 Fiscal Years; and (iv) stating that voter approval, if required under the Act, has been obtained.

4.03. Additional Bonds for Other Refunding Purposes. Additional Bonds may be issued to refund Outstanding Bonds. Prior to authentication and delivery of any Additional Bonds under this Section 4.03 there shall be filed with the Secretary/Treasurer:

(a) the items required by Section 4.01; and

(b) a certificate of the Chair of the Board and Secretary/Treasurer to the effect that (i) the proceeds (excluding accrued interest but including any premium) of the Additional Bonds, together with any other funds deposited for such purpose, will be not less than an amount sufficient to pay the principal of and redemption premium, if any, on the Outstanding Bonds to be refunded and the interest which will become due and payable on and prior to the Redemption Dates or Stated Maturities of the Bonds to be refunded, or (ii) provision has been made for the payment of such Bonds by the deposit of cash sufficient, or of Government Obligations, the payments of interest on and principal of which are sufficient to pay the principal amount of and premium, if any, on such Bonds with interest to the Stated Maturities thereof or to any prior Redemption Date or Dates on which they are prepayable, and have been called for redemption or provision has been irrevocably made for their redemption, on such date or dates;

(b) if the refunded Bonds are to be deemed defeased under Section 9.04 upon the date of issuance of the refunding Bonds, a copy of the irrevocable instructions delivered to the escrow agent or the Registrar to redeem all the Bonds to be redeemed on the Redemption Date or Dates specified in such instructions.

If Additional Bonds are to be issued to refund Outstanding Notes issued under Section 4.05 hereof, and if the average interest rate on such Additional Bonds exceeds the maximum rate assumed upon the issuance of the Notes under Section 4.05(a) hereof, the conditions for issuance of Additional Bonds pursuant to Section 4.02 hereof shall be satisfied instead of the requirements of this Section 4.03.

4.04. Subordinate Obligations; 1% Bonds Secured by 1% Bond Deficiency Account. Except as provided in Sections 4.01, 4.02 and 4.03 hereof, no Obligations will be issued and made payable from the 3% Resort Tax Revenues unless the pledge and appropriation of such 3% Resort Tax Revenues shall be subordinate to the pledge of 3% Resort Tax Revenues for the payment and security of the Series 2025 Bond and any Additional Bonds, and subordinate to the requirements of the 1% Bond Deficiency Account.

(a) In the event of the issuance of any such Subordinate Obligations for any authorized purpose of the District, the principal thereof and interest and redemption premiums, if any, thereon will be payable from the Operating Account, subject to the prior claim to amounts in such account of the Bond Account and the 1% Bond Deficiency Account, and the funds at any time on hand in any such account shall be subject to the prior lien of the Bond Account and 1% Bond Deficiency Account and shall be available and transferred from such account whenever needed to meet the current requirements of the Bond Account and 1% Bond Deficiency Account.

(b) The District plans to issue the Cold Smoke Bonds and to pledge the 1% Bond Deficiency Account to the security thereof. The District reserves the right to issue additional 1% Bonds secured by the 1% Bond Deficiency Account under conditions to be set forth in the resolution authorizing the issuance of the Cold Smoke Bonds.

4.05. Notes. The District may, from time to time, issue Notes in anticipation of the issuance of Additional Bonds subject to the following conditions:

(a) the Additional Bonds in anticipation of which the Notes are issued, assuming a maximum rate of interest on such Bonds, shall be authorized to be issued under Sections 4.01 and 4.02,

(b) the Notes shall be payable from the Note Account and any payment of interest on the Notes from 3% Resort Tax Revenues shall be subordinated to Outstanding Bonds, and

(c) the Notes shall have a final Stated Maturity within three years of their date of issue, or such longer period as may be allowed by law.

Section 5. 3% Resort Tax Fund.

5.01. Bond Proceeds and 3% Resort Tax Revenues Pledged and Appropriated. A fund designated as the 3% Resort Tax Fund is hereby established and shall be maintained as a separate and special bookkeeping account on the official books of the District until all Bonds have been fully paid, or the District's obligation with reference to such Bonds has been discharged as provided in this Resolution. All proceeds of Bonds, Notes and Subordinate Obligations issued hereunder for purposes of financing projects are appropriated to the Project Account within the 3% Resort Tax Fund, unless otherwise appropriated in the Supplemental Resolution relating to such Obligations. All 3% Resort Tax Revenues are irrevocably pledged and appropriated and shall be credited to this Fund as received. Bonds shall be secured by a first pledge of and lien on all of the 3% Resort Tax Revenues and of all other moneys from time to time in the 3% Resort Tax Fund in the manner and to the extent provided in this Section 5. The 3% Resort Tax Fund shall be subdivided into separate accounts as designated and described in Sections 5.03 through 5.06.

