

****ATTENTION****

The City Council meeting will be held in a hybrid format that may include both in-person AND virtual attendance via Zoom. Unless they have cause to appear virtually, Councilmembers will attend the meeting in person in Council Chambers, second floor of City Hall, 220 N. 27th Street. In order to honor the Right of Participation and the Right to Know in Article II, Sections 8 and 9, of the Montana Constitution, the City of Billings and City Council are making every effort to meet the requirements of the open meeting laws.

Citizens are invited to:

- . Review the Agenda Packet on the City's website at: www.billingsmt.gov and click on "Your Government," "City Council," and "Agendas & Minutes".
- . View the meeting:
 - . On Community 7 TV - Channel 7 or Channel 507 -- Spectrum Cable. *(On evenings when there is a conflict with School District No. 2 Board meetings, the City Council meeting will be broadcast on Channel 8 - Spectrum Cable.)* Channel 7 or Channel 978 - TDS Fiber.
 - . Online at www.comm7tv.com and click on the "Watch Live" icon. Community 7 also has links to their Facebook page and YouTube channel.
 - . On the City's website at www.billingsmt.gov and click on "Watch Meetings Online" on the homepage.
 - . In-Person.

Citizens may submit public comment via the following methods:

- . Mail: City Clerk, P.O. Box 1178, Billings, MT 59103
- . Email: Council@billingsmt.gov.
 - . Emails received after 3:00 PM on the day of the meeting, may be posted on the Council's webpage the following day for public viewing.
- . Attend the meeting in person

Please contact Denise Bohlman, City Clerk, at bohlmand@billingsmt.gov, or at 406.657.8210, with any questions.



VISION STATEMENT:
"The Magic City: A diverse,
welcoming community
where people prosper and
business succeeds."

**CITY COUNCIL
REGULAR BUSINESS MEETING**

AGENDA

COUNCIL CHAMBERS

NOVEMBER 12, 2024

5:30 P.M.

CALL TO ORDER: Mayor Cole

PLEDGE OF ALLEGIANCE: Mayor Cole

INVOCATION: Councilmember Boyett

ROLL CALL: Councilmembers present on roll call were: ☐ Shaw, ☐ Gulick, ☐ Neese, ☐ Owen, ☐ Joy,
☐ Kennedy, ☐ Aspenlieder, ☐ Tidswell, ☐ Boyett, ☐ Rupsis

MINUTES: October 28, 2024

COURTESIES:

PROCLAMATIONS:

- Family Court Awareness Month - November
- National Alzheimer's Disease Awareness Month and National Caregiver Month - November

COUNCIL REPORTS:

ADMINISTRATOR REPORTS - CHRIS KUKULSKI

PUBLIC COMMENT on "NON-PUBLIC HEARING" Agenda Items: 1, 2, 3, 4 and 5 ONLY. Speaker sign-in required. (Comments are limited to three (3) minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium. Comments on items listed as public hearing items will be heard **ONLY** during the designated public hearing time for each respective item. For items not on this agenda, public comment will be taken at the end of the agenda.)

1. **CONSENT AGENDA** -- Separations:

A. **Bid Awards:**

1. **W.O. 25-03: Contract 2, Schedule 1 Pavement Patching, Schedule 2 Crack Seal/Mastic.** (Opened 10/15/24) Recommend Schedule 1 to Askin Construction; Schedule 2 with the Additive Alternate to Z and Z Seal Coating, Inc.
2. **W.O. 25-03: Contract 3, City Chip/Scrub Seal.** (Opened 10/15/24) Recommend Hardrives Construction, Inc.
3. **W.O. 23-23: Briarwood Lift Station H2S Mitigation.** (Opened 10/15/24) Recommend Western Municipal Construction.

B. **Non-Commercial Aviation Ground Lease** with the State of Montana Department of Fish, Wildlife, and Parks.

C. **Purchase** of three (3) mowers from Midland Implement Company for Parks Department.

- D. **Amendment No. 2** to the Purchase and Sale Agreement (PSA) for Current City Hall with Honaker Realty LLC and JWT Capital LLC.
- E. **Agreement** with Broadcom (formally VMware) for Virtual Server Licenses.
- F. **2024 Federal Homeland Security Grant** for Police Department Bomb Squad.
- G. **2024 Justice Assistance Grant Application and Memorandum of Understanding** with Yellowstone County.
- H. **Donation** to Police Department from Rimrock Credit Union for School Resource Officer summer camp.
- I. **Final Minor Plat** of Zimmerman Home Place Subdivision, 5th Filing. *Quasi-Judicial
- J. **Resolution** updating Tax Abatement Policies.
- K. **Second/Final Reading Ordinance** adopting 2021 International Fire Code (IFC).
- L. **Council Holiday Meetings Schedule.**
- M. **Bills for the Weeks of:**
 - 1. October 7, 2024
 - 2. October 14, 2024

Recommended Motion: I move to approve the items of the Consent Agenda as submitted, with the exception of items moved for separation.

REGULAR AGENDA:

- 2. **RESOLUTION ESTABLISHING LEGISLATIVE PRIORITIES** for the 2025 Montana State Legislature's 69th Session. Staff recommends approval.

Recommended Motion: I move to approve a resolution establishing legislative priorities for the 2025 Montana State Legislature's 69th Session, as recommended by staff.
- 3. **RESOLUTIONS** for lease purchase financing and historic tax credit financing for New City Hall. Staff recommends approval.

Recommended Motion: I move to approve resolutions for lease purchase financing and historic tax credit financing for New City Hall, as recommended by staff.
- 4. **TAX INCREMENT FINANCING ASSISTANCE** from the East Billings Urban Renewal District (EBURD) to Billings Animal Family Hospital for remodel and redevelopment of property at 1616 1st Avenue North, up to a maximum reimbursement of \$475,000, as recommended by the Billings Industrial Revitalization District (BIRD) Board.

Recommended Motion: I move to conditionally approve tax increment financing assistance from the EBURD tax increment finance district funds to Billings Animal Family Hospital, up to a maximum reimbursement of \$475,000, as recommended by the (BIRD) Board.
- 5. **TAX INCREMENT FINANCING ASSISTANCE** from the East Billings Urban Renewal District (EBURD) to Vemco, Inc. (DDG Partnership, LLP) for exterior remodel improvements of the property at 2016 2nd Avenue North, up to a maximum reimbursement of \$26,000, as recommended by the Billings Industrial Revitalization District (BIRD) Board.

Recommended Motion: I move to conditionally approve tax increment financing assistance from the EBURD tax increment finance district funds to Vemco, Inc. (DDG Partnership, LLP), up to a maximum reimbursement of \$26,000, as recommended by the (BIRD) Board.

PUBLIC COMMENT on "NON-AGENDA ITEMS". Speaker Sign-in required. (*Restricted to ONLY items not on this printed agenda. Comments are limited to 3 minutes or as set by the Mayor. Please sign the roster at the cart located at the back of the Council chambers or at the podium.*)

COUNCIL INITIATIVES:

ADJOURN:

Council Chambers are readily accessible to individuals with physical disabilities.

For more information or to make requests for special arrangements, please contact the City Clerk's Office at 657-8210 or e-mail bohlmand@billingsmt.gov, 72 hours prior to the meeting date.

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**\* Quasi-Judicial** -- *Caution must be exercised concerning any potential ex parte communications with interested parties. This policy-making body may exercise approval or other adjudication authority which is "judicial" because it directly affects the legal rights of a person.*



**City Council Regular**

**Date:** 11/12/2024  
**Title:** W.O. 25-03: Contract 2 Schedule 1 Pavement Patching, Schedule 2 Crack Seal/Mastic, Bid Award  
**Presented by:** Debi Meling  
**Department:** Public Works  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

**RECOMMENDATION**

Staff recommends the City Council award a contract for W.O. 25-03 Contract 2 Schedule 1 to Askin Construction in the amount of \$218,050.00 and award a contract for W.O. 25-03 Contract 2 Schedule 2 including the Additive Alternate to Z and Z Seal Coating Inc. in the amount of \$373,581.35.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The Contract 2 Schedule 1 Pavement Patching and Schedule 2 Crack/Seal Mastic projects are part of the ongoing Street Preventative Maintenance Program in place since 1985. Annually, staff identifies streets proposed for preventative maintenance that includes pavement patching, chip/scrub seal resurfacing, overlay resurfacing, and crack sealing.

The project was bid in two schedules with an additive alternate. Schedule 1 Pavement Patching will provide pavement repair in spot locations in preparation for the W.O. 25-03 Contract 3 City Chip Seal/Scrub Seal Project. Attached is a map of the pavement patching locations. Schedule 2 Crack Seal/Mastic will provide crack sealing and mastic crack filling also in preparation for the W.O. 25-03 Contract 3 City Chip Seal/Scrub Seal Project and includes additional areas of crack sealing and mastic crack filling overlays from past projects and miscellaneous spot locations. The Schedule 2 Additive Alternate will add crack seal and mastic crack fill to areas identified by staff to address large thermal cracking and prepare for proposed future chip sealing projects.

The contract was advertised on September 13, 20, 27, and October 4, and 11, 2024, in *The Yellowstone County News* and on the City's website. Staff opened bids on October 15, 2024. There were five bids received for Schedule 1 and four bids were received for Schedule 2. Askin Construction submitted the lowest responsible bid for Schedule 1 Pavement Patching. Z and Z Seal Coating Inc. submitted the lowest responsible bid for Schedule 2 Crack Seal/Mastic and Schedule 2 Additive Alternate.

**ALTERNATIVES**

City Council may:

- Award W.O. 25-03 Contract 2 Schedule 1 Pavement Patching, to Askin Construction in the amount of \$218,050.00 and award W.O. 25-03 Contract 2 Schedule 2 Crack Seal/Mastic with Additive Alternate, to Z and Z Seal Coating Inc. in the amount of \$373,581.35; or,
- Do not award a contract and reject all bids. If the contract is not awarded, the streets planned for maintenance will continue to degrade.

**FISCAL EFFECTS**

The following bids were received for Schedule 1 Pavement Patching:

| Contractor                  | Base Bid     |
|-----------------------------|--------------|
| Askin Construction          | \$218,050.00 |
| Hardrives Construction Inc. | \$311,774.87 |
| Asphalt Plus, Inc.          | \$341,111.64 |
| Wharton Asphalt             | \$369,901.00 |
| Knife River                 | \$398,196.00 |

The following bids were received for Schedule 2 Crack Seal/Mastic:

| Contractor | Base Bid | Add Alternate | Total |
|------------|----------|---------------|-------|
|------------|----------|---------------|-------|

|                             |              |              |                |
|-----------------------------|--------------|--------------|----------------|
| Z and Z Seal Coating Inc.   | \$281,782.52 | \$91,798.83  | \$373,581.35   |
| Hardrives Construction Inc. | \$318,708.70 | \$107,050.73 | \$425,759.43   |
| Wharton Asphalt             | \$437,553.30 | \$129,892.45 | \$567,445.75   |
| CR Contracting              | \$742,448.00 | \$320,765.00 | \$1,063,213.00 |

The project was budgeted in FY25 using Street Maintenance District 2 (SMD2) Funds in the amount of \$3,900,000. Considering previously encumbered funds for the pavement overlay portion of the project (\$1,630,381), these two contracts (\$591,631.35), and the chip seal portion of the project (\$1,131,685.85) (also on this agenda), there is \$546,301.80 remaining in the budget. Remaining funds will be used for additional pavement preservation work, construction administration, materials testing, and any change orders. There are sufficient funds to award this contract.

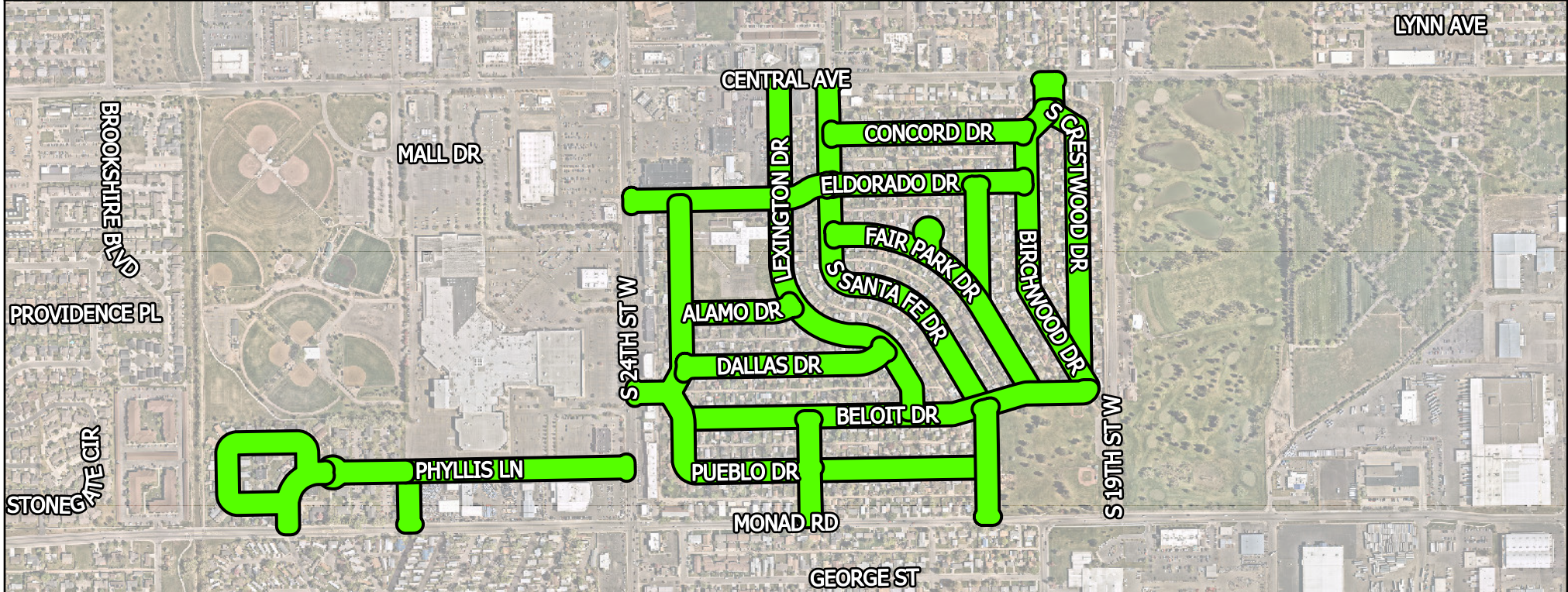
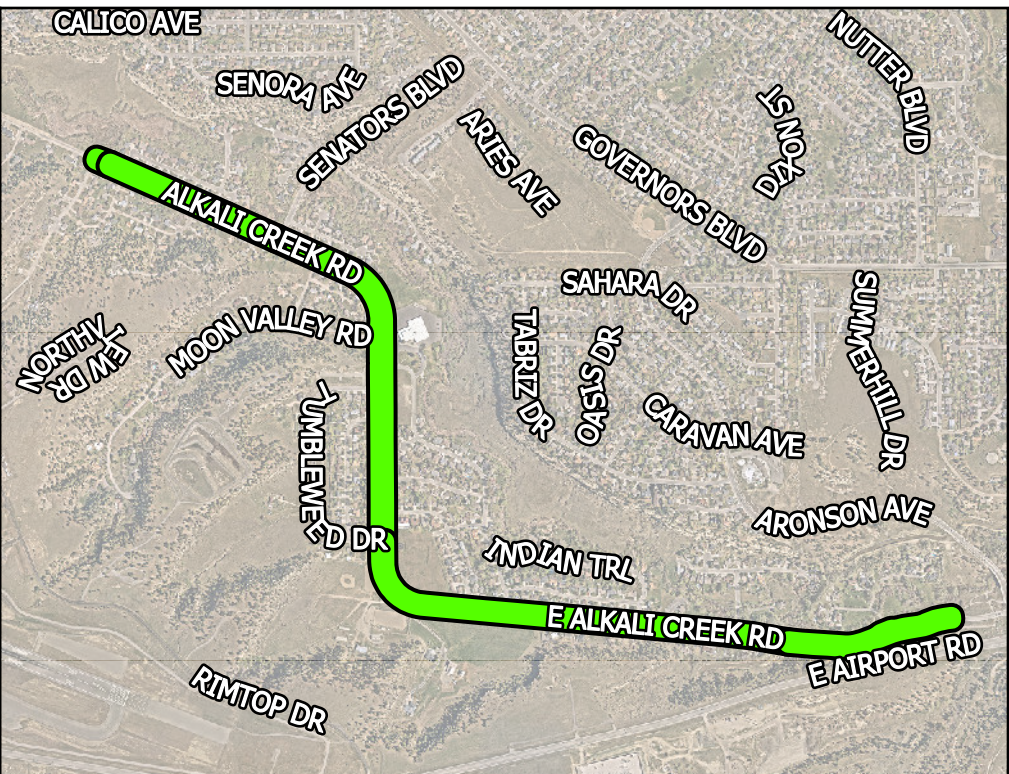
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### Attachments

