

After recording, please return to:
City of Billings
Community Development Division
PO Box 1178
Billings, MT 59103

MONTANA TRUST INDENTURE

THIS TRUST INDENTURE, made this day, _____, between:

Rimrock Foundation, whose mailing address is
1231 North 29th Street, Billings, Montana 59101 as GRANTOR;

BRENT BROOKS, of Billings, Montana,
an attorney licensed to practice law in the State of Montana,
whose mailing address is P.O. Box 1178, Billings, MT 59103, as TRUSTEE; and the

CITY OF BILLINGS, a Municipal Corporation,
organized under the laws of the State of Montana,
whose mailing address is P.O. Box 1178, Billings, MT 59103, as BENEFICIARY.

In consideration of the indebtedness herein recited, GRANTOR hereby irrevocably grants, bargains, sells, conveys, and warrants to TRUSTEE, in trust with power of sale the following described property situated in the City of Billings, Yellowstone County Montana, commonly known as **116 South 30th Street**:

***S03, T01 S, R26 E, BLOCK 192, Lot 005, LTS 5 & 6 BLK 192
BILLINGS ORIGINAL TOWN, according to the official plat thereof on
file and on record in the office of the Clerk and Recorder of said County.***

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining, including, but not limited to all water, water rights and ditch rights, whether represented by shares of capital stock in a ditch company or by individual ownership or otherwise, now existing or which may hereafter be acquired by "Grantor," and all screens, storm windows and doors, window shades, inlaid floor coverings, wall-to-wall carpeting, furnaces, radiators, and all heating, air conditioning, lighting, plumbing, gas, electric, refrigerating and incinerating equipment of whatsoever kind and character which are now located or situated in or upon any of the buildings located on the above described premises, or shall hereafter be installed therein or thereon, or in or upon any building or buildings hereafter to be erected on the above described premises or any part thereof, and any substitutions for or any additions to any of said fixtures or equipment; and together with all the improvements now on said lands, and all improvements and building materials that may be placed thereon, and all rents, royalties, profits, other revenue, income and benefits arising from the use or enjoyment of all or any portion of the above described property, or from any contracts pertaining to the use or enjoyment of such property, subject however, to the right, power and authority hereinafter conferred upon BENEFICIARY to collect and apply such rents, royalties, profits, revenue, income and other benefits.

TO SECURE TO BENEFICIARY:

1. Payment of the principal sum **TWO HUNDRED THOUSAND DOLLARS (\$200,000)** with zero interest thereon according to the terms of a promissory note dated this day of _____ (and any extensions and/or renewals or modifications thereof) by GRANTOR payable to the order of BENEFICIARY and is due and payable if all or any part of the property or an interest therein is sold or transferred by GRANTOR except as set out in Sections 5, 11 and 13 herein below.
2. It is understood that the loan made hereunder is subject to the terms and conditions of the BUSINESS CONSORTIUM PROJECT of the City of Billings and the proceeds may only be used to cover the cost of acquisition and rehabilitation necessary to make the dwelling units covered to such standards for safe, decent and sanitary housing as specifically required by the Municipal Code and meeting Housing Quality Standards.
3. Payment of all other sums with interest thereon becoming due or payable under the provisions hereof either to TRUSTEE or BENEFICIARY.

4. Performance of each agreement of GRANTOR herein and in said note contained. GRANTOR covenants that GRANTOR is lawfully seized of the estate hereby conveyed and has the right to grant and convey the property, that the property is encumbered, that it does not exceed thirty (30) acres in area, and that GRANTOR will warrant and defend generally the title to the property against all claims and demands subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring BENEFICIARY'S interest in the property.
5. The principal sum will be fully forgiven following seven (7) years of compliant project implementation (beginning on the date of full lease-up at the initiation of the project). Compliance includes, but is not limited to, requirements for the following: tenant occupancy; employment opportunity; and annual cost-benefit reporting.

TO PROTECT THE SECURITY OF THIS TRUST INDENTURE, GRANTOR AGREES:

1. To perform each and every obligation secured hereby in accordance with its terms; to pay and discharge before delinquency all taxes, assessments, liens or encumbrances now or hereafter affecting any part of the said property; to keep the said property, including all improvements and fixtures now or hereafter located thereon, in good repair and condition, free and clear of all mechanic's and material men's liens, and insured against loss from fire with extended coverage under policies to be delivered to and held by BENEFICIARY, written in form and in companies satisfactory to BENEFICIARY in such amounts as BENEFICIARY may require and with loss payable to BENEFICIARY as BENEFICIARY'S interest may appear; to neither commit nor permit waste; to complete and restore promptly in a good and workmanlike manner any building which may be damaged or destroyed thereon, and to comply with all laws, covenants and restrictions affecting said property; and, if the loan secured or any part thereof is being obtained for the purpose of financing construction of improvements on said property, then GRANTOR further agrees:
 - a. To commence construction promptly and to pursue the same with reasonable diligence to completion in accordance with plans and specifications satisfactory to the BENEFICIARY as outlined in the Final Approved Work List, and
 - b. To allow BENEFICIARY to inspect said property at all times during construction.

TRUSTEE, upon presentation to it of an affidavit signed by BENEFICIARY, setting forth facts showing a default by GRANTOR under this paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon as provided in this instrument and as allowed by law.