5.02. 3% Resort Tax Revenue Receipts. All 3% Resort Tax Revenues received by the District shall be credited to the 3% Resort Tax Fund, as required by Section 5.01, as follows: (a) first, to the Interest Subaccount in the Bond Account, until the balance on hand in the Interest Subaccount is at least equal to all interest on Bonds to become due and payable from the Interest Subaccount within the next 12 calendar months; (b) second, to the Principal Subaccount in the Bond Account, until the balance on hand in the Principal Subaccount is at least equal to all principal on Bonds to become due and payable from the Principal Subaccount within the next 12 calendar months; (c) third, if a debt service reserve account is created within the Bond Account pursuant to a Supplemental Resolution, to the debt service reserve account until the balance on hand is equal to the reserve requirement for such account as prescribed in a Supplemental Resolution; (d) fourth, on a second lien basis, and only if necessary, as determined each October and April as described in Section 5.05 herein, to the 1% Bond Deficiency Account to pay interest and, if applicable, principal on the Cold Smoke Bonds and any additional 1% Bonds secured by the 1% Bond Deficiency Account if the 1% Resort Tax collections are insufficient to pay debt service on such 1% Bonds; and (e) fifth, on a third lien basis, to any debt service accounts that may hereafter be established with respect to Subordinate Obligations and to the Operating Account to be used for any lawful purposes of 3% Resort Tax Revenues, including to pay grant commitments and operating expenses of the District.

5.03. Project Account. The Project Account is hereby established as an account within the 3% Resort Tax Fund and shall be used only to pay as incurred and allowed costs which under accepted accounting practice are costs of projects. To the Project Account shall be credited: (i) all proceeds as received from Bonds, Subordinate Obligations or Notes issued hereunder, except amounts otherwise appropriated in the applicable Supplemental Resolution; and (ii) all income received from the investment of the Project Account. Upon completion of any project and payment of the cost thereof, the District shall transfer any surplus moneys in the Project Account to the Bond Account, Operating Account or Note Account, as applicable. Money in the Project Account may be transferred as needed to the Bond Account to pay principal of or interest on Bonds to the extent moneys therein are insufficient.

5.04. Bond Account. The Bond Account is hereby established as an account within the 3% Resort Tax Fund. There are hereby established within the Bond Account two separate subaccounts, designated as the Interest Subaccount and the Principal Subaccount.

(a) Interest Subaccount. There shall be credited to the Interest Subaccount the following amounts: (i) any amount specified in a Supplemental Resolution to be credited to the Interest Subaccount; and (ii) from 3% Resort Tax Revenues received by the District, the amount specified in Section 5.02(a). On or before each Interest Payment Date, the District shall withdraw from the Interest Subaccount an amount sufficient to pay the interest coming due on the Bonds on such Interest Payment Date, and shall use such amount to pay or provide for the payment of interest on the Bonds on such Interest Payment Date.

If on any Interest Payment Date the balance in the Interest Account is not sufficient to pay the total amount of interest due on such Interest Payment Date, the District shall transfer any money then on hand in the Operating Account, 1% Bond Deficiency Account or the Principal Subaccount, in the order listed and in an amount equal to such deficiency, to the Interest Subaccount.

(b) Principal Subaccount. There shall be credited to the Principal Subaccount the following amounts: (i) any amount specified in a Supplemental Resolution to be credited to the Principal Subaccount, and (ii) from 3% Resort Tax Revenues received by the District, the amount specified in Section 5.02(b).

Amounts on hand in the Principal Subaccount shall be used on any Interest Payment Date to make up a deficiency in the Interest Subaccount, if and to the extent required by the second paragraph of Section 5.04(a).

On or before each Principal Payment Date, the District shall withdraw from the Principal Subaccount an amount sufficient to pay the principal due on the Bonds on such Principal Payment Date, and shall use such amount to pay or provide for the payment of principal on the Bonds on such Principal Payment Date.

If on any Principal Payment Date the balance in the Principal Subaccount is not sufficient to pay the total amount of principal due on such Principal Payment Date, the District shall transfer any money then on hand in the Operating Account or 1% Bond Deficiency Account, in that order and in an amount equal to such deficiency, to the Principal Subaccount.

(c) If a debt service reserve account is established with respect to any series of Bonds, the debt service reserve account will be established as a subaccount within the Bond Account, with the priority set forth in Section 5.02(c) and such additional specific provisions as may be set forth in a Supplemental Resolution.

5.05. 1% Bond Deficiency Account. The 1% Bond Deficiency Account is hereby established as an account within the 3% Resort Tax Fund. There shall be credited to the 1% Bond Deficiency Account from 3% Resort Tax Revenues received by the District and remaining after the required deposits to the Bond Account, the amount specified in Section 5.02(d). In the bond resolution authorizing the issuance of the Cold Smoke Bonds, the District will create a 1% Resort Tax fund into which the 1% Resort Tax revenues will be deposited as received, and a debt service account therein for the repayment of 1% Bonds (the "1% Bond Debt Service Account").