Location of Work

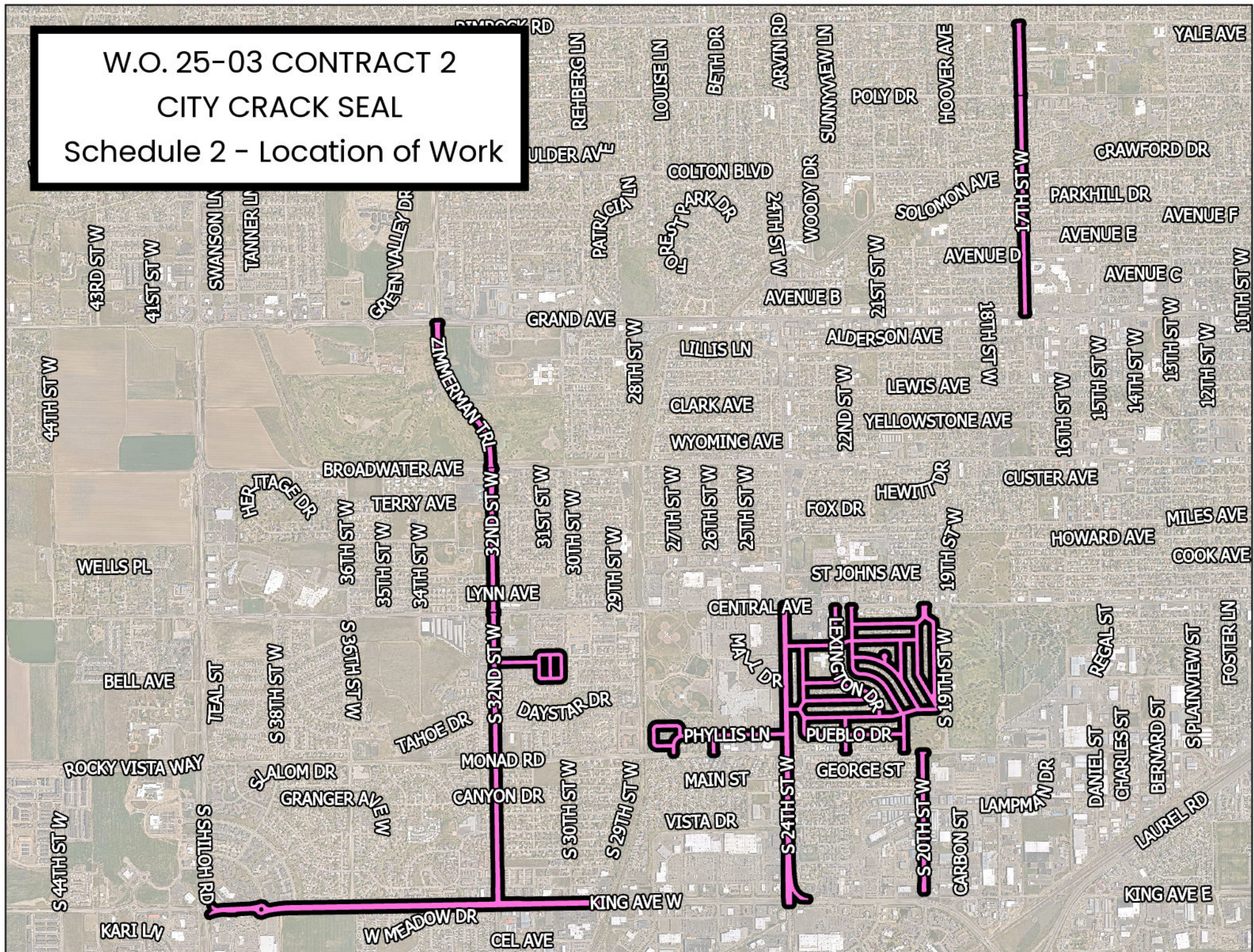


W.O. 25-03 CONTRACT 2  
CITY PAVEMENT PATCHING  
Schedule 1 - Location of Work

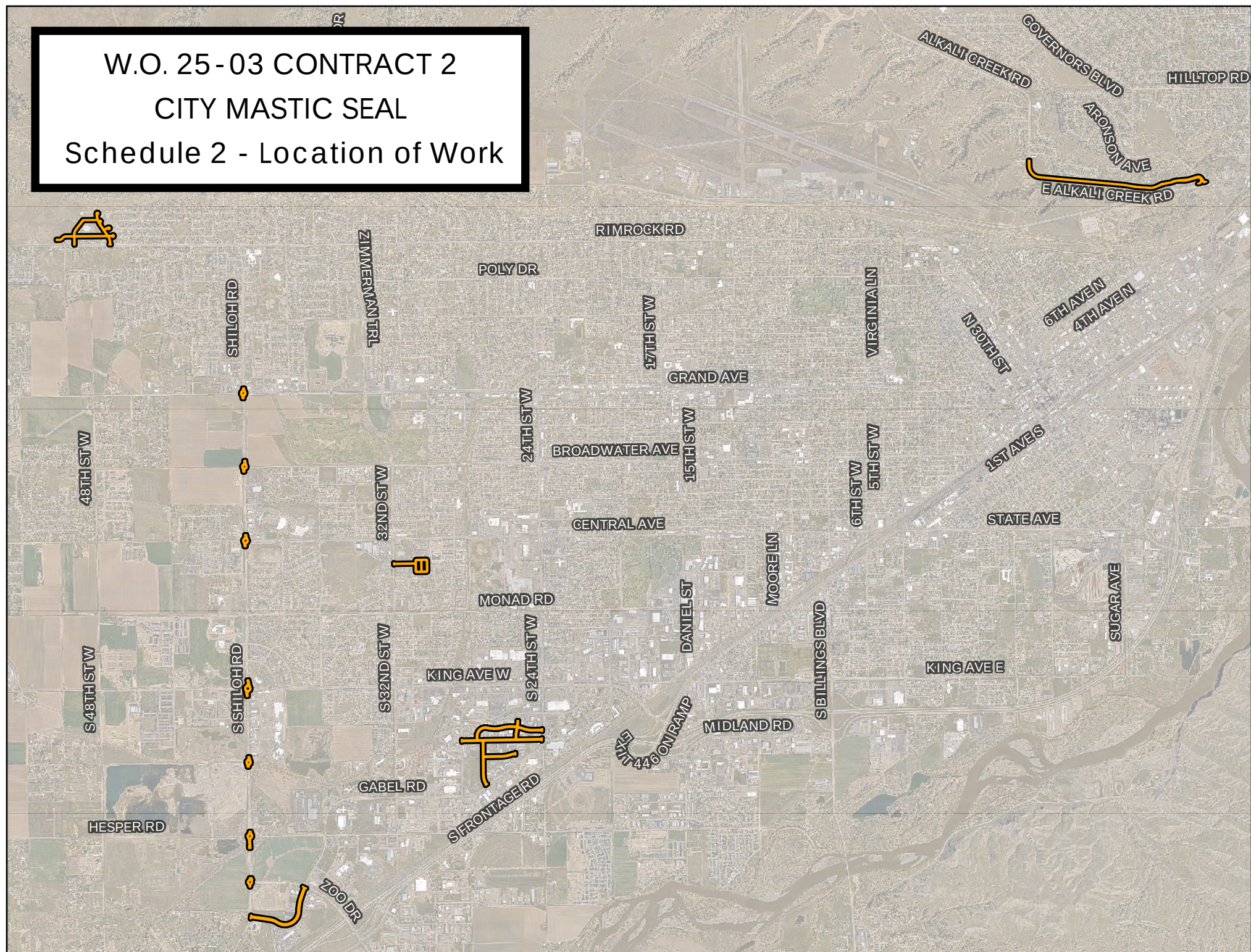




W.O. 25-03 CONTRACT 2  
CITY CRACK SEAL  
Schedule 2 – Location of Work

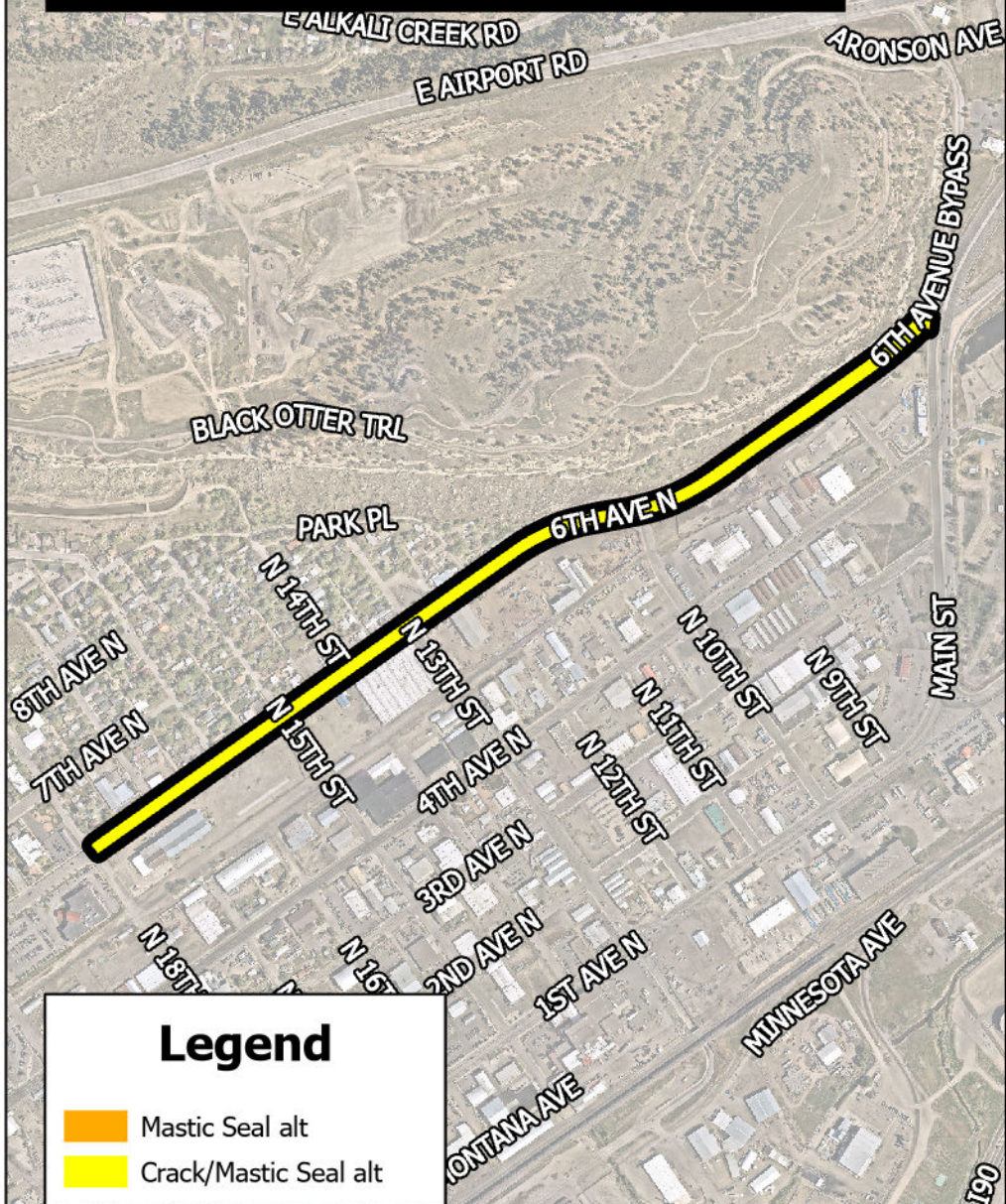




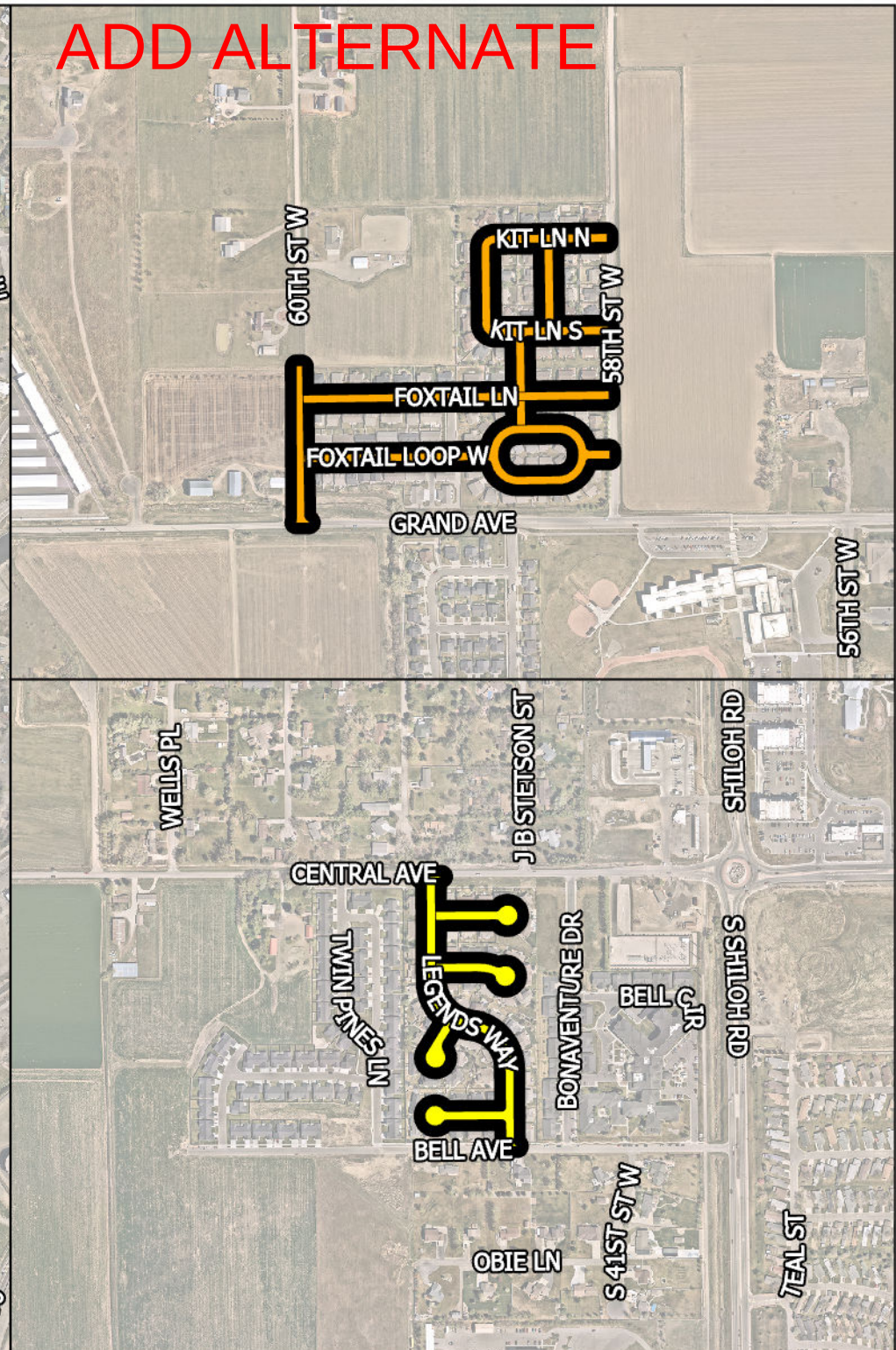




W.O. 25-03 CONTRACT 2  
CITY CRACK SEAL  
Schedule 2 - Location of Work



ADD ALTERNATE





**City Council Regular**

**Date:** 11/12/2024  
**Title:** W.O. 25-03: Contract 3 City Chip/Scrub Seal, Bid Award  
**Presented by:** Debi Meling  
**Department:** Public Works  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

**RECOMMENDATION**

Staff recommends the City Council award a contract for W.O. 25-03 Contract 3 City Chip/Scrub Seal to Hardrives Construction Inc. in the amount of \$1,131,685.65.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The Contract 3 City Chip Seal project is part of the ongoing Street Preventative Maintenance Program in place since 1985. Annually, staff identifies streets proposed for preventative maintenance that includes pavement patching, chip/scrub seal resurfacing, overlay resurfacing, and crack sealing. Chip and scrub sealing are economical surface treatments designed to protect and prolong the life of a pavement by addressing cracking, raveling, and oxidation. The treatments reduce water intrusion and slow cracking. The attached map shows the locations of the proposed work.

The contract was advertised on September 13, 20, 27, and October 4, and 11, 2024, in *The Yellowstone County News* and on the City's website. Staff opened bids on October 15, 2024. There was one bid received. Hardrives Construction Inc. submitted the lowest responsible bid. Their bid is below the engineer's opinion of probable cost and the unit prices are competitive for the type of work being performed.

**ALTERNATIVES**

City Council may:

- Award W.O. 25-03 Contract 3 City Chip/Scrub Seal, to Hardrives Construction Inc. in the amount of \$1,131,685.65; or,
- Do not award a contract and reject all bids. If the contract is not awarded, the streets planned for maintenance will continue to degrade.

**FISCAL EFFECTS**

The following bids were received:

| Contractor                   | Total          |
|------------------------------|----------------|
| Hardrives Construction, Inc. | \$1,131,685.65 |

The project was budgeted in FY25 using Street Maintenance District 2 Funds (SMD2) in the amount of \$3,900,000. With the pavement overlay portion of the project (\$1,630,381) and this contract (\$1,131,685.65), there is \$1,137,933.35 remaining in the budget. Remaining funds will be used for the crack seal, mastic and pavement patching portion of the project (also on this agenda), construction administration, materials testing, and any change orders.