2. To pay, at BENEFICIARY'S option, in addition to each payment hereunder, or under the note secured hereby, an amount reasonable estimated by the BENEFICIARY to be sufficient to enable the BENEFICIARY to pay, as they become due, all hazard insurance premiums, taxes, assessments, maintenance, and other charges upon the property subject hereto; and any deficiency because of the insufficiency of such additional payments shall be forthwith deposited by the GRANTOR with BENEFICIARY upon demand by the BENEFICIARY.
3. Except as otherwise expressly provide herein, to pay all costs, fees and expenses of this trust, including costs of search and evidence of title, advertising and recording expense, documentary taxes and TRUSTEE'S attorneys' fees as allowed by law.
4. If GRANTOR defaults in any respect, then BENEFICIARY or TRUSTEE may (but shall not be obligated to) without notice to or demand upon GRANTOR, and without releasing GRANTOR from any obligation hereof, cure such default, and GRANTOR will on demand reimburse BENEFICIARY or TRUSTEE for all amounts thus advanced or expended, together with interest thereon at the rate applicable to the promissory note herein described, and the payment of any such additional advances shall be secured hereby.
5. At the option of BENEFICIARY, to pay to BENEFICIARY monthly and concurrently with payment of principal and interest, a sum equal to one-twelfth (1/12th) of the annual taxes, assessments, insurance premiums, maintenance, and other charges upon the property, as estimated by the BENEFICIARY following non-profit exemption approval, in trust nevertheless for GRANTOR'S use and benefit and for payment by BENEFICIARY of any such items when due. The failure of GRANTOR to make any of such payments shall constitute a default under this Trust Indenture.

IT IS MUTUALLY AGREED, THAT:

6. Without affecting the liability of any person, including GRANTOR, for the payment of any indebtedness secured hereby, or the lien of this trust indenture on the remainder of the property for the full amount of any indebtedness unpaid, BENEFICIARY and TRUSTEE are respectively empowered as follows:

BENEFICIARY may from time to time and without notice:

- a. Release any person liable for the payment of any of the indebtedness.
 - b. Extend the time or otherwise alter the terms of payment of any of the indebtedness.
 - c. Alter, substitute or release any property securing the indebtedness.
7. TRUSTEE may, at any time and from time to time, upon the written request of BENEFICIARY:
- a. Consent to the making of any map or plat of the property.
 - b. Join in granting any easement or creating any restriction thereon.
 - c. Join in any subordination or other agreement affecting this trust indenture or the lien or charge thereof.
 - d. Reconvey, without warranty, all or any part of the property.
8. Upon written request of BENEFICIARY stating that all sums secured hereby have been paid, and upon surrender of this trust indenture to TRUSTEE for cancellation and retention and upon payment by BENEFICIARY of its fees, TRUSTEE shall reconvey to GRANTOR, without warranty, the property then held hereunder. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."
9. In case of loss and payment by an insurance company, or in the event of any award of damages now or hereafter made in connection with any condemnation for public use of or injury to said property or any part thereof, the amount of the insurance money or award shall, at the option of BENEFICIARY, be applied on the indebtedness secured hereby. The BENEFICIARY shall have full authority, but shall not be obligated, to make proof of loss and adjust and collect insurance, and any insurer is hereby authorized and directed to make payment for such loss directly to the BENEFICIARY.
10. Time is of the essence hereof. Upon default by GRANTOR in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the BENEFICIARY. In the event of such default, BENEFICIARY may execute or cause TRUSTEE to execute a written notice of sale of such property to satisfy the obligation hereof, and TRUSTEE or BENEFICIARY shall file such notice for record, in each county wherein said property or some part thereof is situated. BENEFICIARY shall also deposit with TRUSTEE, the note and all documents evidencing expenditures secured hereby.
11. Foreclosure by advertisement and sale shall be accomplished in accordance with the Montana Small Tract Financing Act. The person conducting the sale may, for any cause he deems expedient, postpone the sale for a period not exceeding fifteen (15) days by public proclamation by such person at the time and place fixed in the notice of sale, and no other notice of the postponed sale need be given. TRUSTEE shall execute and deliver to the purchaser its deed conveying said property so sold, but without any covenant of warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including BENEFICIARY (but excluding Trustee may bid at this sale. After deducting all costs and expenses of exercising the power of sale and of the sale including cost of search and evidence of title, advertising and recording expense, documentary taxes and TRUSTEE and BENEFICIARY, or either of them, with accrued interest thereon at the rate of nine percent (9%) per annum from the date of expenditure thereof, and the surplus, if any, of the person or persons legally entitled thereto; provided the TRUSTEE in his discretion, may deposit such surplus with the County Clerk and Recorder of the county in which the sale took place. GRANTOR agrees to surrender possession of the trust property to the purchaser at the aforesaid sale on the tenth (10th) day following said sale, in the event such possession has not previously been delivered by GRANTOR. Net proceeds following the foreclosure sale, less legal costs, must be returned to the BENEFICIARY.
12. Upon the occurrence of any default hereunder, BENEFICIARY shall have the option to declare all sums secured hereby immediately due and payable and foreclose this trust indenture in the amount provided by law for the foreclosure of mortgages on real property and BENEFICIARY shall be entitled to recover in such proceedings all costs and expenses incident thereto, including reasonable attorney's fees in such amount as shall be fixed by the court.
13. If all or any part of the property or an interest therein is sold or transferred by GRANTOR without BENEFICIARY'S prior written consent, excluding (a) the creating of a lien or encumbrance subordinate to this trust indenture, (b) the creation of a purchase money security for household appliance, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest not containing an option to purchase, BENEFICIARY may, at its option, declare all the sums secured by this trust indenture to be immediately due and payable and failure of GRANTOR to pay the full unpaid principal balance and accrued interest thereon within thirty (30) days after written demand shall constitute a default hereof.