The 1% Bond Debt Service Account will have the first claim on 1% Resort Tax revenues. As of each October 1 and April 1, the District shall determine the amount of funds on hand in the 1% Bond Debt Service Account for the Cold Smoke Bonds and any additional 1% Bonds secured by the 1% Bond Deficiency Account. To the extent that amounts on hand in the 1% Bond Debt Service Account are not sufficient to pay the interest and/or principal next coming due on the Cold Smoke Bonds and any additional 1% Bonds secured by the 1% Bond Deficiency Account, the District shall transfer from 3% Resort Tax Revenues received by the District, following required deposits to the Bond Account as described in Section 5.02(a)-(d), and from any money then on hand in the Operating Account, in an amount equal to such deficiency, to the 1% Bond Deficiency Account. Funds on hand in the 1% Bond Deficiency Account shall be used only to pay principal of and interest on the Cold Smoke Bonds and any additional 1% Bonds secured by the 1% Bond Deficiency Account in the event that funds in the 1% Bond Debt Service Account are insufficient therefor.

5.06. Operating Account. The Operating Account is hereby established as an account within the 3% Resort Tax Fund. There shall be credited to the Operating Account any and all 3% Resort Tax Revenues remaining after the required credits to the Bond Account and 1% Bond Deficiency Account, and any money in the Project Account or the Bond Account in excess of the requirements of said accounts may be transferred, in the discretion of the District, to the Operating Account. Money from time to time available in the Operating Account shall be transferred to the Bond Account and 1% Bond Deficiency Account only as needed as provided by Sections 5.04 and 5.05 hereof and in addition may be used for any activity, undertaking or administrative service authorized by the Act and the Resort Tax Ordinances, including paying Subordinate Obligations and prepaying or redeeming Bonds.

The District shall have no obligation to replenish the Operating Account for amounts paid or transferred from the Operating Account in accordance with this Section 5.06.

5.07. Note Account. Upon issuance of a Note, there shall be established in the 3% Resort Tax Fund and the Secretary/Treasurer shall thereafter maintain a separate and special Note Account. The District irrevocably appropriates to the Note Account: (a) the proceeds of any Bonds issued to refund one or more Notes, as received and to the extent necessary for the payment of such Notes, and (b) such other money as shall be appropriated to the Note Account from time to time.

5.08. Investments. The Secretary/Treasurer shall cause all moneys from time to time in the 3% Resort Tax Fund to be deposited as received in accordance with the provisions of Montana Code Annotated, Section 7-6-201, and no money shall at any time be withdrawn from such deposit accounts except for the purposes of the 3% Resort Tax Fund as defined and authorized by this Resolution. The funds to the credit of the several accounts within the 3% Resort Tax Fund may be commingled in one or more deposit accounts. The balance on hand in any of the accounts of the 3% Resort Tax Fund may at any time be invested and reinvested in the qualified investments in accordance with State law, maturing and bearing interest payable at the times and in the amounts estimated to be required to provide cash when needed for the purposes of the respective accounts. Income from the investment of the moneys in the various accounts shall be credited thereto.

Section 6. Other Covenants of District.

6.01. Punctual Payment. The District will punctually pay or cause to be paid the principal and interest to become due with respect to all Bonds, in strict conformity with the terms of the Bonds and of this Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Resolution and of the Bonds.

6.02. Levy and Collection of Resort Tax. The District covenants and agrees, so long as any Bonds are Outstanding, to levy the 3% Resort Tax in the manner permitted by the Act, the Resort Tax Ordinances, and other applicable law.

6.03. Amendment of Resort Tax Ordinances. The District will not revise, amend or modify the Resort Tax Ordinances in a manner that would materially adversely affect the amount of 3% Resort Tax Revenues anticipated to be received thereunder.

6.04. Pledge of Replacement Revenues. In the event the Constitution or laws of the State are amended to abolish or substantially reduce or eliminate resort taxes and State law then or thereafter provides to the District an alternate or supplemental source or sources of revenue specifically to replace or supplement abolished or reduced 3% Resort Tax, the District pledges and covenants to appropriate annually, subject to the limitations of then applicable law, to the Bond Account from such alternate or supplemental revenues an amount that will, with money on deposit in the Bond Account or available and to be transferred to the Bond Account during such Fiscal Year, be sufficient to pay the principal of, premium, if any, and interest on the Bonds payable in that Fiscal Year. No assurance can be given that any such alternate or supplemental revenues will be provided under State law specifically to replace abolished or reduced 3% Resort Tax.

6.05. Books and Accounts; Financial Statements. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the 3% Resort Tax and the 3% Resort Tax Fund.

The District will prepare and file with the Secretary/Treasurer annually, within two hundred seventy (270) days after the close of each Fiscal Year so long as any of the Bonds are Outstanding, complete financial statements with respect to the preceding Fiscal Year showing the 3% Resort Tax Revenues and all disbursements from the 3% Resort Tax Fund, including the balances in the 3% Resort Tax Fund and accounts therein as of the end of each such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an independent auditor. The District will make the audit report available to any Bondholder upon request.