**Attachments**

Location of Work

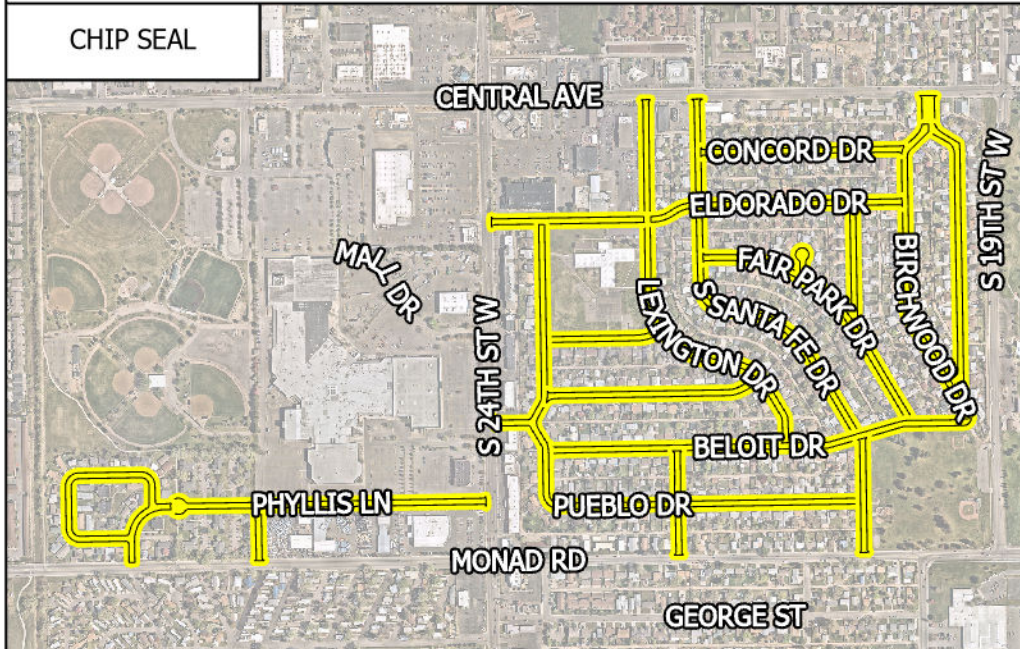


# W.O. 25-03 CONTRACT 3

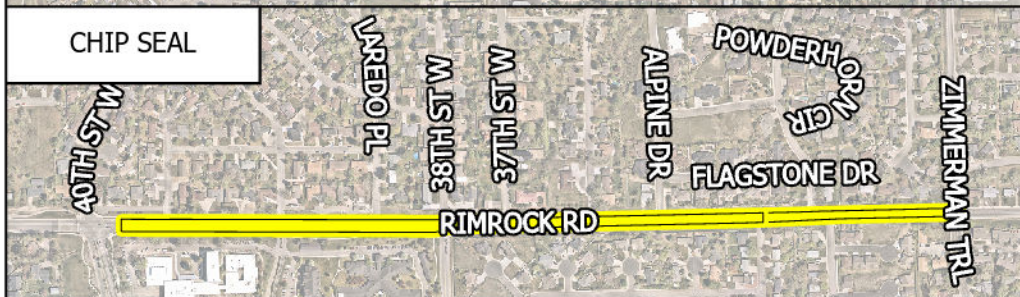
## CITY CHIP/SCRUB SEAL

### Location of Work

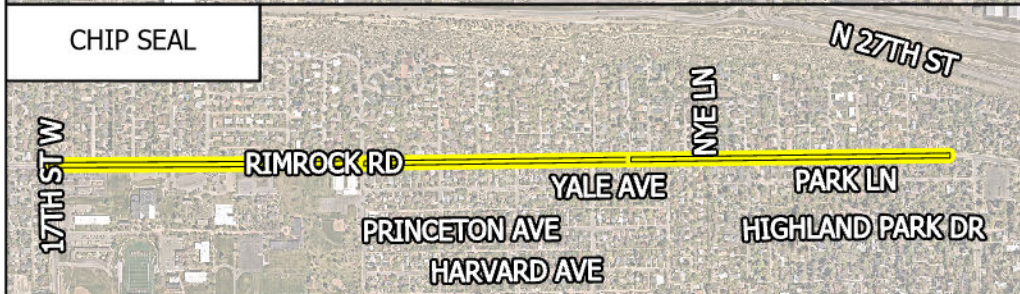
CHIP SEAL



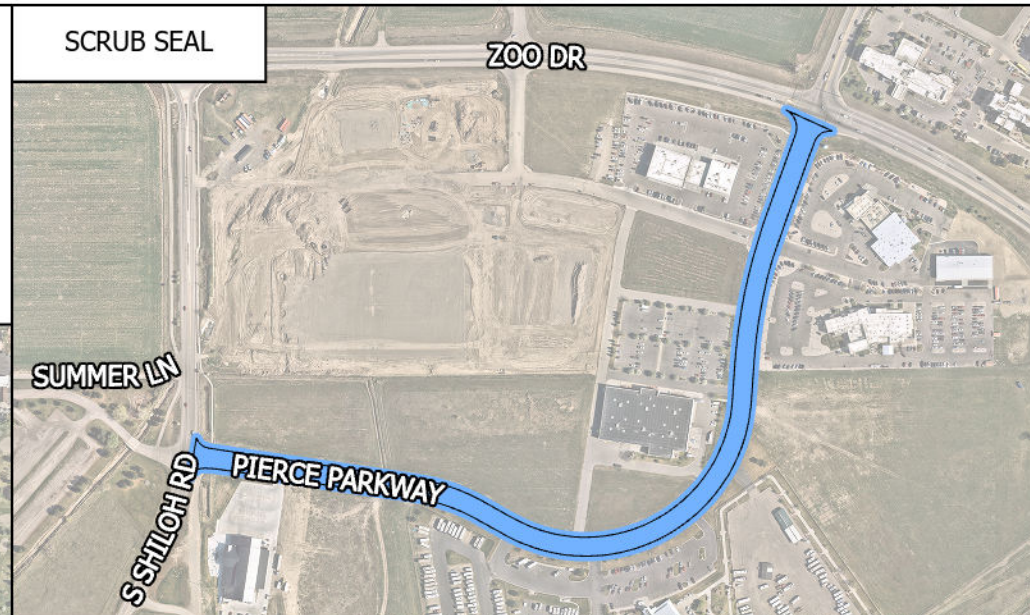
CHIP SEAL



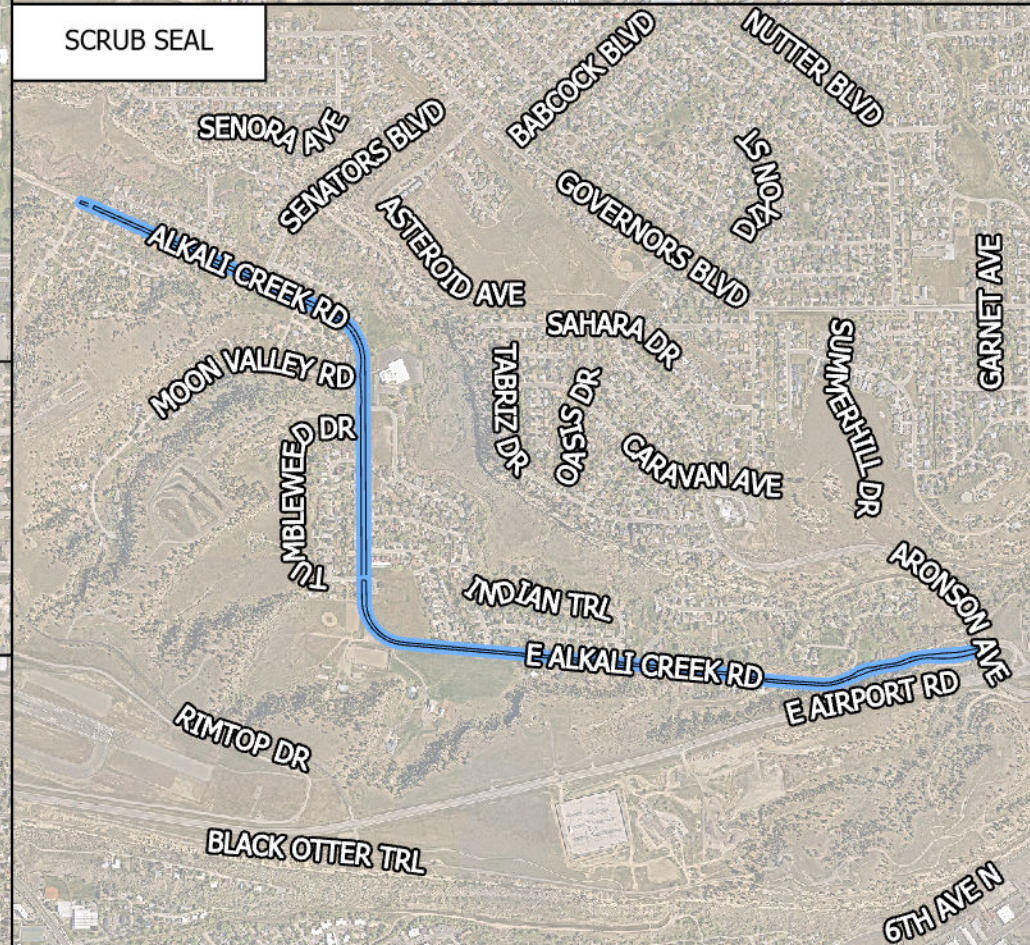
CHIP SEAL



SCRUB SEAL



SCRUB SEAL





**City Council Regular**

**Date:** 11/12/2024  
**Title:** W.O. 23-23, Briarwood Lift Station H2S Mitigation, Bid Award  
**Presented by:** Debi Meling  
**Department:** Public Works  
**Presentation:** No  
**Legal Review:** Template Contract  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends the City Council award a contract for W.O. 23-23, Briarwood Lift Station H2S Mitigation, to Western Municipal Construction in the amount of \$283,300.00.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

W.O. 23-23: Briarwood Lift Station H2S Mitigation, provides a chemical injection system for the lower Briarwood sewer main at the lift station in order to reduce levels of hydrogen sulfide (H2S).

A recent study of the waste water collection system in the City of Billings determined that there are several areas that have elevated levels of hydrogen sulfide. These levels of hydrogen sulfide create a highly corrosive environment that damages and greatly reduces the usable lifespan of the sewer lines. In order to combat this problem, a chemical injection system was designed that consists of a chemical storage tank, chemical dosing pumps, and other miscellaneous equipment. The study found that the lower Briarwood sewer contained the highest levels of hydrogen sulfide, which is why it was chosen as the site for this project. This project was a recommended project in the approved FY24 CIP and budgeted in FY25.

The project was advertised on September 13st, 20th, 27th, October 4th, and 11th, 2024, in the Yellowstone County News and on the City's website. Bids were opened on October 15th and one bid was received. Western Municipal Construction submitted the only responsible bid. Staff reviewed the bid items and they appear reasonable based on material pricing and labor costs.

**ALTERNATIVES**

City Council may:

- The Council may: Award W.O. 23-23, Briarwood Lift Station H2S Mitigation, to Western Municipal Construction in the amount of \$283,300.00; or
- Not award a contract and reject all bids. If the project is not awarded, Hydrogen Sulfide levels will remain high in the Briarwood Sewer Main and excessive pipe corrosion will continue to occur.

**FISCAL EFFECTS**

The following bids were received:

| Contractor                     | Base Bid     |
|--------------------------------|--------------|
| Western Municipal Construction | \$283,300.00 |

The project was budgeted in FY25 using Wastewater Funds in the amount of \$500,000. Including previously encumbered funds for site fencing and this contract (\$283,000) there remains \$202,415 in the budget. Remaining funds will be used for miscellaneous electrical work, site improvements, and any change orders. There are sufficient funds to award the project.

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## City Council Regular

**Date:** 11/12/2024  
**Title:** Non-Commercial Aviation Ground Lease with the State of Montana Department of Fish, Wildlife, and Parks  
**Presented by:** Jeff Roach  
**Department:** Airport  
**Presentation:** No  
**Legal Review:** Yes  
**Project Number:** N/A

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### RECOMMENDATION

Staff recommends that Council approve a new ten (10) year Non-Commercial Aviation Ground Lease with the State of Montana Department of Fish, Wildlife, and Parks for the term beginning July 1, 2024, and terminating on June 30, 2034.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The State of Montana Department of Fish, Wildlife, and Parks (FWP) currently leases a 21,875 square foot parcel in the Executive Hangar area located on the west end of the Airport for its hangar. FWP utilizes this hangar to house State-owned aircraft, which it uses for the management of wildlife in this region of the State. The current lease expired on June 30, 2024. This State of Montana agency desires to renew the Lease for this parcel for another ten (10) year term. Staff worked with the state representatives on the terms of a new lease for the term beginning July 1, 2024 and ending on June 30, 2034.

### ALTERNATIVES

City Council may:

- Approve the ten-year lease with the Montana Fish, Wildlife and Parks Dept; or,
- Not Approve the ten-year lease with the Montana Fish, Wildlife and Parks Dept.

### FISCAL EFFECTS

The Lease will generate \$7,875.00/year of revenue for the City's Airport in the first year of the Lease. Rental rates for subsequent years will be adjusted annually each July 1 using the average of the monthly percentage increases of the previous calendar year, as determined by the Department of Labor's Consumer Price Index for All Urban Consumers (CPI-U) published by the Bureau of Labor Statistics. The average annual adjustment for calendar year 2023 was 4.14%. The average annual adjustment for calendar year 2024 will be calculated once the DOL determines the monthly CPI-U increase for December 2024.

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### Attachments

FWP Ground Lease



-COMMERCIAL AVIATION GROUND LEASE

THIS LEASE, made and entered into on \_\_\_\_\_, by and between  
the following:

CITY OF BILLINGS, MONTANA, hereinafter  
designated "Lessor"

and

STATE OF MONTANA, DEPARTMENT OF FISH,  
WILDLIFE, AND PARKS, hereinafter  
designated "Lessee"

W I T N E S S E T H

RECITALS

- 1) Lessor owns and operates BILLINGS LOGAN INTERNATIONAL AIRPORT  
(hereinafter called the Airport) situated in the City of Billings, Montana, and
- 2) Lessor deems it advantageous to itself and the operation of the Airport to lease  
to the Lessee a certain parcel of land hereinafter described together with certain privileges, rights, uses,  
and interests, and
- 3) Lessee wishes to engage in certain non-commercial aviation activities, and  
proposes to lease on a net basis from Lessor said parcel of land and to avail itself of the same  
privileges, rights, uses, and interests contemplated herein, and
- 4) Lessee has indicated a willingness and ability to properly keep, maintain, and  
improve said land in accordance with standards established by Lessor.

NOW THEREFORE, the parties hereto covenant and agree as follows:



## ARTICLE I

### PREMISES AND PRIVILEGES

A. Description of the Premises. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor that certain parcel of real property, together with improvements (hereinafter called the premises), for its exclusive use, specifically described as follows:

#### Main Parcel – 2471 Overlook Drive

Commencing at the Southeast Corner Section 25, T. 1 N., R. 25 E.; thence N 11°24'06" W a distance of 2,054.69 feet to the Point of Beginning; thence S 00°46'41" E a distance of 175.00 feet; thence S 89°13'19" W a distance of 125.00 feet; thence N 00°46'41" W a distance of 175.00 feet; thence N 89°13'19" E a distance of 125.00 feet to the Point of Beginning

Said parcel containing 21,875 square feet.

Premises is further depicted on attached Exhibit A, and by said reference made a part of this Lease.

B. General Privileges, Uses, and Rights. Lessor hereby grants to Lessee the following general privileges, uses, and rights, all of which shall be subject to the terms, conditions and covenants herein set forth. Said rights shall be subject to such Federal, State, or Local ordinances, rules and regulations as now or may hereafter have application at the Airport.

1) The general unrestricted use of all public airport facilities and improvements, which are now or may hereafter be connected with or appurtenant to said Airport, except as hereinafter provided, to be used by Lessee and its sublessees for non-commercial aviation activity as herein defined. For the purpose of this Lease, public airport facilities shall include all necessary landing area appurtenances

including, but not limited to, approach areas, runways, taxiways, aprons, aircraft and automobile parking areas, roadways, sidewalks, navigational aids, lighting facilities, Terminal facilities, or other public facilities appurtenant to said Airport.

2) The right of ingress to and egress from the premises over and across public roadways serving the Airport for Lessee, Lessee's agents, employees, patrons and invitees, suppliers of service and furnishers of material.

C. Specific Privileges, Uses, and Rights. In addition to the general privileges, uses, and rights described above and without limiting the generality thereof, Lessor hereby grants to Lessee and sublessees the right to engage in non-commercial aviation activity on the premises as defined in subparagraphs 1 through 5 below, subject to the conditions and covenants hereafter set out:

1) The maintenance, storing, and servicing of aircraft, which shall include minor repairs, inspection, and licensing of same, and the purchase of parts, equipment, and accessories therefore.

2) The right to use vehicles necessary for the servicing of aircraft.

3) The storage of non-commercial aircraft not owned by the Lessee.

4) The maintenance of an office on the premises necessary for the conduct of the activities defined herein.

5) The aforementioned rights shall apply to the persons, firms, or corporations having actual possession and occupancy of the hangars described herein, and the agents, employees, and invitees of such persons, firms, or corporations.



D. Concessions, Services, and Uses Excluded. The following concessions, services, uses, and the establishment thereof shall be specifically excluded from this Lease:

- 1) Ground and air transportation for hire.
- 2) Auto rental services.
- 3) Food sales (except the sale of tobacco, confections, and refreshments through coin-operated vending machines).
- 4) News and sundry sales.
- 5) Barber, valet, and personal services.
- 6) Fuel sales (aircraft or vehicle).
- 7) On site fuel storage and fuel storage facilities.
- 8) The buying and selling of aircraft, parts and accessories, and aviation equipment of all descriptions either for retail, wholesale, or as a dealer, except for use in Lessee's own aircraft or operations.
- 9) Flight schools and flight instruction, except that Lessee or Lessee's Chief Pilot shall have the right to give private instructions to employees of the Lessee.
- 10) Aircraft repair and servicing, except on Lessee's or sublessee's own aircraft.
- 11) Storage of vehicles, campers, boats, trailers, motor homes, or other recreational vehicles, or parts for such.
- 12) The maintenance, repairing, or restoring of motorized vehicles.
- 13) Storage of any household items.

