

PROMISSORY NOTE

**\$200,000 PRINCIPAL**  
Billings, Montana

FOR VALUE RECEIVED, **Rimrock Foundation**, hereinafter referred to as the "Borrower", promises to pay to the City of Billings, hereinafter referred to as the "Lender", a principal sum equal to the amounts the Borrower receives from Lender pursuant to (i) that certain Deed Restriction Agreement and (ii) that certain Trust Indenture, both of even date herewith, and both by and between Borrower and Lender; in no event, however, shall such amount exceed **\$200,000**.

RATES AND TERMS: The Promissory Note does not accrue interest or have monthly repayments but is due and payable under the following upon the occurrence of either:

1. Borrower's failure to use the "Property" (defined below) in accordance with both (i) that certain Development Agreement by and between Borrower and Lender, and (ii) the Deed Restriction Agreement; or
2. The sale or transfer of the Property.

This Promissory Note is secured by the Trust Indenture, which relates to the following real property located in the jurisdictional boundaries of the City of Billings, and more particularly described as follows (the "Property"):

***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.***

The Borrower shall transfer or assign the Property herein described only with the written consent of Lender. Such consent shall not be unreasonably withheld provided Lender's security interest herein is adequately protected. Lender may, at its option, declare immediately due and payable all sums secured by the Trust Indenture upon the sale or transfer of all or any part of the Property without the Borrower's prior knowledge and written consent.

During the term of this Promissory Note, the Borrower shall keep the Property free from all liens or encumbrances of any kind, except the Trust Indenture, the Deed Restriction Agreement, the Development Agreement, and those liens or encumbrances expressly consented to in writing by the Lender. Any such liens or encumbrances shall constitute a default herein and Borrower agrees to indemnify and hold the Lender harmless from any liability for such liens and encumbrances.

The Borrower covenants and agrees that it will commit no waste that will lessen the value of the Property nor shall it cause any damage thereto which shall reduce the value of the Property as security for the repayment of the principal amount of this Promissory Note.

During the term of this Promissory Note and until full repayment hereof, the Borrower shall secure and maintain, if insurable, the insurance for comprehensive and fire loss coverage covering full replacement cost of the Property covering both Borrower and Lender. Property taxes, first mortgage and all other financial obligations shall be paid before delinquency.

If default be made in any of the covenants of the Deed Restriction Agreement or the Trust Indenture securing this Promissory Note, and Lender does not elect to pursue its remedies under this Promissory Note, the Deed Restriction Agreement or the Trust Indenture, then such failure to pursue such remedies shall not constitute a waiver of the right to exercise the same in the event of any subsequent default or at any other time. The Borrower agrees to pay a reasonable attorney's fee, in addition to other costs, in case of the collection of this Promissory Note by an attorney, either with or without suit.

The Borrower shall at all times comply with the use, occupancy and resale restrictions affecting the Property described in the Deed Restriction Agreement and the Trust Indenture. If the Borrower fails or refuses to comply with such use, occupancy and resale restrictions, the Lender may, at its option and with notice as provided in such the Deed Restriction Agreement and the Trust Indenture, declare the entire unpaid principal balance of this Promissory Note immediately due and payable and may invoke any remedies provided in such Deed Restriction Agreement, the Trust Indenture or applicable law in the event of default.

The indebtedness evidenced by this Promissory Note is secured by the Deed Restriction Agreement and the Trust Indenture, and reference is made to those agreements for rights as to acceleration of the indebtedness evidenced by this Promissory Note.

Rimrock Foundation

By: \_\_\_\_\_  
Greg Aldrich, Board President

Date: \_\_\_\_\_