6.06. Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Resolution, and for the better assuring and confirming unto the Holders of the Bonds of the rights and benefits provided in this Resolution.

Section 7. Bondholder Rights. No Holder of any Bond issued and secured under the provisions of this Resolution shall have the right to institute any proceeding, judicial or

otherwise, for the enforcement of the covenants herein contained, without the written concurrence of the Holders of not less than 50% in aggregate principal amount of all such Bonds which are at the time Outstanding; but the Holders of this amount of such Bonds may, either at law or in equity, by suit, action or other proceedings, protect and enforce the rights of all Holders of such Bonds and compel the performance of any and all of the covenants required herein to be performed by the District and its officers and employees. The Holders of a majority in principal amount of such Outstanding Bonds shall have the right to direct the time, method and place of conducting any proceedings for any remedy available to the Holders of the exercise of any power conferred on them, and the right to waive a default in the performance of any such covenant, and its consequences, except a default in the payment of the principal of or interest on any Bond when due. However, nothing herein shall impair the absolute and unconditional right of the Holder of each such Bond to receive payment of the principal of, premium, if any, and interest on such Bond as such principal, premium and interest respectively become due, and to institute suit for the enforcement of any such payment. In the event of default in any such payment, any court having jurisdiction of the action may appoint a receiver to administer the 3% Resort Tax Fund and to collect and segregate and apply the 3% Resort Tax Revenues and other revenues pledged thereto as provided by this Resolution and the Act.

Section 8. Supplemental Resolutions.

8.01. General. The District reserves the right to adopt Supplemental Resolutions to this Resolution from time to time and at any time, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein, or of making such provisions with regard to matters or questions arising hereunder as the District may deem necessary or desirable and not inconsistent with this Resolution, and which shall not adversely affect the interests of the Holders of Bonds issued hereunder, or for the purpose of adding to the covenants and agreements herein contained, or to the 3% Resort Tax herein pledged, other covenants and agreements thereafter to be observed and additional revenues or income thereafter appropriated to the 3% Resort Tax Fund, or for the purpose of surrendering any right or power herein reserved to or conferred upon the District, or for the purpose of authorizing the creation and issuance of a series of Additional Bonds, as provided in and subject to the conditions and requirements of Section 4 hereof. The District reserves the right to amend Section 5.05 to the extent necessary or advisable in connection with the issuance and sale of the Cold Smoke Bonds, provided that no such amendment shall change the priority of the lien on 3% Resort Tax Revenues as between the Bond Account and the 1% Bond Deficiency Account. Any such Supplemental Resolution may be adopted by resolution, without the consent of the Holder of any of the Bonds issued hereunder.

8.02. Consent of Bondholders. With the consent of the Holders of Bonds issued hereunder as provided in Section 8.04, the District may from time to time and at any time adopt a Supplemental Resolution for the purpose of amending this Resolution by adding any provisions hereto or changing in any manner or eliminating any of the provisions hereof or of any Supplemental Resolution, except that no Supplemental Resolution shall be adopted at any time without the consent of the Holders of all Bonds issued hereunder which are then Outstanding, if it would extend the time of payment of interest thereon, would reduce the amount of the principal thereof, would give to any Bond or Bonds any privileges over any other Bond or Bonds, would reduce the 3% Resort Tax or other revenues or income appropriated to the 3%

Resort Tax Fund, or would reduce the percentage in principal amount of such Bonds required to authorize or consent to any such Supplemental Resolution.

8.03. Notice. Notice of the Supplemental Resolution to be adopted pursuant to Section 8.02 shall be mailed by first-class mail to the Holders of all Bonds at their addresses appearing in the Bond Register, and shall become effective only upon the filing of written consents with the Secretary/Treasurer, signed by the Holders of not less than two-thirds in principal amount of the Bonds then Outstanding. Any written consent to the Supplemental Resolution may be embodied in and evidenced by one or any number of concurrent written instruments of substantially similar tenor signed by Holders in person or by agent duly appointed in writing, and shall become effective when delivered to the Secretary/Treasurer. Any consent by the Holder of any Bond shall bind him and every future Holder of the same Bond with respect to any Supplemental Resolution adopted by the District pursuant to such consent, provided that any Holder may revoke his consent with reference to any Bond by written notice received by the Secretary/Treasurer before the Supplemental Resolution has become effective. In the event that unrevoked consents of the Holders of the required amount of Bonds have not been received by the Secretary/Treasurer within one year after the publication of notice of the Supplemental Resolution, the Supplemental Resolution and all consents theretofore received shall be of no further force and effect.