14) Use of the premises in a residential capacity of any nature, whether temporary or otherwise.

15) Improper storage of any chemicals, solutions, solvents, or any potentially hazardous, explosive, or flammable materials or substances. Improper storage includes storage in violation of any applicable Federal, State, or Local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time.

16) Off-premise parking.

17) Storage of any items outside of the hangar structure.

E. Reservation of Right-of-Way. Lessor hereby reserves a right-of-way easement for access purposes over the above described leasehold together with other necessary rights-of-way over said leasehold for access purposes. Said reserved rights-of-way may be used by Lessor and all of Lessor's representatives, agents, employees, tenants, employees of said tenants, and persons or entities serving said tenants.

## ARTICLE II

### TERM OF LEASE

A. Term. The term of this Lease shall be for a period of ten (10) years, commencing on the 1st day of July 2024, and terminating on the 30th day of June 2034.

B. First Right of Refusal. At the end of the term hereof, the Lessee shall have the first right to accept a new lease of the premises at the same rates and charges that the premises may be offered to any other person or entity. Provided, that the Lessor shall have the sole discretion as to the



use of said premises and whether or not it will be relet at the end of said term. Provided further, that sixty (60) days prior to the end of the term, Lessee shall give notice in writing to Lessor of intent to exercise the first right of refusal. Lessor, upon election to relet said premises, shall give Lessee notice in writing of its decision and the proposed terms. Lessee shall have thirty (30) days in which to give Lessor notice in writing of acceptance.

C. National Emergency. In the event the rights and privileges hereunder are suspended by reason of war or other national emergency, the term of this Lease shall be extended by the amount of the period of such suspension.

### ARTICLE III

#### RENTAL AND FEES

A. Ground Rental. For the land described in Article I, Paragraph A., Lessee shall pay to Lessor \$0.36 per square foot per annum for all ground included in this Lease for an initial annual rental of \$7,875.00. Said rental shall be payable annually in advance, without billing, by the anniversary date of the Lease.

B. Interest Penalty. Without waiving any other right or action available to the Lessor, in the event of default in the payment of Lease rentals herein, or any other rentals, fees, or charges owed Lessor, the amount due shall accrue interest at the rate of one and one-quarter percent (1.25%) per month from the date such rentals, fees, or charges were due and payable, until paid in full. Said interest shall not apply with respect to items being contested in good faith by Lessee and which are resolved in Lessee's favor.

C. Annual Readjustment of Ground Rental. During the term of the Lease, the rental rate will be adjusted annually on the anniversary date of the Lease using the average of the monthly percentage increases of the previous calendar year, as determined by the Department of Labor Consumer Price Index for All Urban Consumers (CPI-U), published by the Bureau of Labor Statistics. In no case shall the rates be less than the previous year. For the purposes of this Lease, the anniversary date shall be July 1 of each year during the term of the Lease. The Lessor shall send Lessee a notice of the annual rental rate adjustment prior to each anniversary date of the Lease denoting the adjusted rental rates for the year.

D. Rental Adjustments to Market Value. On the fifth anniversary of the Lease, the Lessor may conduct an analysis of the then-current lease rental rates for other on-Airport properties to determine the current market value of the property. Should the analysis identify that the then current Lease rental rate is below market value for other on-Airport properties, the Lessor will notify Lessee of an impending Lease rate increase.

#### ARTICLE IV

##### OBLIGATIONS OF LESSOR

A. Lessor Warranties. Lessor warrants all things have happened and have been done to make its granting of said Lease effective and that Lessee shall have peaceful possession and quiet enjoyment of the leased premises during the term hereof, upon performance of Lessee's covenants herein.

B. Operation as Public Airport. Lessor shall during the term hereof, operate and maintain the Airport and its public facilities, as defined hereinabove, as a public airport consistent with



and pursuant to the sponsor's assurances given by Lessor to the United States Government under the Federal Airport Act.

C. Condition and Maintenance of Premises. Lessor shall assume no responsibility for the condition of the demised premises after delivery of premises to Lessee. Lessor shall maintain all existing roads on the Airport giving access to the leased premises and shall remove snow from the access roads as Lessor's resources permit.

D. Access to Records. Upon request, Lessor agrees to provide the Department of Administration, the Legislative Auditor or their authorized agents, access to any records concerning this Lease. A state agency may terminate a contract, without incurring liability, for the refusal of a non-state entity to allow access to records as required in M.C.A. 18-1-118. Lessor agrees to retain all records supporting the services rendered or goods delivered for a period of eight years after either the completion date of this Lease or the conclusion of any claim, litigation or exception relating to this Lease taken by either the State of Montana or a third party, whichever is later.

## ARTICLE V

### OBLIGATIONS OF LESSEE

A. Condition of Premises. It shall be the sole responsibility of the Lessee to develop, keep, maintain, and operate the entirety of the premises and all improvements and facilities placed thereon at Lessee's sole cost and expense. This Lease in every sense shall be without cost or expense to the Lessor. Lessee accepts the premises in its present condition and will repair and maintain any installations thereon, except as provided in Article IV, Paragraphs B. - C., and will remove or cause to be removed any debris to the extent required for its continuing use thereof .

B. Improvements. Lessee shall have the right to and shall provide for the construction, alteration, expansion, and maintenance of its own improvements, in any lawful manner, upon or in the premises, for the purpose of carrying out any of the activities provided for herein, but shall obtain the written approval of Lessor **prior** to any such construction, alteration, update, or expansion.

C. Maintenance. Lessee shall, at its sole cost and expense, maintain the premises, improvements, and appurtenances thereto in a presentable condition free of refuse and debris consistent with good business practice, and acceptable to Lessor. Lessee's maintenance responsibility shall include snow removal on the premises, and maintenance of all ramps and access to the hangar.

D. Utilities. Lessee shall assume and pay for all costs or charges for utility services furnished to Lessee during the term thereof; provided, however, that Lessee shall have the right to connect to any available storm and sanitary sewers, water, electrical, or other utilities at Lessee's own cost and expense; and Lessee shall pay for any and all service charges incurred therefore. Lessee shall also provide an external water meter reading device in an external location of the leasehold structure; said meter reading device type shall be specified by Lessor. All utility services shall be installed underground. Invoices for utilities will be sent to Lessee by the Airport and payment shall be made directly to the Airport.

E. Trash, Garbage, Etc. Lessee shall provide, at Lessee's expense, a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other refuse occurring as a result of Lessee's occupancy of the premises. Lessee shall provide and use Lessor approved receptacles for all garbage, trash and other refuse and shall place them on the premises in a location acceptable to the Lessor for their removal. Piling of boxes, cartons, barrels,



pallets, crates, or other similar items in an unsightly or unsafe manner, or open storage of materials, personal property, salvage, unused or surplus equipment, junk, or refuse on or about the premises, is forbidden. All disposal costs shall be paid by the Lessee. Invoices for garbage fees will be sent to Lessee by the Airport and payment shall be made directly to the Airport.

F. Signs. Lessee shall not maintain any billboards or advertising signs on the premises; provided, however, that Lessee may maintain on the outside of its buildings its name(s) or signs, the size, location, and design of which shall be subject to prior written approval of Lessor.

G. Federal, State, and Local Regulations. Lessee acknowledges that the right to use said Airport facilities in common with others authorized to do so shall be exercised subject to and in accordance with the laws, rules, regulations, and ordinances of the United States of America, the State of Montana, and the City of Billings now in force or hereafter prescribed or promulgated by authority or by law and shall be closely observed during the full term of this Lease.

H. Hazardous Substances. Lessee assumes full responsibility for the proper and legal use, handling, storage, and disposal of any hazardous substances used or consumed in Lessee's occupancy or the conduct of its business. "Hazardous substance" shall be interpreted broadly to mean any substance or toxic material, fuel or petroleum-based products, hazardous or toxic or radioactive substance, or other similar term by any Federal, State, or Local environmental law, regulation or rule presently in effect or promulgated in the future, as such laws, regulations or rules may be amended from time to time; and it shall be interpreted to include, but not be limited to, any substance which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease. Lessee shall hold Lessor harmless from and indemnify Lessor against and from any damage,

loss, expenses or liability resulting from any breach of these representations and warranty including all attorneys' fees and costs incurred as a result thereof.

I. Taxiways. Lessee shall ensure that Lessee's and/or sublessee's aircraft, vehicles, or other equipment do not block the public use taxiway that passes the front of the Lessee's premises. Ramp area included in the premises shall not be used for the tiedown of aircraft for any extended period of time.

J. Access to Records. Upon request, Lessee agrees to provide the Lessor or their authorized agents, access to any records concerning this Lease. Lessee agrees to retain all records supporting the services rendered or goods delivered for a period of eight years after either the completion date of this Lease or the conclusion of any claim, litigation or exception relating to this Lease taken by either the Lessor or a third party, whichever is later.

## ARTICLE VI

### INSURANCE AND INDEMNIFICATION

A. Indemnification. Lessor and Lessor's officers, directors, agents, representatives, and employees shall stand indemnified by Lessee as herein provided. It is expressly understood and agreed that Lessee is and shall be deemed an independent contractor and operator responsible to all parties for its respective acts or omissions and that Lessor shall in no way be responsible therefore. It is further agreed that in the use of the Airport, in the construction, alteration, or maintenance of any improvements thereon, and in the exercise or enjoyment of the privileges herein granted, Lessee shall indemnify, save harmless, and defend the Lessor and Lessor's officers, directors, agents, representatives, and employees from any and all losses that may result to the Lessor and Lessor's

officers, directors, agents, representatives, and employees because of any negligence, act, or omission on the part of the Lessee or Lessee's agents, representatives, and employees and shall indemnify Lessor against any and all mechanic's and materialmen's liens or any other types of liens imposed upon the premises.

Lessee expressly agrees that Lessor shall not be liable to Lessee, for personal injury, bodily injury, or for any loss or damage to real or personal property occasioned by flood, fire, earthquake, lightning, windstorm, hail, explosion, riot, strike, civil disobedience or commotion, aircraft, smoke, vandalism, malicious mischief, or acts of civil authority, unless caused by the fault or negligence of Lessor, its officers, directors, agents, representatives, or employees.

B. Insurance. Lessee shall provide and keep in force for the entire term of this Lease the insurance coverages identified below. Insurance coverage shall be maintained with insurance underwriters authorized to do business in the State of Montana, and that are satisfactory to the Lessor. At the time of execution of this Lease, and annually thereafter, Lessee shall furnish a Certificate of Insurance along with all associated and required policy endorsements showing that required insurance is current and in force. Required evidence of insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days prior to expiration or termination of the existing policy. Lessee shall provide notice to Lessor of any changes to insurance or cancellation of any or all insurance at least thirty (30) calendar days in advance of such change or cancellation. The Certificate of Insurance must include the following certificate holder identification: City of Billings Logan International Airport, 1901 Terminal Circle, Room 216, Billings, MT 59105. If, in the Lessor's opinion, the minimum limits of the insurance coverage herein required become inadequate during the term of this Lease, Lessee agrees that it will increase such minimum limits by



reasonable amounts upon request of the Lessor.

1) Breach of Lease. The continuous maintenance by Lessee of all types of required insurance under this Lease is mandatory. Failure of the Lessee to maintain such insurance is a material breach of this Lease, and does not amend this Lease, nor release the Lessee from any other obligations in this Lease.

2) Commercial General Liability Insurance. Commercial General Liability Insurance on a standard occurrence form, providing coverage for personal injury, bodily injury, death, and property damage, in amounts not less than \$1,500,000 per occurrence; \$3,000,000 General Aggregate; the General Aggregate shall apply separately to each location. The required limits may be provided by a combination of Commercial General Liability Insurance and Excess or Commercial Umbrella Liability Insurance. The commercial general liability policy shall be endorsed to name the City of Billings, and City's officers, directors, agents, representatives, and employees as a **PRIMARY ADDITIONAL INSURED**. The City of Billings' general liability policy will be excess and noncontributory. The policy shall be endorsed to include a written waiver of insurer's right to subrogate against the City.

3) Automobile Liability. Automobile Liability insurance will be required for all owned and non-owned vehicles in an amount not less than \$1,000,000 combined single limit. If Lessee is providing the coverage amount with an automobile policy that provides full coverage for all of the Lessee's vehicle uses, the policy shall be endorsed to include a written waiver of insurer's right to subrogate against the City.

4) Workers' Compensation and Employers' Liability Insurance. Workers'

Compensation and Employers' Liability Insurance is required if Lessee has employees. Workers' Compensation insurance limits are required to be in accordance with the State of Montana and administered by the Montana Department of Labor and Industry.

## ARTICLE VII

### TERMINATION OF LEASE, CANCELLATION, AND TRANSFER

A. Termination. This Lease shall terminate at the end of the full term hereof without any notice by either party, except as indicated in Article II, Paragraph A. A holding over by the Lessee, its assigns or sublessees beyond the expiration of the term shall not be permitted without the written consent of the Director of Aviation and Transit and then only on a month-to-month basis.

Lessor acknowledges, understands, and agrees that the Lessee, as a State agency, is dependent upon State and Federal appropriations for its funding. In the event State or Federal government funds available for this purpose are either reduced, not appropriated or otherwise not made available to support continued performance of this Lease in subsequent fiscal periods, the Lessee may cancel this Lease by giving thirty (30) days written notice to the Lessor.

Lessee shall have the right to remove all moveable furniture, fixtures, machinery and equipment and all other personal property owned or installed by Lessee on the premises, and all expenses connected with such removal shall be borne by the Lessee. Said property shall be removed within thirty (30) days after termination of Lease.

In addition, Lessee has the right to remove, at Lessee's expense, all buildings and other structures owned by Lessee located upon the premises within thirty (30) days upon the termination of this Lease. Lessee shall remove from the premises all debris resulting from the removal

of the building or structures, and Lessee shall generally leave the premises in a clean and orderly condition acceptable to the Lessor.

This right to remove personal property, buildings and structures does not extend to pavement, water lines, sewer lines, electrical lines, utility poles, fencing, exterior light poles, which improvements shall remain the property of the Lessor and shall not be removed.

In the event the Lessee elects not to remove the buildings and other structures, personal property, fixtures, machinery and equipment, and other improvements upon termination of the Lease, the disposition of the buildings and structures, personal property, fixtures, machinery and equipment, and other improvements will be left to the sole discretion of the Lessor. If Lessor elects to remove the buildings and structures, personal property, fixtures, machinery and equipment, and other improvements because of failure of Lessee to do so, the cost of removal, demolition, and other related actions shall be at Lessee's expense.

At the expiration or termination of this Lease or any extension thereof, the Lessee will vacate and surrender the premises to the Lessor in good condition and repair and in a condition acceptable to Lessor.

B. Cancellation by Lessee. This Lease shall be subject to cancellation by Lessee after the happening of one or more of the following events:

- 1) The permanent abandonment of the Airport as an Air Terminal.
- 2) The lawful assumption of the United States Government or any other authorized agency thereof, of the operation, control or use of the Airport, or any



substantial part or parts thereof, in such a manner that substantially restricts Lessee for a period of at least ninety (90) days from operating in a normal manner.

3) Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport, and the remaining in force of such injunction for a period of at least ninety (90) days.

4) The default by Lessor in the performance of any covenant or agreement herein required to be performed by Lessor and the failure of Lessor to remedy such default for a period of ninety (90) days after receipt from Lessee or written notice to remedy same.

Lessee may exercise such right of termination by written notice to Lessor at any time after the lapse of the above applicable periods of time and this Lease shall terminate as of that date. Rental due hereunder shall be payable only to the date of the happening of the event which results in said termination. Upon termination under the provisions of this Paragraph, Lessee shall have the same rights as described in Article VII, Paragraph A. herein.

C. Cancellation by Lessor.

1) This Lease shall be subject to cancellation by Lessor in the event Lessee shall:

a) Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of thirty (30) days after payment is due.

b) File a voluntary petition of bankruptcy.

c) Make a general assignment for the benefit of creditors.

d) Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Lessee, and such default continues for a period of thirty (30) days after written notice from Lessor of said default.

2) In the event of termination because of the happening of any of the aforesaid events, Lessor may take immediate possession of the premises and remove Lessee's effects, forcibly if necessary, without being deemed guilty of trespassing. Upon said entry, this Lease shall terminate.

3) It is agreed that failure of Lessor to declare this Lease terminated or to reenter and take possession upon the default of Lessee for any of the reasons set out shall not operate to bar or destroy the right of Lessor to declare this Lease null and void by reason of any subsequent violation of the terms of this Lease.

D. Suspension of Lease. During the time of war or declared national emergency, Lessor shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this instrument which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of the Lease shall be automatically extended by the amount of the period of suspension.

E. Subleasing, Assigning, and Transferring. The Lessee shall have the right to sublease, assign, or transfer all or any part of Lessee's leasehold interest in the premises for the same purpose established in Article I, Paragraph D., provided prior written approval of the Lessor is

obtained. As a condition of said approval, Lessor reserves the right to alter this Lease in any manner deemed necessary by Lessor. Any sublease, assignment, or transfer shall be subject to the same conditions, obligations, and terms as set forth herein and as may be subsequently amended. Lessee shall be responsible for the observance by its tenants and sublessees for the terms and covenants of this Lease, and any subsequent lease amendments. Lessee shall provide Lessor with a copy of any sublease and keep current any copies of subleases on the premises provided to Lessor.

