

06/28/2012

**City of Billings, Montana**

**Parmly Billings Library Foundation Gift**

Memorandum of Agreement

On this \_\_\_\_ day of \_\_\_\_\_, 2012, the Parmly Billings Library Foundation (the "*Foundation*") agrees to: (i) give \$3,000,000 to the City of Billings, Montana (the "*City*"), in the form of a pledge to be fulfilled over the next ten years (the "*Gift*").

The Foundation has had a longstanding and meaningful partnership with the City's Parmly Billings Library (the "*Library*") and wishes to continue that relationship and partnership with this Gift. The City gratefully recognizes this Gift. The Gift is made pursuant to Montana Code Annotated, Section 7-1-4124(7), which permits the City to accept donations of property and services and in connection therewith comply with any condition that is not contrary to the public interest.

**Gift:** The electors of the City have authorized the City to issue and sell \$16,300,000 principal amount of general obligation bonds of the City (the "*Bonds*") for the purpose of paying the costs of designing, constructing and equipping a new Library building (the "*Project*"). The City is proceeding with the bidding and construction of the Project and the issuance of the Bonds. In order to repay the Bonds, the City will annually levy taxes on all taxable property in the City.

The Gift of the Foundation will be used by the City solely to repay principal of the Bonds and thereby reduce the amount of annual taxes levied by the City with respect to the Bonds. The City acknowledges that the Gift benefits the City and also its tax payers.

Provided that the Foundation collects, or has collected, a sufficient amount of pledges or donations that comprise the Gift, the Foundation will forward \$300,000 of the Gift to the City by August 1, 2012, and will provide the City equal payments of \$300,000 on or before August 1 of each year thereafter until the Gift is paid in full. In the event the Foundation is unable to make a full annual Gift payment, the City may deduct such unpaid amount from its Library Fund for purposes of repaying the Bonds. The Foundation agrees that it will forward the unpaid portion of any such annual Gift payment to the City as soon as practicable, which may be used by the City, in its discretion, to replenish the Library Fund. The City shall hold all such funds in the debt service account for the Bonds.

**CITY OF BILLINGS, MONTANA**

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Name: Thomas W. Hanel  
Title: Mayor

Attest: \_\_\_\_\_  
City Clerk

**PARMLY BILLINGS LIBRARY  
FOUNDATION**

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Name: Cara Schaer  
Title: President

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Name: Leslie Modrow  
Title: Development Director