8.04. Manner of Consent. Proof of the execution of any consent, or of a writing appointing any agent to execute the same, or of the ownership by any person of Bonds payable to bearer, shall be sufficient for any purpose of this Resolution and shall be conclusive in favor of the District if made in the manner provided in this Section 8.04. The fact and date of the execution by any person of any such consent or appointment may be proved by the affidavit of a witness of such execution or by the certification of any notary public or other officer authorized by law to take acknowledgment of deeds, certifying that the person signing it acknowledged to him the execution thereof. The fact and date of execution of any such consent may also be proved in any other manner which the District may deem sufficient; but the District may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. The ownership of Bonds shall be proved by the Bond Register.

Section 9. Defeasance.

9.01. General. When the liability of the District on all Bonds issued under and secured by this Resolution and all interest thereon has been discharged as provided in this section, all pledges, covenants and other rights granted by this Resolution to the Holders of such Bonds shall cease.

9.02. Maturity. The District may discharge its liability with reference to all Bonds and interest thereon which are due on any date by depositing with the Registrar for such Bonds on or before the date a sum sufficient for the payment thereof in full; or if any Bond or interest thereon shall not be paid when due, the District may nevertheless discharge its liability with reference thereto by depositing with the Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit.

9.03. Redemption. The District may also discharge its liability with reference to any prepayable Bonds which are called for redemption on any date in accordance with their terms, by depositing with the Registrar on or before that date an amount equal to the principal, interest and redemption premium, if any, which are then due thereon, provided that notice of such redemption has been duly given as provided in this Resolution.

9.04. Escrow. The District may also at any time discharge its liability in its entirety with reference to any Bonds subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a bank qualified by law as an escrow agent for this purpose, cash or securities which are general obligations of the United States or securities of United States agencies which are authorized by law to be so deposited, or money market funds holding only such securities, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without reinvestment, to provide funds sufficient to pay all principal, interest and redemption premiums, if any, to become due on such Bonds at their Stated Maturities or, if such Bonds are prepayable and notice of redemption thereof has been given or irrevocably provided for, to such earlier Redemption Date.

Section 10. Tax Matters.

10.01. General Covenant. The District covenants and agrees with the holders from time to time of the Series 2025 Bond that it will not take or permit to be taken by any of its officers, employees or agents any action that would cause the interest on the Series 2025 Bond to become includable in gross income for purposes of income taxation under the provisions of the Code and the Treasury Regulations applicable thereunder, and covenants and agrees that it will take or cause its officers, employees or agents to take any action within its or their powers to prevent the interest on the Series 2025 Bond from becoming includable in gross income for purposes of federal income taxation under the Code and applicable Treasury Regulations.

10.02. Arbitrage Certification. The Chair of the Board and the Secretary/Treasurer, being the officers of the District charged with the responsibility for issuing the Series 2025 Bond, are authorized and directed to execute and deliver to the Original Purchaser a certification in accordance with the provisions of Section 148 of the Code and the Treasury Regulations, Section 1.148-2(b), stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Series 2025 Bond which make it reasonable to expect that the proceeds of the Series 2025 Bond will not be used in a manner that would cause the Series 2025 Bond to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable Treasury Regulations. The certification shall further state that to the best of the knowledge and belief of the certifying officers no other facts, estimates or circumstances exist which would materially change this expectation.

10.03. Arbitrage Rebate. The District acknowledges that the Series 2025 Bond is subject to the rebate requirements of Section 148(f) of the Code. The District covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on the Series 2025 Bond from gross income for federal income tax purposes, unless the Series 2025 Bond qualifies for the exception from the rebate requirement under Section 148(f)(4)(B) of the Code and no “gross proceeds” of the Series 2025

Bond (other than amounts constituting a “bona fide debt service fund”) arise during or after the expenditure of the sale proceeds thereof. In furtherance of the foregoing, the Secretary/Treasurer is hereby authorized and directed to execute a Tax Certificate, substantially in the form to be prepared by Bond Counsel, and the District hereby covenants and agrees to observe and perform the covenants and agreements contained therein, unless amended or terminated in accordance with the provisions thereof.

10.04. Information Reporting. The District shall file with the Secretary/Treasurer of the Treasury, not later than February 15, 2026, a statement concerning the Series 2025 Bond containing the information required by Section 149(e) of the Code.

10.05. “Qualified Tax-Exempt Obligations”. Pursuant to Section 265(b)(3)(B)(ii) of the Code, the District hereby designates the Series 2025 Bond as a “qualified tax-exempt obligation” for purposes of Section 265(b)(3) of the Code. The District has not designated any bonds in 2025 under Section 265(b)(3) other than the Series 2025 Bond. The District hereby represents that it does not anticipate that it and all “subordinate entities” of the District will issue in 2025 obligations bearing interest exempt from federal income taxation under Section 103 of the Code (including “qualified 501(c)(3) bonds” but excluding other “private activity bonds,” as defined in Sections 141(a) and 145(a) of the Code) in an amount greater than \$10,000,000.