## ARTICLE VIII

### NONDISCRIMINATION

A. General. In the use and occupation of the Airport, Lessee shall not discriminate against any person or class of persons by reason of race, color, religion, sex, national origin or ancestry, age, or disability. Additionally, for the services provided during the use and occupation of the Airport, Lessee shall furnish said services on a reasonable and not unjustly discriminatory basis to all users thereof and charge reasonable and not unjustly discriminatory prices for each unit of service, provided that the Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

B. Civil/Human Rights Laws. In the operation and use of the Airport, Lessee shall not, on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability, discriminate or permit discrimination against any person or group of persons in any manner prohibited by Part 21 of Title 49, Code of Federal Regulations, the Civil Rights Act of 1964, as amended, the Equal Pay Act of 1963, the Rehabilitation Act of 1973, and such other Federal, State, or Local laws as may be applicable.



Without limiting the generality of the foregoing, Lessee agrees to not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin or ancestry, age, or disability. Lessee agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, national origin or ancestry, age, or disability. Such action shall include, but not be limited to, employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; selection for training; and disciplinary actions and grievances. Lessee agrees to post, in conspicuous places available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

C. Lessee, for itself, its heirs, personal representatives, successors in interest, and assignees, as part of the consideration of this Lease, does hereby covenant and agree as a covenant running with the land that, in the event improvements are constructed, maintained, or otherwise operated on the Airport for a purpose for which a United States Department of Transportation program or activity is extended or for another purpose involving the provision of similar services or benefits, Lessee shall maintain and operate such improvements and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs of the Department of Transportation), as said regulations may be amended.

D. Lessee, for itself, its heirs, personal representatives, successors in interest, and assignees, as a part of the consideration of this Lease, does hereby covenant and agree as a covenant running with the land that:

1) No person on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said improvements.

2) No person on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of any improvements on, over, or under such land and the furnishing of services thereon.

3) Lessee shall use the facilities in compliance with all other requirements imposed by, or pursuant to 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs of the Department of Transportation), as said regulations may be amended.

Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to ensure that no person on the grounds of race, color, religion, sex, national origin or ancestry, age, or disability shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E, or such employment activities covered in any applicable State or Local law. Lessee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this Article VIII.

E. During the performance of this Lease, the Lessee, for itself, its assignees, and successors in interest, agrees to comply with the following nondiscrimination statutes and authorities, including, but not limited to:

- 1) Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
- 2) 49 CFR Part 21 (Nondiscrimination in Federally Assisted Programs of the Department of Transportation – Effectuation of Title VI of The Civil Rights Act of 1964);
- 3) The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal aid programs and projects);
- 4) Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR Part 27;
- 5) The Age Discrimination Act of 1975, as amended (42 U.S.C. § 6101 *et seq.*) (prohibits discrimination on the basis of age);
- 6) Airport and Airway Improvement Act of 1982 (49 U.S.C. § 471, § 47123) as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
- 7) The Civil Rights Restoration Act of 1987 (PL 100-209) (broadened the scope, coverage, and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, and § 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or

activities of the Federal aid recipients, sub-recipients, and contractors, whether such programs or activities are Federally funded or not);

8) Titles II and III of the Americans with Disabilities Act of 1990, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 CFR Parts 37 and 38;

9) The Federal Aviation Administration's Nondiscrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

10) Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low Income Populations, which addresses discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low income populations;

11) Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (LEP), and resulting agency guidance, national origin discrimination includes discrimination because of LEP. To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Federal Regulations at 74087 – 74100);



12) Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 *et seq.*).

## ARTICLE IX

### GENERAL PROVISIONS

A. Attorney's Fees. Should either party employ an attorney or attorneys or utilize the services of in-house attorneys to enforce any of the provisions hereof or to protect its interest in any manner arising under this Lease, the nonprevailing party in any action pursued in a court of competent jurisdiction agrees to pay to the prevailing party all reasonable costs, damages, expenses, and attorney's fees, including fees for in-house attorneys, expended or incurred in connection therewith.

B. Governing Law. This Lease and all disputes arising hereunder shall be construed and enforced by the laws of the State of Montana. Venue in any proceedings held hereunder shall be in the State of Montana Thirteenth Judicial District Court, Yellowstone County, Montana.

C. Taxes. Lessee shall pay any taxes or assessments that may be lawfully levied against Lessee's occupancy or use of the premises or any improvements placed thereon as a result of Lessee's occupancy, but Lessee as independent contractor reserves the right to contest the levy of any tax or assessment that it feels is unjust.

D. Subordination of Lease.

1) This Lease shall be subordinate to the provisions of any existing or future agreements between Lessor and the United States relative to the administration,

operation, or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal funds for the development of the Airport.

2) Notwithstanding any other prohibition or limitation of Lessee's right to sublease or assign its interest under this Lease, Lessor acknowledges and agrees that Lessee shall have the right to grant a security interest in its rights and interest under this Lease, with Lessor's written consent. Any mortgagee or beneficiary shall have the right to cure any default on the part of Lessee in the payment of rent hereunder and, in the event of default, to assume the Lessee's position under this Lease. Lessor, in no event, shall be liable for the payment of the sum secured by such mortgage or trust indenture, nor for any expenses in connection with the same. Furthermore, such mortgage or trust indenture shall expressly provide that the mortgagor or beneficiary will seek no monetary judgment against Lessor. The mortgage or trust indenture shall also contain provisions requiring the holder of the indebtedness secured by such mortgage or trust indenture to mail to Lessor by certified mail a copy of each notice of breach of covenant, default, or foreclosure given by the holder or the trustee to Lessee under such mortgage or deed of trust.

E. Modification and Amendments. Changes or modifications to this Lease shall be done in the form of a lease amendment prepared by the Lessor, and to be agreed upon and signed by both Lessee and Lessor.

F. Right to Inspect. Lessor shall have the right to enter premises to inspect for compliance with the terms and conditions of this Lease.

G. Paragraph Headings. The paragraph headings contained herein are for convenience in reference and are not intended to define or limit the scope of any provisions of this Lease or the particular paragraphs.

H Effect of Invalid Provision. If any term or provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such terms or provisions to persons or circumstances other than those to which it is invalid or unenforceable, shall not be affected hereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

I. Notices. Notices to Lessor provided for herein shall be sufficient if sent by certified mail, postage prepaid, addressed to:

Director of Aviation and Transit  
Billings Logan International Airport  
1901 Terminal Circle, Room 216  
Billings, MT 59105

and notices to Lessee, if sent by certified mail, postage prepaid, addressed to:

State of Montana  
Dept. of Fish, Wildlife and Parks  
Land Section  
1420 East Sixth Avenue  
P.O. Box 200701  
Helena, MT 59620-0701  
Telephone: (406) 444-0538  
Local Contact: Joe Rahn  
Phone: (406) 444-7700\_  
E-mail: [JRahn@mt.gov](mailto:JRahn@mt.gov)

or to such other addresses as the parties may designate to each other in writing from time to time.

I. Successors and Assigns. All of the terms, covenants, and agreements herein contained, or as subsequently amended from time to time, shall be binding upon and shall inure to the benefit of successors, assignees, and sublessees of the respective parties hereto.

IN WITNESS WHEREOF, this document has been duly executed by or on behalf of the parties hereto as of the date indicated below.

DATE: \_\_\_\_\_

**LESSOR:**

ATTEST:

CITY OF BILLINGS

BY \_\_\_\_\_  
CITY CLERK

BY \_\_\_\_\_  
MAYOR

APPROVED AS TO FORM

BY \_\_\_\_\_  
CITY ATTORNEY



**LESSEE:**

BY

\_\_\_\_\_  
DUSTIN TEMPLE, DIRECTOR  
DEPARTMENT OF FISH, WILDLIFE  
AND PARKS

DATE \_\_\_\_\_

**APPROVED BY:**

BY

\_\_\_\_\_  
SCOTT MCHUGH, SENIOR LEASING  
OFFICER  
DEPARTMENT OF ADMINISTRATION  
GENERAL SERVICES DIVISION

DATE \_\_\_\_\_

BY

\_\_\_\_\_  
JULIA W. SWINGLEY,  
AGENCY LEGAL COUNSEL  
DEPARTMENT OF ADMINISTRATION

DATE \_\_\_\_\_

BY

\_\_\_\_\_  
OFFICE OF BUDGET AND PROGRAM  
PLANNING

DATE \_\_\_\_\_

BY

\_\_\_\_\_  
MISTY ANN GILES, DIRECTOR  
DEPARTMENT OF ADMINISTRATION

DATE \_\_\_\_\_

**City Council Regular**

**Date:** 11/12/2024  
**Title:** Equipment Replacement Plan Purchase of Three (3) Mowers for Parks  
**Presented by:** Cole McQuillan, Project Manager  
**Department:** Parks/Rec/Public Lands  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends the purchase of three (3) mowers as outlined by the FY25 ERP for the amount of \$332,836.00.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

This follows the approved FY25 Equipment Replacement Plan to replace mower units 3615, 3616, and 3617. There is \$336,000.00 budgeted for the replacement of the three mowers in FY25 ERP. Total costs after trade-ins as detailed below is \$332,836.00, with a remaining budget of \$3,164.00.

Units 3615 and 3616 are identical Toro 16' wide area mowers with \$115,491.00 each budgeted for replacement, \$230,982.00 total. Unit 3617 is a Toro 10' wide trim mower with \$78,294.00 budget for replacement. Mowers 3615 and 3616 will be traded in for \$6,500.00 and \$7,500.00 respectively towards the purchase price. An approved SBR for \$26,724.00 will also go towards the purchase of the three (3) mowers.

Each 16' mower mows over 200 acres per week and is critical in maintaining parks. The 10' trim mower maintains along fence lines, trees, park amenities, buildings, and other confined areas along property lines. Breakdowns and repairs cause delays leaving parks in an undesirable condition for park use, soccer, football, baseball, softball, lacrosse, rugby, and other special events.

Staff is recommending to sole source the purchase of the three (3) mowers from Midland Implement Company. The replacement mowers will match the existing Toro fleet used by the Parks Department and help facilitate repairs for the Fleet Department. There are no comparable mowers available in the state or region, while Midland Implement Company is local to Billings and the only authorized Toro brand distributor in the area. Midland Implement Company is able to perform warranty and diagnostic work as an authorized distributor.

**ALTERNATIVES**

City Council may:

- Approve; or,
- Not Approve

**FISCAL EFFECTS**

There is \$336,000.00 budgeted for the replacement of the three mowers in FY25 ERP. Total costs after trade-ins as detailed below is \$332,836.00, with a remaining budget of \$3,164.00.

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**Attachments**

Mower quote

# Midland Implement

Company, Inc.

402 DANIEL ST. · BOX 30358 · BILLINGS, MT 59107 · PH. (406)248-7771 · FAX (406) 252-5772



October 2, 2024

City of Billings Parks Department  
Attn: Marc Guaraglia  
4848 Midland Road  
Billings, MT 59101

Dear Marc:

Thank you for your continued interest in Toro Equipment. Per your request, we are pleased to present the following quotation for your review:

|                                                                                                                                    | <u>Price Each:</u>  |
|------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| (2) Toro Groundsmaster 5900D 16' Large Area Rotary Mower w/ Universal Sunshade Kit, Beacon Kit, LED Work Light and Turn Signal Kit | <b>\$127,800.00</b> |
| (1) Toro Groundsmaster 4100D 10.5' Large Area Rotary Mower w/ Universal Sunshade Kit, Beacon Kit, North American Road Light Kit    | <b>\$91,236.00</b>  |

Pricing subject to change at time of shipment. Terms are net 30 days upon delivery.

### Trade In Units:

1 2015 Toro Groundsmaster 5900 Unit w/ approx. 4626 Hrs. Unit# 3615 **\$6,500.00**

1 2015 Toro Groundsmaster 5900 Unit w/ approx. 4481 Hrs. Unit #3616 **\$7,500.00**

All trades must be in good working condition at time of sale.

Total of Configured Package above including 2 GM5900s Complete, 1 GM 4100 Complete Package Price of: **\$346,836.00**

Example: **346,836.00 – 14,000.00 = \$332,836.00**

**Total Package Price after Trade-In Units: \$332,836.00**

All new Toro Turf Equipment carries a 2-year limited warranty (begins at date of delivery).

We are confident that you would be completely satisfied with the performance and reliability of this equipment. If you have any questions about our bid or our products, please let us know.

Best Regards,  
Julien Pates  
Midland Implement Company  
Turf Equipment Manager E. Montana & N. Wyoming

*Distributing Quality Products Since 1920*

## City Council Regular

**Date:** 11/12/2024  
**Title:** Amendment No. 2 to the Purchase and Sale Agreement on City Hall  
**Presented by:** Kevin Iffland, Assistant City Administrator  
**Department:** City Hall Administration  
**Presentation:** No  
**Legal Review:** Yes  
**Project Number:** N/A

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### RECOMMENDATION

Staff recommends that the City Council approve the Second Amendment to the Purchase and Sale Agreement (PSA) between the City of Billings and Honaker Realty, LLC & JWT Capital, LLC. The amendment extends certain contingency deadlines and the wavier of the contingency for suitable loading and unloading areas. Approval will facilitate the ongoing transaction and ensure compliance with agreed timelines.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

**Initial Agreement:** On March 18, 2024, the City of Billings entered into a PSA with Honaker Realty, LLC & JWT Capital, LLC for the sale of City Hall, Park 3, and adjacent parking lots located on North 27th Avenue. The transaction valued at \$2.8 million was initiated to further economic growth within the Central Business District and includes terms for phased development of the properties with provisions for due diligence, contingency periods, and an overall goal to support revitalization efforts in downtown Billings.

**First Amendment:** The initial PSA contained contingency clauses which required extensions. Signed September 25, 2024, the first amendment to the PSA extended the contingency period for certain items until November 15, 2024. It allowed flexibility for the City to vacate the property by April 1, 2025, accommodating structural improvements and modifications to property use agreements.

**Second Amendment:** This Second Amendment, would further extend certain contingency deadlines to December 6, 2024, without additional consideration, focusing on the approval of the DBP for removal or use of the portable restroom, franchise agreements for hotel operations, providing for an agreement for management of the parking on Parcel A & B, and sky bridge encroachments. Additionally, it finalizes the loading area requirements for 2nd Avenue North, which were completed as of October 30, 2024.

### STAKEHOLDERS

The key stakeholders involved in this project include:

**City of Billings:** Manages the transaction on behalf of the City, ensuring that the sale aligns with city goals and regulations.

**Honaker Realty, LLC & JWT Capital, LLC:** The purchasing entities responsible for the redevelopment of City Hall and adjacent properties. Their development plan aims to contribute to the economic and aesthetic revitalization of the downtown area.

**Downtown Business Partners (DBP):** Role in the portable restroom agreement

**Local Businesses and Community Members:** Potential beneficiaries of increased economic activity and aesthetic improvements in the Central Business District.

### ALTERNATIVES

City Council may:

Approve the Second Amendment to the PSA, allowing the transaction to proceed with revised timelines and terms.

Not approve the amendment, which may affect the City's ability to meet obligations in the existing contract and delay the project schedule.

### FISCAL EFFECTS

The fiscal impact remains aligned with the initial agreement, with no additional costs associated with the contingency extensions. The amendment does not alter the purchase price or financial terms of the PSA.



PSA Agreement  
First Amendment to PSA  
Second Amendment to the PSA



## CONTRACT ROUTING FORM

**(Contract must be signed by the non-City party before or within routing process)**

Honaker Realty, LLC & JWT Capital, LLC

**PARTY TO THE CONTRACT:** \_\_\_\_\_

**PURPOSE OF CONTRACT:** Sale of City Hall, Park 3, and Parking Lots on 27th Ave N  
\_\_\_\_\_

### PROCUREMENT COMPETED BY:

Written quotes

Competitive bid

x Request for proposals

Cooperative contract \_\_\_\_\_  
Contract #

Sole source justification

Other (please describe or N/A):  
\_\_\_\_\_  
\_\_\_\_\_

### Requestor:

Name: Jessica Fust  
\_\_\_\_\_

Dept: Facilities  
\_\_\_\_\_

Phone #: 406-657-8271  
\_\_\_\_\_

x Competition documentation attached  
(i.e. signed quote form, legal ad, sole source form, cooperative contract, etc.)

Insurance certificate(s) attached

x Council memo attached 3/11/24  
\_\_\_\_\_  
Date of award

x Signed by vendor (also check if signing in DocuSign)

## **Purchase and Sale Agreement**

**Seller: The City of Billings**

**Buyer: Honaker Realty, LLC & JWT Capital, LLC**

## **PURCHASE AND SALE AGREEMENT**

**THIS PURCHASE AND SALE AGREEMENT** (“Agreement”) is made effective as of the latest date set out below in the signature block (“Effective Date”), by and between **Honaker Realty, LLC** and **JWT Capital, LLC** or their assigns (“Buyer”), and the **City of Billings** (“Seller”).

FOR VALUABLE CONSIDERATION, IT IS AGREED:

**1. Description of Property.** Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, on the terms and conditions stated in this Agreement, the following property (collectively, the “Property”):

- (a) **Real Property.** That real estate in Yellowstone County, Montana (the “Property”):

Parcel A: (the “Parking Lots”).

Lots 5-6 & 8, 9, & 10, Block 92, of the Original Town, Now City of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in office of the Clerk and Recorder of said County.

Together with all: (a) appurtenances, improvements and fixtures (except as may be excluded below); and (b) all mineral rights held by Seller, if any, which were not previously severed from the real property. Seller shall make no warranty or representation to Buyer regarding any, wind or solar rights appurtenant or related to the Property, but shall transfer and convey (without warranty or representation) any, solar and wind rights that Seller may have with respect to the Property, if any.

Parcel B: (which contains two buildings the “Old City Hall Building” on the northern portion of Parcel B and the “Garage Building” consisting of the parking garage and office building on the southern portion of Parcel B).

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12, Block 58 of the Original Town, Now City of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in office of the Clerk and Recorder of said County.

Together with all: (a) appurtenances, improvements and fixtures (except as may be excluded below); and (b) all mineral rights held by Seller, if any, which were not previously severed from the real property. Seller shall make no warranty or representation to Buyer regarding any, wind or solar rights appurtenant or related to the Property, but shall transfer and convey (without warranty or representation) any, solar and wind rights that Seller may have with respect to the Property, if any.

- (b) **Personal Property.** The following personal property (the “Personal Property”), which is to be left upon the Real Property as part of the property purchased: (a) all

fixtures; and (b) any Personal Property that the Parties agree shall be left on the Property pursuant to a subsequent agreement in writing.

Seller and Buyer recognize and agree that the legal descriptions stated herein are tentative and will be modified by the property description information contained within the preliminary title commitment provided by Seller as detailed below, but only as approved by Buyer in writing; provided, further, that Buyer must be satisfied as to the sufficiency of the legal description and the condition of title conveyed as a contingency up to, and for, each Closing.

**2. Purchase Price.** The purchase price for the Property ("Purchase Price") is as follows:

- (a) The Purchase Price for the Property is Two Million Eight Hundred Thousand Dollars (\$2,800,000.00). Payment of the Purchase Price shall be made as follows:
  - (1) \$35,000.00 earnest money (Earnest Money"), payable upon complete execution of this Agreement, which shall be held by the Closing Agent defined below in accordance with terms of this Agreement; and
  - (2) \$2,765,000.00 on the Closing Date in cash or certified funds.
  - (3) Buyer may extend the Closing Date by up to one hundred twenty days (120) days by giving Seller written notice that Buyer is extending the closing date and by paying the additional Earnest Money Deposits to the Closing Agent, as provided in Section 11(f) hereafter. The Extension Payments of additional Earnest Money shall be applied to reduce the Purchase Price. In the event that the sale does not close through no fault of Seller, then Seller shall retain the \$100,000.00 deposit and shall retain all rights and remedies under this Agreement, as provided in Section 11(f).

**3. Closing.**

- (a) Subject to the satisfaction of all contingencies herein, the closing ("Closing") shall be held subject to the following schedule at the office of First Montana Title ("Closing Agent"), unless otherwise mutually agreed by the parties. Seller shall pay for the cost of a standard ATLA Owner's Policy in the amount of the Purchase Price. Buyer shall pay and be solely responsible for any additional premiums or other costs in addition to the premium for standard coverage if Buyer elects to obtain ALTA extended coverage or any title endorsements to the title insurance policy. All other closing costs and fees, which do not include attorney fees and costs of the parties, shall be shared equally by Buyer and Seller. Provided that Buyer does not terminate this Agreement by reason of its due diligence during the Contingency Period or the failure of a contingency herein, the Closing of shall be held within thirty (30) days of the expiration of the Contingency Period, unless otherwise mutually agreed by the parties in accordance with the terms of this Agreement.
- (b) It is Seller's intention to close the sale of the Property at one Closing through which Seller would transfer and convey Parcels "A" and "B" to Buyer. However, Buyer



may, at Buyer's option, bifurcate the Closings of Parcels "A" and "B" and close on Parcel "A" earlier than closing on Parcel "B", on the following terms: (i) Buyer waives all contingencies to closing set forth in this Agreement for both Parcel "A" and Parcel "B"; and (ii) pays the Purchase Price for Parcel "A". The closings on both Parcels "A" and "B" must occur no later than the first anniversary of the Effective Date of this Agreement. For the purposes of this Agreement, the Purchase Price for Parcel "A" shall be Seven Hundred Thousand Dollars (\$700,000.00) and the Purchase Price for Parcel "B" shall be Two Million One Hundred Thousand Dollars (\$2,100,000.00).

**4. Conveyance Documents.** On the Closing Date for each sale, the Seller shall execute and deliver to the Closing Agent:

- (a) A warranty deed conveying merchantable fee simple title to the Real Property to the Buyer free and clear of all liens and encumbrances, and subject only to: (i) reservations and exceptions in patents from the United States or the State of Montana; (ii) easements and rights-of-way of record; (iii) building, use and zoning restrictions, ordinances, and waivers of record, and sanitary and environmental restrictions; (iv) taxes and assessments prorated for the year of Closing and subsequent years which are not yet delinquent; (v) all mineral rights and prior conveyances, leases, transfers of any interest in minerals, including oil and gas and other hydrocarbons; (vi) all declarations, restrictions, covenants, and conditions of record; (vii) Permitted Exceptions as defined below;
- (b) A bill of sale conveying valid title to the Personal Property (if any) to Buyer free and clear of all liens and encumbrances. All Personal Property shall be conveyed **AS IS** and **WHERE IS**. Seller shall make **NO WARRANTY** and **NO REPRESENTATION** as to the Personal Property;
- (c) A Montana Realty Transfer Certificate(s) for the Property; and
- (d) Any and all other documents reasonably necessary to convey the Property to Buyer (all of the foregoing documents are collectively referred to as the "Conveyance Documents").

**5. Right of Entry.** Seller grants to Buyer (and Buyer's employees, agents and representatives) the right to enter the Property with a minimum 24-hour notice to the City Facilities Manager, during regular business hours, in order to inspect and investigate the same. Buyer may, at Buyer's sole expense, conduct reasonable soils, engineering and other tests and studies on the Property. Buyer shall not cause or suffer any lien or other encumbrance to be recorded against the Property; and shall promptly cause any such lien or other encumbrance caused or suffered by Buyer (including construction liens arising out of Buyer's activities) to be immediately discharged or bonded over to Seller's reasonable satisfaction. Buyer hereby indemnifies, protects, agrees to defend with counsel chosen by Seller (and reasonably acceptable to Buyer), and hold Seller, and its officers, officials, insurance companies, employees and agents, harmless from and against any and all liabilities, penalties, losses, damages, costs and expenses, demands, causes of action, claims or judgments arising, claimed or incurred against or by Seller, or its officers, officials, insurance companies, employees or agents, from all investigations, inspections, tests, and other activities undertaken on or with regard to the Property by Buyer, or its officers, directors, employees, agents, licensees and invitees, prior to the Closing Date. The provisions of this Section shall survive any termination of this Agreement or the Closing of the transaction contemplated hereby and shall not

be reduced or impaired by receipt by Seller or any sums and liquidated damages hereunder. Provided, however, that Buyer shall not indemnify Seller against any claim arising from Seller's negligence or for any claims, liabilities, penalties, damages, costs, expenses, demands, and causes of action, arising from any pre-existing conditions on the Property.

**6. Prorations.** Taxes and assessments on the Real Property for the current year shall be prorated between the parties as of the Closing Date. Buyer shall pay all taxes and assessments on the Real Property thereafter. Encumbrances to be discharged by Seller may, at Seller's option, be paid out of the Purchase Price at the Closing Date.

**7. Possession.** Buyer shall be entitled to possession of the Property on the Closing Date for each Parcel unless otherwise specified herein.

**8. Assignment.** Buyer may assign, in whole or in part, this Agreement in which Buyer, or its members, is a member or shareholder or partner, it being recognized that Buyer intends to form one or more entities to facilitate the development of the Property. In addition, in the event that Buyer's or its assignee's project funding or development requirements, or their IRC Section 1031 tax free exchange requirements, or their project development related credit or payment terms, require the assignment of their rights herein to another person or entity, in whole or in part, then Buyer and/or its assignee, with notice of such assignment to Seller, may assign their rights herein.

**9. Environmental.** Seller discloses to Buyer that the Property may contain lead paint and/or asbestos and/or other environmental contaminants. Additionally, Seller discloses that the Environmental Protection Agency declared a portion of downtown Billings to be a "Superfund Site" in connection with a chemical plume involving solvents from old dry-cleaning businesses. Seller has not determined whether or not the Property, or any portion of the Property, is located within the Superfund Site. Seller recommends additional environmental investigation and testing. Seller is unaware of the presence of any toxic or "hazardous material" (as defined under federal and Montana law) on or upon the Real Property in violation of or subject to remediation pursuant to any environmental law or regulation and Seller has not received any notice or communication of any alleged violation of any environmental law or regulation pertaining to the Real Property, except for the November 16, 2023 Notice from the United States Environmental Protection Agency regarding the presence of site contaminants of potential concern on Parcel B, the Old City Hall Building. During the Contingency Period, Buyer may inspect all of the Property for environmental matters at its cost. Seller will provide all environmental related information in its file to Buyer for inspection and Buyer may contact all persons or entities of its choosing, including employees of Seller, to determine and verify the extent of any environmental matters on the Property before the expiration of the applicable Contingency Period for each Parcel. To Seller's knowledge, no portion of the Real Property has ever been used for a dump or landfill. Seller is unaware of any underground storage tanks located on the Real Property, and to Seller's knowledge, no underground storage tanks have been removed from the Real Property except in compliance with applicable Montana and federal law. Seller shall provide to Buyer any environmental investigation reports that Seller may reasonably be able to locate in Seller's records. Buyer acknowledges that the Old City Hall Building was constructed on or around 1940. The age of the Old City Hall Building substantially exceeds the Seller's document retention policy. The Old City Hall Building predates the existence of computers. Over the decades, document retention policies and computer software programs have changed. As a result, the Seller may not be able to locate all environmental records related to the Old City Hall Building from 1940 to the present.

**10. Environmental Review.** Buyer shall have the right to enter onto the Real Property at reasonable times and in a reasonable manner, with minimum 24-hour notice to Seller, for the

purpose of making such environmental tests and surveys as Buyer deems necessary in connection with this Agreement at its sole cost, risk, and expense. Without warranty by Seller, Seller agrees to provide Buyer with any information which it has relating to the potential presence of or disposal on the Real Property of toxic, dangerous, or hazardous substances. After making such tests, studies and inspections, Buyer shall restore the Real Property to its condition prior to such tests, studies, and inspections. Buyer shall have until the expiration of the Contingency Period below for each respective Parcel to review the environmental condition of the Property. Should Buyer's environmental review indicate that there are or may be toxic, dangerous, or hazardous substances located on or about the Real Property in any particular Parcel, or Parcels, Buyer may, by notice in writing to Seller on or before the expiration of the Contingency Period below for each respective Parcel, terminate this Agreement, in which event Buyer shall be entitled to the return of the Earnest Money as provided below. Buyer shall, however, furnish a copy of such environmental review to Seller. Buyer's failure to so notify Seller on or before the expiration of the Contingency Period below for each respective Parcel shall be deemed conclusive evidence that Buyer desires to proceed to closing and accepts the Property in its **AS IS** condition with respect to environmental matters. In the event that Buyer gives written notice to Seller that it must terminate the Agreement by reason of an environmental issue during the Contingency Period, then the Agreement, at the election of Buyer, shall be deemed to be terminated in whole without liability, damage, fee, penalty, payment, or cost to Seller by Buyer, with return to Buyer of any Earnest Money paid by Buyer to the Closing Agent for the benefit of Seller hereunder.

**11. Buyer's Contingency Period and Title Review.**

- (a) **Buyer's Contingency Period.** The Buyer's "Contingency Period" shall commence on the Effective Date of this Agreement and shall terminate on the one hundred eightieth (180) day following the Effective Date. Notwithstanding the foregoing, so long as Buyer has approved or waived, or otherwise acknowledged satisfaction of all matters referred to in Sections 11(b) (title contingencies) during the timeframe described in Section 11(b), Buyer may extend the Contingency Period in thirty (30)-day increments on not more than four (4) occasions, upon Buyer's complying with the conditions of Section 11(f) and by Buyer giving written notice to Seller at least two (2) business days prior to the expiration of the Contingency Period, as then in effect, and by tendering the Extension Payment(s) referred to in Section 11(f) below.
- (b) **Title Review.** Buyer's obligation to proceed with the purchase of the Property is subject to Buyer's review and approval, in Buyer's sole and absolute discretion, the condition of title ("title") to the Real Property. Seller shall provide Buyer with a standard ALTA Owner's Title Insurance Policy, as Seller's cost, with insurance in the amount of the Purchase Price.
  - (1) At Buyer's election, Buyer may obtain an ALTA survey of the Real Property in form and substance acceptable to Buyer. Any ALTA survey shall be prepared at Buyer's cost. Similarly, Buyer may order an ALTA Owner's Extended Coverage Policy of Title Insurance. Seller will pay for the cost of a Standard Owner's Title Insurance Policy. Any increase in cost for an Extended Coverage Policy shall be the responsibility of Buyer.
  - (2) Buyer shall have thirty (30) days from the delivery of the Preliminary Title Commitment to approve or disapprove, in Buyer's sole and absolute discretion, the condition of Title to the Property.

- (3) In the event Buyer disapproves of Title to the Real Property within the period specified above, Buyer shall identify, in a written notice to Seller, which exceptions and conditions Buyer deems unacceptable (whether revealed by Title Company's Preliminary report, any ALTA Survey obtained by Buyer, or otherwise), and Seller shall have ten (10) business days following Seller's receipt of Buyer's notice of objection to commit, in a separate written notice to Buyer, to deliver Title to the Real Property on or before the Latest Closing Date free and clear of the exceptions and other conditions objected to by Buyer. If Buyer has objected to Title as herein above provided, then unless Seller commits to remove all exceptions and other conditions objected to by Buyer with the time prescribed above, this Agreement shall be automatically terminated unless Buyer waives the exception and other objections to Title that Seller declined to remove on or before the tenth (10<sup>th</sup>) business day following Buyer's receipt of Seller's written notice that Seller will not commit to removal of all exceptions objected to by Buyer. In the event that Buyer has not given Seller written notice of objection to Title within the time required above Title shall be deemed to be approved in its entirety. Buyer acknowledges that there are existing encroachments on Parcel A. Specifically, the Grand Building (to the south of Parcel A), encroaches upon Parcel A by approximately 6" and for two (2) sky bridges that are attached to the buildings on Parcel B. The Grand Building encroachment shall be a contingency for Closing until the Seller completes a lot line adjustment of the south property line, after which the Grand Building encroachment shall not be a contingency for Closing. The two sky bridges shall be a contingency for Closing until: (a) the Seller obtains encroachment agreements, encroachment permits, or similar approvals for the sky bridges; and (b) can confirm that Seller can convey to Buyer at closing, clear title to the sky bridges (except for the referenced encroachment agreements, encroachment permits, or similar approvals acceptable to Buyer) after which the sky bridges shall not be a contingency for Closing.

- (4) All title exceptions and other conditions approved by Buyer pursuant to this Section together with all other exceptions and encumbrances created by Buyer, shall be referred to herein as the "Permitted Exceptions."

- (c) **Buyer's Inspection and Due Diligence.** Buyer's obligation to proceed with the Purchase of the Property is further subject to fulfillment or waiver by Buyer, within the Contingency Period, of each of the contingencies set forth in Section 11 and as otherwise provided in this Agreement. It is understood and agreed that all Contingencies require Buyer's approval, which may be given or withheld in Buyer's sole and absolute judgment; consequently, Buyer's failure to waive or acknowledge satisfaction of any of the Contingencies, even if Buyer's failure to approve is unreasonable and even if Buyer fails to pursue all information relevant to an informed decision, shall not be a default by Buyer under this Agreement.

- (1) Buyer must approve, in Buyer's sole and absolute discretion, all due diligence materials delivered by Seller for Buyer's review. In addition, Buyer may obtain (at Buyer's cost and expense) and approve (in Buyer's

discretion) an engineering survey of the Property, Buyer's own Phase I and/or Phase II environmental site assessments, soils tests, structural and mechanical inspections and tests, and any other due diligence investigation, and any other investigation or test that Buyer deems prudent, in Buyer's sole and exclusive judgment.

- (2) Buyer must be satisfied (in Buyer's sole discretion) with the results of Buyer's investigation into the physical condition of the Real Property.
- (3) Without limiting the effect of any of the above, Buyer, in its absolute and sole discretion, and in the exercise of its due diligence during the Contingency Period, must be satisfied with any and all business, economic, structural, environmental, governmental, tax, transactional and financing matters for Buyer's intended development and project involving the Property, including being granted reasonable access to the improvements to the Parcel A and B Property, either personally or by its authorized agents, to inspect and investigate all aspects of the improvements thereon, including, without limitation, the roof, heating, cooling, structural, access, plumbing and electrical systems, and to examine any other matters relating to the status or the condition of the improvements to the Property.
- (4) Execution of an acceptable Development Agreement between DBP and Buyer to develop Parcel A.
- (5) Approval for Tax Increment Funds from DBP and Seller to Buyer for the reimbursement of up to \$5,000,000.00 for qualified public expenditures for Phase One of the project referenced above.
- (6) Execution of Franchise Agreements with the hotel company involved in Phase One of the project located on Parcel A.
- (7) Seller agrees to vacate the Property identified as Parcel B, on or before February 1, 2025 or within thirty (30) days of Closing, whichever is later, unless otherwise mutually agreed by both parties.
- (8) Seller shall provide suitable loading and unloading areas from 2<sup>nd</sup> Avenue North for hotel guests.
- (9) An agreement with the City Parking Division to provide management of the parking on Parcels A and B until the start of construction of Phase One for an agreed-to fee.
- (10) Buyer must obtain the approval of the DBP to remove the portable public rest room located on Parcel B and relocate the same to other property, not including any of the Property purchased herein, by the start of substantial construction of Buyer's Phase One improvements on Parcel A.
- (11) The Seller shall determine if the Grand Building to the south encroaches on Parcel A and, if so, the Seller shall remedy that encroachment by replatting Parcel A or by doing a lot line adjustment so that at the time of



Closing of the sale of Parcel A, there shall be no encroachment by the Grand Building. Prior to the Closing, Seller shall confirm its ownership of the sky bridges, and obtain Buyer accepted encroachment agreements, permits, or other appropriate approvals for the sky bridges. At Closing, Seller shall convey fee title through the warranty deed to the sky bridges to Buyer free of liens and encumbrances except for the mutually agreed encroachment agreements, encroachment permits, or other approvals.