Section 11. Transcript Certification. The officers of the District are directed to furnish to the Original Purchaser of the Series 2025 Bond and Bond Counsel certified copies of all proceedings and information in their official records relevant to the authorization and issuance of the Series 2025 Bond, and such certificates and affidavits as to other matters appearing in their official records or otherwise known to them as may be reasonably required to evidence the validity and security of the Series 2025 Bond, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the District as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

Section 12. Effective Date. This resolution shall become effective upon passage and all provisions of ordinances, resolutions and other actions and proceedings of the District which are in any way inconsistent with the terms and provisions of this Resolution are repealed, amended and rescinded to the full extent necessary to give full force and effect to the provisions of this Resolution.

Passed by the Board of Directors of the Big Sky Resort Area District, Montana, on this 8th day of October, 2025.

Sarah Blochta

Sarah Blochta (Oct 14, 2025 12:30:07 MDT)

Chair, Board of Directors

Attest: *Grace Young*

Grace Young (Oct 15, 2025 22:51:41 MDT)

Secretary/Treasurer

EXHIBIT A

[Form of the Series 2025 Bond]

UNITED STATES OF AMERICA
STATE OF MONTANA
BIG SKY RESORT AREA DISTRICT

RESORT TAX REVENUE BOND (3% BOND—COMMUNITY PARK PROJECT),
SERIES 2025

No. R-1 \$6,800,000.00

<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Date of Original Issue</u>
4.00%	July 1, 2045	October 23, 2025

REGISTERED HOLDER: STOCKMAN BANK

PRINCIPAL AMOUNT: SIX MILLION EIGHT HUNDRED THOUSAND AND NO/100
DOLLARS

FOR VALUE RECEIVED, BIG SKY RESORT AREA DISTRICT (the “District”), a political subdivision of the State of Montana, acknowledges itself to be indebted and hereby promises to pay to the registered holder specified above or registered assigns (the “Holders”), but solely from the Bond Account (the “Bond Account”) in the 3% Resort Tax Fund (the “Fund”) hereinafter specified, the principal amount specified above, together with interest thereon, in installment payments over time. The principal of and interest on this Series 2025 Bond shall be payable in the amounts and on the respective dates reflected in the Debt Service Schedule attached as Schedule I to this Series 2025 Bond. This Series 2025 Bond bears interest on the Outstanding principal amount from the date of original issue specified above, or from such later date to which interest has been paid or duly provided for, until paid or discharged at the rate per annum specified above or until earlier redeemed and prepaid. Interest on this Series 2025 Bond shall be calculated on the basis of a year of 360 days composed of twelve 30-day months. Principal of and interest on this Series 2025 Bond shall be payable by check or draft of the Registrar mailed to the registered owner hereof as such appears in the Bond Register as of the close of business on the 15th day (whether or not a Business Day) of the month immediately preceding each payment date; *provided* that the final installment of principal (whether at maturity or earlier redemption in full) shall be drawn on the Registrar only upon presentation and surrender of this Series 2025 Bond at the principal office of the Registrar. The Finance and Compliance Director shall initially serve as Registrar for this Series 2025 Bond. Principal and interest on this Series 2025 Bond are payable in lawful money of the United States of America.

This Bond comprises a duly authorized issue of the District designated as the “Resort Tax Revenue Bond (3% Bond—Community Park Project), Series 2025” (the “Series 2025 Bond”), issued pursuant to and in full conformity with the Constitution and laws of the State of Montana thereunto enabling, including Montana Code Annotated, Title 7, Chapter 6, Part 15, as amended (the “Act”), and Resolution No. 2025-07R of the District adopted by this Board on October 8, 2025 (the “Resolution”) to which Resolution (copies of which are on file with the District) reference is hereby made for a description of the nature and extent of the security, the respective rights thereunder of the registered owner of this Series 2025 Bond and the District and the terms upon which this Series 2025 Bond is issued and delivered. Capitalized terms used herein but not otherwise defined shall have the respective meanings given such terms in the Resolution. This Series 2025 Bond is issued by the District for the purpose of financing a portion of the costs of certain public facilities and improvements, in accordance with the Act and the Resort Tax Ordinances.

This Series 2025 Bond is payable solely from the 3% Resort Tax Revenues, equally and ratably and on a parity with any Additional Bonds that may hereafter be issued on a parity therewith under the Resolution (collectively, the “Bonds”).

This Series 2025 Bond, including the interest thereon, is payable solely from the 3% Resort Tax Revenues pledged to the payment thereof and does not constitute a debt of the District within the meaning of any constitutional or statutory limitation or provision. This Series 2025 Bond is not a general obligation of the District and the District’s general credit is not pledged to the payment of this Series 2025 Bond or interest thereon.