- (d) **Time/Failure of Contingencies.** Buyer shall have until the expiration of the Contingency Period to approve, disapprove or waive the Contingencies, in Buyer's sole and absolute discretion. In the event the Contingencies are disapproved prior to the expiration of the Contingency Period (disapproval to be evidenced by a writing from Buyer to Seller received within the Contingency Period), or if the Contingency Period lapses without the Contingencies having been approved, fulfilled or waived by Buyer (approval to be evidenced by a writing from Buyer to Seller received within the Contingency Period), this Agreement shall be automatically terminated, whereupon all rights and obligations of Seller and Buyer to the other shall cease and terminate, subject to Buyer's limited indemnification obligations set forth in Section 9; provided, however, that in the event of unsatisfied Contingencies of Buyer, both Buyer and Seller shall meet and negotiate in good faith to attempt resolve such unsatisfied Contingencies, if possible, before the expiration of the Contingency Period. Effective upon the date of any such termination as provided above, the Closing Agent shall return to Buyer the Earnest Money Deposit (with accrued interest) in Escrow without liability, damage, fee, penalty, payment, or cost to Seller by Buyer.
- (e) **Approval.** Upon approval, fulfillment or waiver of the Contingencies, Buyer shall thereafter proceed with this transaction on the terms and conditions set forth herein.
- (f) **Extensions.** On or before two (2) business days prior to the end of the Contingency Period, as then in effect, Buyer may elect to extend the Contingency Period for up to four (4) periods of thirty (30) days each, exercisable upon written notice to Seller. Each such extension notice shall be accompanied by the payment of twenty-five thousand dollars (\$25,000) to the Closing Agent, (each an "Extension Payment") for each thirty-day period of extension. Notwithstanding the foregoing, Buyer shall not be permitted to extend the Contingency Period unless Title has been approved in accordance with Section 11 with respect to all of the Property, both Parcels "A" and "B". Except as provided below, all Extension Payments shall be non-refundable, notwithstanding later termination of this Agreement or failure of the transaction contemplated hereby to close, for any reason; provided, however, that in the event that this transaction does not close because of a default by Seller, then Buyer shall be entitled to a full and immediate refund of all Extension Payments (without interest), and may, in addition, pursue any and all other legal or equitable remedies available to Buyer. In the event that this transaction closes, then all Extension Payments shall be applied to the Purchase Price.

**12. Independent Investigation.** Buyer and Seller agree that the representations and warranties, and any limitations thereof, contained in this paragraph shall survive closing. Buyer enters into this Agreement in full reliance upon Buyer's independent investigation and judgment, and neither Seller nor Seller's agents or attorneys make any warranties or representations to Buyer, whether express or implied, about the Property except as specifically stated herein. There are no

verbal or other agreements which modify or affect this Agreement. By closing this transaction, Buyer acknowledges and agrees that: (a) Buyer has fully investigated the Property, including, but not limited to, zoning, environmental, structural, and construction conditions, and is satisfied that the Property and the condition of the Property are suitable for Buyer's intended use; (b) Buyer completed Buyer's due diligence investigation to Buyer's satisfaction; (c) Buyer's due diligence investigation has not been hampered or limited by Seller in any manner or respect; (d) Buyer is satisfied with the Property and its condition; (e) Buyer accepts the Property in its "**AS IS, WHERE IS**" condition; (f) Buyer acknowledges and agrees that Seller makes **NO WARRANTY OR REPRESENTATION**, of any kind or nature, except as may be provided under the warranties stated in the warranty deed, including but not limited to that the Property is fit for any particular purpose or that it is habitable; (g) Buyer will close this transaction in full reliance upon Buyer's independent investigation and judgment, and that any prior verbal representation (if any) by Seller (or anyone on behalf of Seller) will not modify or affect this Buy-Sell Agreement; (h) Buyer has not and shall not rely upon any statement or representation from Seller or anyone acting on behalf of Seller as to the condition of the property; and (i) Buyer is not relying and shall not rely upon any statement or representation of Seller except for the express written representation in this Buy-Sell Agreement and in Seller's Warranty Deed. Seller shall cooperate with and facilitate Buyer's investigation of the Property. Seller shall provide Buyer with any written reports relating to environmental and structural conditions of the Old City Hall Building that Seller may reasonably locate. Additionally, Seller shall provide any third-party entities with whom the Seller may have contracted with permission and authorization to communicate and share information with Buyer.

**13. Buyer's Development Obligations.** This section outlines the Buyer's responsibilities to redevelop and maintain Parcel B. Buyer shall maintain the Old City Hall Building, the Garage Building and the surrounding land, ensuring it remains aesthetically pleasing and free from blight. The Buyer commits to the ongoing care of the exterior of both buildings, landscaping, preventing the accumulation of trash, litter, graffiti, or any unsightly elements on Parcel B and to addressing any issues that may arise. Furthermore, the Buyer must refrain from boarding up windows and is obligated to promptly repair or replace any broken windows or doors to uphold the property's visual appeal. The Buyer is granted maximum flexibility in redeveloping the Parcel B Property, including the Old City Hall Building and the Garage Building, which may include options such as remodeling the existing buildings, partial or complete demolition of the buildings, or converting the buildings into condominiums, among other possibilities. The Seller's primary objective is to ensure the property's consistent maintenance with the explicit purpose of preventing blight and preserving the revitalization efforts of the downtown area. This paragraph is not intended to limit or restrict the Buyer's use or redevelopment of Parcel B. Buyer's obligations under this paragraph shall survive Closing. Buyer's continuing obligations to Seller under this Section shall terminate upon the earliest of the following to occur: (a) Buyer obtains a tenant for the Old City Hall Building on Parcel B; (b) Buyer demolishes some or all of the Old City Hall Building; or (c) Buyer opens a new hotel on Parcel A.

**14. Exclusion of Old City Hall Building.** It is the intention of the Parties to close the sale of Parcel A and Parcel B at the same time. Parcel B includes the Old City Hall Building on the north side of Parcel B. If, during Buyer's Contingency Period, Buyer's investigation and due diligence determines that there are Significant Environmental or Structural Problems or Material Economic Concerns (as defined herein) with the Old City Hall Building that make the use, development, and occupancy of the Old City Hall Building uneconomical, then Buyer shall make full disclosure of all investigations and reports on the Old City Hall Building to Seller, including but not limited to the projected costs of remediating or curing any environmental or structural or material economic issues with the Old City Hall Building. Thereafter, Buyer and Seller shall attempt to resolve and address the environmental, structural and/or material economic issues raised by Buyer prior to the

expiration of the Contingency Period, unless such Period is extended by mutual agreement in writing. If Buyer and Seller reach an agreement on addressing any Significant Environmental or Structural Problems or Material Economic Concerns with the Old City Hall Building, then that Contingency shall be eliminated and the sale of both Parcels A & B of the Property, including the Old City Hall Building, shall proceed. If Seller and Buyer cannot reach an agreement on addressing the Significant Environmental or Structural Problems or Material Economic Concerns with the Building, then Buyer may, in Buyer's sole and exclusive discretion: (a) terminate this Agreement after which neither party shall have any duty or obligation to the other party except for return of the Earnest Money to Buyer; or (b) elect to exclude the Old City Hall Building from the Closing and sale, as provided hereinafter in Section 14(c).

- (a) **Significant Environmental or Structural Problems or Material Economic Concerns.** For the purposes of this Agreement, the term "Significant Environmental or Structural Problems or Material Economic Concerns" shall mean the identification of unknown environmental or structural problems with the Old City Hall Building, or during the Contingency Period, a material economic concern develops for Buyer with respect to the reasonable development of the Old City Hall Building consistent with its overall development of the Property, and is a problem: (a) of such a scope or magnitude that the use, development, and/or occupancy of the Old City Hall Building would be uneconomical for any projected use of the Old City Hall Building in the development of the Property as a whole, with documentation of such hardship to be presented to the City; or (b) that would cost Buyer in excess of Three Hundred Thousand Dollars (\$300,000.00) to remediate and/or cure. An "unknown" Significant Environmental or Structural Problem shall mean any environmental or structural problem that is either unknown as of the date of this Agreement or the serious magnitude of which is unknown as of the date of this Agreement. The following matters shall not be considered "unknown" Significant Environmental or Structural Problems: (a) the presence of asbestos that can be removed, encapsulated, or abated for a reasonable cost not to exceed \$100,000.00; (b) the presence of lead paint that can be removed or abated at a reasonable cost not to exceed \$100,000.00; (c) the Building being included in an EPA Superfund Site because of a chemical plume involving solvents from old dry-cleaning businesses; or (d) site contaminants of potential concern detected in subslab samples by the EPA in 2023 that can be addressed or abated at a reasonable cost not to exceed \$100,000.00. A Material Economic Concern is one affecting the Old City Hall Building that is determined by Buyer in the course of its due diligence to be one that would adversely affect the economic development potential of the Old City Hall Building in an amount of at least Three Hundred Thousand Dollars (\$300,000.00).
- (b) **Joint Use Agreement.** If there are Significant Environmental or Structural Problems or Material Economic Concerns (as defined herein) with the Building and the Parties cannot agree on how to remediate or cure those problems, the Buyer may elect to exclude the Old City Hall Building from the Sale and the parties shall reasonably cooperate to put into place such joint use agreements as may be referenced below.
- (c) **Notice to Seller.** Buyer shall provide written notice to Seller, at least two (2) business days prior to the expiration of Buyer's Contingency Period as provided in Section 11(a), that Buyer has elected to exclude the Old City Hall Building from the Sale. As part of the Notice, Buyer must either waive or accept as satisfied all other contingencies in connection with the sale of Parcel A and all of Parcel B, with the exception of the Old City Hall Building. Upon receiving such notice from Buyer, Seller shall prepare and submit to Buyer a draft Joint Use Agreement to govern the use and operation of (a) the Old City Hall Building to the north and (b) the Garage Building to the South. All costs associated with

separating the Old City Hall Building from the Garage Building shall be the sole cost and expense of the Buyer. Buyer shall develop a plan to separate the systems within the Old City Hall Building from the remaining portion of Parcel B or for the joint use of some or all of the building systems. All costs and expenses associated with developing a Joint Use Agreement or with separating the Old City Hall Building and/or the building systems from the remainder of Parcel B shall be done at the cost and expense of Buyer, without any financial contribution from Seller. The Parties shall negotiate in good faith to agree upon a final Joint Use Agreement that would be subject to approval of both Buyer and Seller. The approval of the Seller will require formal approval of the Joint Use Agreement by the Billings City Council at a properly noticed public hearing. The Parties acknowledge that the Old City Hall Building and the Garage Building are separate buildings that are located on separate legal parcels, but share certain systems. Accordingly, the Parties must agree upon an equitable cost sharing agreement to address maintenance, replacement, and operating expenses of those systems as well as security and access issues. If Buyer and Seller cannot agree upon an acceptable Joint Use Agreement, then Buyer may elect to terminate this Agreement as its sole remedy, as provided above. If the Building is excluded from the Sale, the purchase price attributable to the southern portion of Parcel B will not be reduced. If Buyer elects to exclude the Old City Hall Building from the Closing because of Significant Environmental or Structural Problems or Material Economic Concerns, then the purchase price for the remaining portion of Parcel B (the Parking Garage) shall be Two Million One Hundred Thousand Dollars (\$2,100,000.00).

**15. Seller's Representations and Warranties.** Seller represents and warrants to Buyer as follows as of the Effective Date (and it shall be a condition to Buyer's obligation to close that such representations and warranties remain true as of the Closing Date):

- (a) **Authorization.** Seller has full power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement. Seller has taken all action necessary to authorize its execution and performance of this Agreement, and the officer executing this Agreement on behalf of Seller has been duly authorized and directed to do so by Seller. Seller will provide to Buyer and the Closing Agent a certified copy of the resolution of the Seller's City Council and other governmental officers as may be required authorizing this transaction. This Agreement is, and Seller's other instruments when executed and delivered by Seller in accordance with the terms hereof will be, legal, valid, and binding obligations of the Seller and enforceable in accordance with their terms, except as the same may be affected by bankruptcy, insolvency, moratorium, or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.
- (b) **No Liens.** To the knowledge of Seller, there are no unrecorded liens, financing statements, encumbrances or agreements affecting the Real Property that will survive the Closing on any Parcel, and Seller has committed no acts which would result in the creation of such liens, financing statements, encumbrances or agreements affecting the Real Property. No work has been done on, and no materials have been furnished to, the Property for which full payment has not been made and for which a lien could be filed against the Real Property.
- (c) **Personal Property.** To the extent that Personal Property is ultimately included in the purchase herein, Seller has good and merchantable title to the Personal Property, free and clear of all pledges, claims, liens, restrictions, security interests,

charges, and encumbrances. To the extent, if any, that tangible Personal Property is being conveyed hereunder, to the best of Seller's knowledge, but without warranty, all of the tangible Personal Property is in good repair and condition, and is adequate for continuation of the operation of the Property.

- (d) **Encroachments.** To Seller's knowledge, there are no encroachments upon the Real Property nor does any improvement on the Real Property, including but not limited to alleys, adjacent buildings, or signage, encroach upon any property owned by others, except for the Grand Building with respect to Parcel A and the two (2) Skybridges attached to the buildings on Parcel B.
- (e) **No Violation of Laws.** Seller has not received notice of any violation of any applicable regulation, law or order relating in any material respect to the Real Property, nor does Seller have knowledge of any notice from any governmental authority of any (i) pollution, health, safety, fire, environmental or building code violations with respect to the Real Property; or (ii) the construction of public improvements or the imposition of any special taxes or assessments upon all or any part of the Real Property.
- (f) **Pending Claims.** To the knowledge of Seller, there are no claims, actions, proceedings or governmental investigations pending or threatened against or involving the Real Property or against or involving any of the Real Property; nor to the knowledge of Seller is there any reasonable basis for any claim, litigation, proceedings or other governmental investigation pertaining thereto. Provided, however, that the Property is located within an area designated by Environmental Protection Agency as a Superfund Site, generally known as the Billings, MT PCE Superfund Site. The EPA recently completed multiple indoor air and groundwater sampling in the area. The EPA is currently reviewing a focused feasibility study to address the indoor air exposure pathway and anticipates issuing a proposed plan in late spring 2024.
- (g) **Existing Leases and Leases Subsequent to Execution Date.** Seller hereby warrants that no commercial or other lease or agreement that affects the Property currently exists on the Property longer than thirty-one (31) days in duration. In addition, Seller hereby agrees that Seller shall not execute or bind the Property after the latest date on the signature block below, without the written consent of Buyer.

Seller shall hold Buyer harmless from any damage, loss, claims, penalty, cost, fee, fine or liability arising out of any falsity, omission or misstatement of the matters set forth in this paragraph.

**16. Buyer's Representations and Warranties.** Buyer hereby represents and warrants to Seller, both as of the date hereof and as of the Closing Date, that:

- (a) Buyer is duly organized, validly existing and in good standing under the laws of the State of Montana. Buyer has taken all action necessary to authorize its execution and performance of this Agreement, and the officer executing this Agreement on behalf of Buyer has been duly authorized and directed to do so by Buyer. Buyer has full power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement. Buyer will provide to Seller and the Closing Agent a certified copy of the resolution of the Buyer's board of



directors authorizing this transaction. This Agreement is, and Buyer's other instruments when executed and delivered by Buyer in accordance with the terms hereof will be, legal, valid and binding obligations of the Buyer and enforceable in accordance with their terms, except as the same may be affected by bankruptcy, insolvency, moratorium or similar laws, or by legal or equitable principles relating to or limiting the rights of contracting parties generally.

- (b) There is no legal action, suit, arbitration, governmental investigation or other legal or administrative proceeding, nor any order, decree or judgment in progress, pending or in effect, or, to the knowledge of Buyer, threatened, against or relating to Buyer in connection or relating to the transaction contemplated by this Agreement, and Buyer does not know or have any reasons to be aware of any basis for the same;
- (c) The performance by Buyer of Buyer's obligations hereunder will not violate or constitute an event of default under the terms or provisions of any agreement, document or instrument to which Buyer is a party or by which Buyer is bound and which would materially adversely affect the ability of Buyer to perform its obligations under this Agreement.

Buyer shall hold Seller harmless from any damage, loss, claims, penalty, cost, fee, fine or liability arising out of any falsity, omission or misstatement of the matters set forth in this Paragraph 16.

**17. Conditions to Closing.** Buyer shall have no obligation to close unless, at or prior to closing, together with all Contingencies stated herein, the following conditions are each satisfied or waived in writing by Buyer:

- (a) The Closing Agent shall have on the Closing Date for each Parcel contracted with Buyer to issue to Buyer the title insurance policy required in this Agreement in form satisfactory to Buyer and in due course after the closing;
- (b) Each of the agreements, covenants, warranties and representations of Seller shall be true and correct in all material respects at the time of closing and Seller shall not be in default of any provision of this Agreement; and
- (c) Seller shall have executed and deposited with the Closing Agent all documents called for to be executed and deposited by Seller under this Agreement, including, without limitation, those items set forth in Section 4 hereof;

**18. Remedies on Default.**

- (a) If Seller fails to consummate this Agreement in accordance with its terms for any reason within the control of the Seller, Buyer shall have as Buyer's sole remedy the option of either of the following:
  - (1) Rescinding this Agreement by giving written notice to Seller, in which event Buyer shall be entitled to a return of the Earnest Money, and any Extension Payment made, unless such Earnest Money is not refundable as provided in Sections 2(a)(3); or

(2) Enforcing specific performance by Seller of Seller's obligations hereunder.