The District may prepay and redeem on any date, in whole or part, any unpaid principal of this Series 2025 Bond at a price equal to the principal amount to be redeemed plus interest accrued to the date of redemption, without premium. Notice of any such prepayment must be mailed by the Registrar not less than 20 days prior to the date specified for prepayment, to the registered owner of this Series 2025 Bond at its address as it appears on the Bond Register. If this Series 2025 Bond is prepaid in part, the Original Purchaser or then-registered owner of the Series 2025 Bond will either apply such prepayment in inverse order of principal installments or reamortize the principal remaining upon redemption and prepayment at the interest rate over the then-remaining term in equal or substantially equal semiannual installments of principal and interest, as directed by the District. So long as this Series 2025 Bond is held by one registered owner, upon partial redemption and prepayment there shall be no need to exchange a new Series 2025 Bond for the unredeemed portion of the existing Series 2025 Bond; provided that the amortization schedule attached as Schedule I to the form of the Series 2025 Bond shall be replaced by an amortization schedule reflecting the prepayment.

The registered owner of this Series 2025 Bond shall have no right to enforce the provisions of the Resolution, or to institute action to enforce the covenants therein or take any action with respect to a default under the Resolution or to institute, appear in or defend any suit or other procedure with respect thereto except as provided in the Resolution.

As provided in the Resolution and subject to certain limitations set forth therein, this Series 2025 Bond is transferable upon the books of the Registrar at the principal corporate trust office of the Registrar, by the registered owner hereof in person or by his attorney duly authorized in writing,

upon surrender hereof together with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or his attorney; and may also be surrendered in exchange for another Series 2025 Bond of a like aggregate principal amount, interest rate and maturity. Upon such transfer or exchange, the District will cause a new Series 2025 Bond to be issued in the name of the transferee or registered owner, of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date, subject to reimbursement for any tax, fee or governmental charge required to be paid with respect to such transfer or exchange.

The District and the Registrar may deem and treat the Person in whose name this Series 2025 Bond is registered as the absolute owner hereof, whether this Series 2025 Bond is overdue or not, for the purpose of receiving payment and for all other purposes, and neither the District nor the Registrar shall be affected by any notice to the contrary.

The District has designated this Bond as a “qualified tax-exempt obligation” within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

IT IS HEREBY CERTIFIED, RECITED, COVENANTED AND AGREED that the District will fix, establish and collect 3% Resort Taxes, subject to applicable law and the Resort Tax Ordinances, and has created a special 3% Resort Tax Fund into which the 3% Resort Tax Revenues will be paid, and a separate and special Bond Account in the Fund, into which Bond Account there shall be credited out of the 3% Resort Tax Revenues then on hand monthly an amount equal to not less than all of the interest and principal to become due within the next twelve months on all Outstanding Bonds; that the Bond Account will be used only to pay the principal of, premium, if any, and interest on Bonds as such principal, premium and interest respectively become due; that, except as Additional Bonds are expressly authorized in the Resolution, no other obligation will be incurred and made payable from the 3% Resort Tax Revenues, unless the lien thereof shall be expressly made subordinate to the lien of the Series 2025 Bond and any Additional Bonds on such 3% Resort Tax Revenues; that all provisions for the security of the holder of this Bond set forth in the Resolution will be punctually and faithfully performed as therein stipulated; that all acts, conditions and things required by the Constitution and laws of the State of Montana and the resolutions of the District to be done, to exist, to happen and to be performed in order to make this Series 2025 Bond a valid and binding special, limited obligation of the District according to its terms have been done, do exist, have happened and have been performed as so required; and that the issuance of this Series 2025 Bond does not cause the indebtedness, whether general or special, of the District to exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, Big Sky Resort Area District, Montana, by its Board of Directors, has caused this Bond to be executed on its behalf by the signatures of the Chair of the Board and attested by the Secretary/Treasurer, and has caused this Bond to be dated as of October 23, 2025.

BIG SKY RESORT AREA DISTRICT,
MONTANA

By *Sarah Blechta*
Sarah Blechta (Oct 14, 2025 12:30:07 MDT)
Chair of the Board

ATTEST:

By *Grace Young*
Grace Young (Oct 15, 2025 22:51:41 MDT)
Secretary/Treasurer

CERTIFICATE OF AUTHENTICATION

This Bond is the Resort Tax Revenue Bond (3% Bond—Community Park Project), Series 2025 delivered pursuant to the Resolution mentioned within.

FINANCE AND COMPLIANCE
DIRECTOR OF BIG SKY RESORT AREA
DISTRICT

as Registrar, Transfer Agent,
and Paying Agent

By *Kate Dini*
Finance and Compliance Director

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM — as tenants
in common

UTMA.....Custodian.....
(Cust) (Minor)

TEN ENT — as tenants
by the entireties

JT TEN — as joint tenants
with right of
survivorship and
not as tenants in
common

under Uniform Gifts to
Minor Act.....
(State)

Additional abbreviations may also be used.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____
_____ the within Bond and all rights thereunder, and hereby
irrevocably constitutes and appoints _____ attorney to transfer the within
Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

PLEASE INSERT SOCIAL SECURITY
OR OTHER IDENTIFYING NUMBER
OF ASSIGNEE:

NOTICE: The signature to this assignment
must correspond with the name as it appears
upon the face of the within Bond in every
particular, without alteration, enlargement
or any change whatsoever.

SIGNATURE GUARANTEED

Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Registrar, which requirements include membership or participation in STAMP or such other “signature guaranty program” as may be determined by the Registrar in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

SCHEDULE I
DEBT SERVICE SCHEDULE

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
07/01/2026	150,000	4.000%	187,377.78	337,377.78	337,377.78
01/01/2027			133,000.00	133,000.00	
07/01/2027	240,000	4.000%	133,000.00	373,000.00	506,000.00
01/01/2028			128,200.00	128,200.00	
07/01/2028	250,000	4.000%	128,200.00	378,200.00	506,400.00
01/01/2029			123,200.00	123,200.00	
07/01/2029	260,000	4.000%	123,200.00	383,200.00	506,400.00
01/01/2030			118,000.00	118,000.00	
07/01/2030	270,000	4.000%	118,000.00	388,000.00	506,000.00
01/01/2031			112,600.00	112,600.00	
07/01/2031	280,000	4.000%	112,600.00	392,600.00	505,200.00
01/01/2032			107,000.00	107,000.00	
07/01/2032	295,000	4.000%	107,000.00	402,000.00	509,000.00
01/01/2033			101,100.00	101,100.00	
07/01/2033	305,000	4.000%	101,100.00	406,100.00	507,200.00
01/01/2034			95,000.00	95,000.00	
07/01/2034	315,000	4.000%	95,000.00	410,000.00	505,000.00
01/01/2035			88,700.00	88,700.00	
07/01/2035	330,000	4.000%	88,700.00	418,700.00	507,400.00
01/01/2036			82,100.00	82,100.00	
07/01/2036	340,000	4.000%	82,100.00	422,100.00	504,200.00
01/01/2037			75,300.00	75,300.00	
07/01/2037	355,000	4.000%	75,300.00	430,300.00	505,600.00
01/01/2038			68,200.00	68,200.00	
07/01/2038	370,000	4.000%	68,200.00	438,200.00	506,400.00
01/01/2039			60,800.00	60,800.00	
07/01/2039	385,000	4.000%	60,800.00	445,800.00	506,600.00
01/01/2040			53,100.00	53,100.00	
07/01/2040	400,000	4.000%	53,100.00	453,100.00	506,200.00
01/01/2041			45,100.00	45,100.00	
07/01/2041	415,000	4.000%	45,100.00	460,100.00	505,200.00
01/01/2042			36,800.00	36,800.00	
07/01/2042	435,000	4.000%	36,800.00	471,800.00	508,600.00
01/01/2043			28,100.00	28,100.00	
07/01/2043	450,000	4.000%	28,100.00	478,100.00	506,200.00
01/01/2044			19,100.00	19,100.00	
07/01/2044	470,000	4.000%	19,100.00	489,100.00	508,200.00
01/01/2045			9,700.00	9,700.00	
07/01/2045	485,000	4.000%	9,700.00	494,700.00	504,400.00
	6,800,000		3,157,577.78	9,957,577.78	9,957,577.78












BSCO Bond Resolution (private placement).v3

Final Audit Report

2025-10-16

Created:	2025-10-14
By:	Kristin Drain (Kristin@resorttax.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAA1E-iIF98_ktauR9fcosCVky59VDTFsfm

"BSCO Bond Resolution (private placement).v3" History

-  Document created by Kristin Drain (Kristin@resorttax.org)
2025-10-14 - 4:40:25 PM GMT
-  Document emailed to Grace Young (grace@resorttax.org) for signature
2025-10-14 - 4:40:30 PM GMT
-  Document emailed to Kristin Drain (Kristin@resorttax.org) for signature
2025-10-14 - 4:40:30 PM GMT
-  Document emailed to Sarah Blechta (sarah@resorttax.org) for signature
2025-10-14 - 4:40:31 PM GMT
-  Email viewed by Kristin Drain (Kristin@resorttax.org)
2025-10-14 - 4:41:32 PM GMT
-  Document e-signed by Kristin Drain (Kristin@resorttax.org)
Signature Date: 2025-10-14 - 4:41:48 PM GMT - Time Source: server
-  Email viewed by Grace Young (grace@resorttax.org)
2025-10-14 - 5:31:19 PM GMT
-  Email viewed by Sarah Blechta (sarah@resorttax.org)
2025-10-14 - 6:29:46 PM GMT
-  Document e-signed by Sarah Blechta (sarah@resorttax.org)
Signature Date: 2025-10-14 - 6:30:07 PM GMT - Time Source: server
-  Document e-signed by Grace Young (grace@resorttax.org)
Signature Date: 2025-10-16 - 4:51:41 AM GMT - Time Source: server
-  Agreement completed.
2025-10-16 - 4:51:41 AM GMT