(b) If Buyer fails to consummate this Agreement in accordance with its terms for any reason within the control of Buyer, except for the exercise of its rights associated with the Contingency Period, Seller shall have as Seller's sole remedy against Buyer the option of either of the following:

(1) Retaining the Earnest Money, together with any interest and earnings thereon, as liquidated damages for Buyer's breach of this Agreement, it being understood and agreed by the parties that actual damages for such a breach are uncertain and would be difficult, if not impossible, to determine; or

(2) Enforcing specific performance by Buyer of Buyer's obligations hereunder.

**19. Attorney Fees.** If either party defaults in its performance hereunder and the other party employs an attorney because of such default, the defaulting party agrees to pay, on demand, all costs, charges and expenses, including reasonable attorney and paralegal fees, incurred at any time by the other party because of the default.

**20. Notice.** Any notice to be given hereunder shall be in writing and shall either be served upon a party personally, or served by registered or certified mail, return receipt requested, directed to the party to be served at the address of the party stated below. A party wishing to change his designated address shall do so by notice in writing to the other party. Notice served by mail shall be deemed complete when deposited in the United States mail, postage prepaid. The following Notice Addresses shall apply:

**Seller:**  
City of Billings  
City Administrator  
City Hall  
210 North 27th Street  
Billings, MT 59101

**With a copy to:**  
City Attorney  
City of Billings  
City Hall  
210 North 27th Street  
Billings, MT 59101

**With a copy to:**  
Doug James and Bryce Burke  
Moulton Bellingham PC  
P.O. Box 2559  
Billings, MT 59103

**Buyer:**

**With a copy to:** Malcolm Goodrich  
Goodrich & Reely, PLLC  
P.O. Box 1899  
2812 1<sup>st</sup> Avenue North, Suite 301  
Billings, MT 59103

21. **Risk of Loss.** Risk of loss shall remain with Seller until closing.
22. **Copies and Counterparts.** A digital copy of this Agreement containing the actual or digital signature of either party shall be accepted as the original. This Agreement may be executed in one or more counterparts, which taken together shall constitute one and the same document.
23. **Time and Binding Effect.** Time shall be of the essence of this Agreement. The terms and conditions hereof shall inure to the benefit of, and be binding upon, the heirs, legal representatives, successors and permitted assigns of the parties hereto.
24. **Radon Disclosure Statement.** **RADON GAS: RADON GAS IS A NATURALLY OCCURRING RADIOACTIVE GAS THAT, WHEN IT HAS ACCUMULATED IN A BUILDING IN SUFFICIENT QUANTITIES, MAY PRESENT HEALTH RISKS TO PERSONS WHO ARE EXPOSED TO IT OVER TIME. LEVELS OF RADON THAT EXCEED FEDERAL GUIDELINES HAVE BEEN FOUND IN BUILDINGS IN MONTANA. ADDITIONAL INFORMATION REGARDING RADON AND RADON TESTING MAY BE OBTAINED FROM YOUR COUNTY OR STATE HEALTH UNIT.**

Seller represents to Buyer that the Real Property:

\_\_\_\_\_ HAS been tested for Radon or Radon progeny.

\_\_\_\_\_ X HAS NOT been tested for Radon or Radon progeny.

If the Real Property has been tested for Radon or Radon progeny, Buyer hereby acknowledges that a copy of such test has been received along with evidence of any subsequent mitigation or treatment.

25. **Real Estate Brokers.** Buyer and Seller represent and warrant to one another that neither has engaged any brokers or real estate agents in connection with the sale who might claim a fee or commission by reason of the sale, except NAI Business Properties, which has been engaged as an agent of Seller exclusively and who shall be paid by Seller, if entitled to a fee or commission by reason of this sale. Notwithstanding, it is acknowledged that William Honaker is a licensed broker in the State of Montana representing the Buyer and shall be paid the buying brokerage fee of 2.5%.
26. **Marketing Rights.** Upon the execution of this Agreement, Buyer shall have the right to solicit prospects for the Property, but in no way bind Seller to any future commitments pertaining to said solicitation.
27. **Entire Agreement.** This Agreement embodies the entire Agreement between the parties, and supersedes all prior negotiations, representations (if any), understandings and agreements, if any, relating to the Property. This Agreement may be amended, modified, or supplemented only by an instrument in writing duly executed by both parties hereto.

**28. Noxious Weeds Disclosure.** Buyers of real property in the state of Montana should be aware that some properties contain noxious weeds. The laws of the state of Montana require owners of property within this state to control, and to the extent possible, eradicate noxious weeds. For information concerning noxious weeds and obligations as an owner of property, Buyer may contact the Yellowstone County, Montana extension agent or Weed Control Board.

**29. Megan's Law Disclosure.** Pursuant to the provisions of Title 46, Chapter 23, Part 5 of the Montana Code Annotated, certain individuals are required to register their address with the local law enforcement agencies as part of Montana's Sexual and Violent Offender Registration Act. In some communities, law enforcement offices will make the information concerning registered offenders available to the public. If Buyer desires further information Buyer may contact the local County Sheriff's office, the Department of Justice in Helena, Montana, and the probation officers assigned to the area.

**30. Neutral Interpretation.** The language contained in this Agreement shall be construed as a whole according to its fair meaning, and not strictly for or against either party, regardless of whether one party or the other may have drafted this Agreement.

**31. Limitation on Damages.** The Buyer and Seller stipulate and agree that in the event of any dispute between the Parties, that only actual documented compensatory damages may be awarded if damages are otherwise recoverable under this Agreement. Punitive damages, consequential damages, and exemplary damages shall not be awarded to either party.

**32. Mold Disclosure Statement.** "MOLD DISCLOSURE: There are many types of mold. Inhabitable properties are not, and cannot be, constructed to exclude mold. Moisture is one of the most significant factors contributing to mold growth. Information about controlling mold growth may be available from your county extension agent or health department. Certain strains of mold may cause damage to property and may adversely affect the health of susceptible persons, including allergic reactions that may include skin, eye, nose, and throat irritation. Certain strains of mold may cause infections, particularly in individuals with suppressed immune systems. Some experts contend that certain strains of mold may cause serious and even life-threatening diseases. However, experts do not agree about the nature and extent of the health problems caused by mold or about the level of mold exposure that may cause health problems. The Centers for Disease Control and Prevention is studying the link between mold and serious health conditions. The seller, landlord, seller's agent, buyer's agent, or property manager cannot and does not represent or warrant the absence of mold. It is the buyer's or tenant's obligation to determine whether a mold problem is present. To do so, the buyer or tenant should hire a qualified inspector and make any contract to purchase, rent, or lease contingent upon the results of that inspection. A seller, landlord, seller's agent, buyer's agent, or property manager who provides this mold disclosure statement, provides for the disclosure of any prior testing and any subsequent mitigation or treatment for mold, and discloses any knowledge of mold is not liable in any action based on the presence of or propensity for mold in a building that is subject to any contract to purchase, rent, or lease."

**33. Title Evidence After Closing.** Within fifteen (15) days following the Closing Date of a Parcel or Parcels, Seller shall cause, at Seller's expense, a Standard ALTA Owner's Title Insurance Policy for the Parcel or Parcels Closed to be issued to Buyer in accordance with the terms of this Agreement.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereunto have set their hands the date and time appearing office at their respective signatures.

SELLER

The City of Billings

3/18/2024  
Date

DocuSigned by:  
By: William A. Cole  
2CA11D5423334EE...  
William A. Cole  
Mayor  
DocuSigned by:  
By: Denise R. Bohlman  
D503C2218DC34E0...  
Denise R. Bohlman  
City Clerk

BUYER

Honaker Realty, LLC

3/15/2024  
Date

DocuSigned by:  
By: Bill Honaker  
1589C4765B87B4...  
Printed Name: Bill Honaker  
Title: Managing Member

JWT Capital, LLC

3/16/2024  
Date

DocuSigned by:  
By: Don Cape  
BB3D8E89523B07...  
Printed Name: Don Cape  
Title: Principal

**City Council Regular**

**Date:** 03/11/2024  
**Title:** PUBLIC HEARING for Sale of City Hall, South Parking Lot, and North Parking Lot  
**Presented by:** John Caterino, Facilities Manager  
**Department:** City Hall Administration  
**Presentation:** Yes  
**Legal Review:** Yes  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends approval of Purchase and Sale Agreement (PSA) and associated Development Agreement (DA) to sell City Hall/Park 3 parking structure (210 and 220 N 27th St.), South Parking Lot, and North Parking Lot on N 27th St., to Honaker Realty LLC for a combined total of \$2,800,000.00 (City Hall \$2,100,000.00, South Lot \$280,000.00, North Lot \$420,000.00).

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

On 12/7/2022 Administration Department signed a contract with NAI Business Properties with Matt Robertson acting as supervising broker for these transactions.

On 11/04/2022 and 11/11/2022 staff published, per City of Billings Code of Ordinances 22-902, a public notice to all owners within 300 of subject Property of potential sale of Park 1 ground retail space.

On 11/24/2022 Council approved a resolution authorizing City staff to advertise the sale and disposal of City Hall/Park3, resolution 22-11082. City Hall/Park 3 is also described as BILLINGS ORIGINAL TOWNSITE, S03, T01 S, R26 E, BLOCK 58, LOT 1-12, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County.

On 11/24/2022 Council approved a resolution authorizing City staff to advertise the sale and disposal of South Parking Lot, resolution 22-11084. South Parking Lot is also described as BILLINGS ORIGINAL TOWNSITE, S03, T01 S, R26 E, BLOCK 92 Lot 5 -6, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County.

On 11/24/2022 Council approved a resolution authorizing City staff to advertise the sale and disposal of North Parking Lot, resolution 22-11085. North Parking Lot is also described as BILLINGS ORIGINAL TOWNSITE, S03, T01 S, R26 E, BLOCK 92 Lot 8, 9, and 10, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County.

Administration advertised a Request for Proposal (RFP) for each Property on 06/14/2023 and 06/21/2023 in *Yellowstone County News* and on the City's website.

One (1) proposal was submitted by 06/16/2023 for City Hall.

Five (5) proposals were submitted by 06/16/2023 for South Parking Lot.



Four (4) proposals were submitted by 06/16/2023 for North Parking Lot.

NAI and City Staff reviewed the proposals/offers and presented to City Council Operations Committee on 06/28/2023. After further discussion with City Council Operations Committee and NAI, City Staff recommends moving forward with the offer from Honaker Realty to purchase subject Properties due to a number of reasons:

- Quality of proposal
- Experience of proposer
- Financial capacity to complete transaction with pre-qualification letter from lender
- Proposed development and use of spaces
- Proposed development schedule
- Increased tax base and economic growth to Central Business District
- Total price competitiveness as Honaker Realty offered the highest price for the three Properties

On 02/23/2024 and 03/01/2024 staff published, per City of Billings Code of Ordinances 22-902, a public notice in the Yellowstone County News announcing a public hearing on whether to approve the sale of the city owned property.

The attached purchase and sale agreement has wording modifications for clarity from the latest draft that was presented to the City Council Operations Committee and sent to council members.

## **ALTERNATIVES**

City Council may:

- Approve Purchase and Sale Agreement and Development Agreement; or,
- Not Approve

Approval would begin the due diligence period for the Buyer and all contingencies will stay in place until the sale of Property is complete.

## **FISCAL EFFECTS**

The total combined funds of the sale of these Properties at \$2,800,000.00 will be used to offset construction costs at New City Hall.

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### **Attachments**

Resolution 22-11082  
Resolution 22-11084  
Resolution 22-11085  
Honaker Realty Submission  
Honaker Realty PSA - Buyer Signed

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REQUEST FOR PROPOSALS: NOTICE

The City of Billings is requesting proposals for **DISPOSITION OF MUNICIPAL REAL ESTATE SALE AND DEVELOPMENT OF BILLINGS CITY HALL**, for FACILITIES DIVISION, Billings, Montana. Proposals shall be received addressed to MATT ROBERTSON SIOR, PRINCIPAL/SUPERVISING BROKER, NAI BUSINESS PROPERTIES, via mail at 3312 4<sup>TH</sup> AVE NORTH, BILLINGS, MT 59101, via email at [MROBERTSON@NAIBUSINESSPROPERTIES.COM](mailto:MROBERTSON@NAIBUSINESSPROPERTIES.COM), or in-person at 3312 4<sup>TH</sup> AVE NORTH, BILLINGS, MT 59101 until 5:00 PM (MDT) on 16, JUNE, 2023.

More specific additional information regarding the **DISPOSITION OF MUNICIPAL REAL ESTATE SALE AND DEVELOPMENT OF BILLINGS CITY HALL** can be obtained by contacting MATT ROBERTSON SIOR, PRINCIPAL/SUPERVISING BROKER, NAI BUSINESS PROPERTIES, via telephone at (406) 294-6308 or email at [MROBERTSON@NAIBUSINESSPROPERTIES.COM](mailto:MROBERTSON@NAIBUSINESSPROPERTIES.COM). The full Request for Proposals may also be found on the City's website at [www.billingsmt.gov](http://www.billingsmt.gov), by clicking on "Doing Business," and then on "Bids."

Proposers may withdraw their proposal by written request at any time prior to the due date set for receiving proposals. No proposal may be withdrawn or modified after the due date and time, unless and until the award of the contract is delayed for a period exceeding ninety (90) days.

The right is reserved to reject any or all proposals received, to waive irregularities, to postpone the award of the contract for a period of not to exceed ninety (90) days, and to accept that proposal which is in the best interests of the City of Billings, Montana. Award of any contract may be contingent upon approval by Billings City Council.

The City of Billings is an Equal Opportunity Employer. The Contractor and subcontractor shall abide by the requirements of 41 CFR 60-300.5(a) and 41 CFR 60-741.5(a), which prohibit discrimination against qualified protected veterans and/or qualified individuals on the basis of disability, and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans and individuals with disabilities.

Published at Billings, Montana, APRIL 14 & APRIL 21, 2023.

Denise R. Bohlman  
Billings City Clerk  
P. O. Box 1178  
Billings, MT 59103

Publish: APRIL 14 & APRIL 21, 2023  
Dept.: FACILITIES

**Certificate Of Completion**

Envelope Id: AA3B0616B25A4358A5F20DE408F281BC

Status: Completed

Subject: Contract for signatures: Purchase and Sale Agreement for City Hall and Parking Lots

Source Envelope:

Document Pages: 23

Signatures: 4

Envelope Originator:

Certificate Pages: 6

Initials: 0

Jessica Fust

AutoNav: Enabled

fustj@billingsmt.gov

Envelopeld Stamping: Enabled

IP Address: 161.7.21.147

Time Zone: (UTC-08:00) Pacific Time (US &amp; Canada)

**Record Tracking**

Status: Original

Holder: Jessica Fust

Location: DocuSign

3/15/2024 9:14:45 AM

fustj@billingsmt.gov

**Signer Events****Signature****Timestamp**

Liz Kampa

**Completed**

Sent: 3/15/2024 9:28:19 AM

kampal@billingsmt.gov

Viewed: 3/15/2024 10:09:29 AM

Purchasing Agent

Signed: 3/15/2024 10:15:59 AM

City of Billings

Using IP Address: 161.7.21.49

Security Level: Email, Account Authentication  
(None)**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

Bill Honaker

DocuSigned by:  
  
1589C4765B87441...

Sent: 3/15/2024 10:16:01 AM

bill@honaker.us

Viewed: 3/15/2024 12:24:53 PM

Managing Member

Signed: 3/15/2024 2:04:09 PM

Security Level: Email, Account Authentication  
(None)

Signature Adoption: Pre-selected Style

Using IP Address: 69.144.172.92

**Electronic Record and Signature Disclosure:**

Accepted: 3/15/2024 12:24:53 PM

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Don Cape

DocuSigned by:  
  
BB3D8E89523B468...

Sent: 3/15/2024 2:04:11 PM

dcape@jwtcompanies.com

Viewed: 3/16/2024 6:31:44 AM

Principal

Signed: 3/16/2024 6:32:01 AM

JWT Capital, LLC

Signature Adoption: Pre-selected Style

Security Level: Email, Account Authentication  
(None)

Using IP Address: 205.204.26.162

**Electronic Record and Signature Disclosure:**

Accepted: 3/16/2024 6:31:44 AM

ID: 6e6665a4-e733-44bd-898a-b5eb8d73e8cb

Todd Corne

**Completed**

Sent: 3/16/2024 6:32:03 AM

cornet@billingsmt.gov

Viewed: 3/18/2024 2:29:23 AM

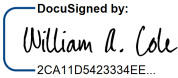
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(None)

Using IP Address: 161.7.21.127

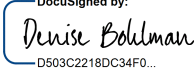
Signed: 3/18/2024 2:55:54 AM

**Electronic Record and Signature Disclosure:**

Not Offered via DocuSign

| Signer Events                                                                                            | Signature                                                                                                                                                                                                                    | Timestamp                                                                                  |
|----------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| William A. Cole<br>coleb@billingsmt.gov<br>Mayor<br>Security Level: Email, Account Authentication (None) | <div>DocuSigned by:<br/><br/>2CA11D5423334EE...</div> <div>Signature Adoption: Pre-selected Style<br/>Using IP Address: 72.175.160.94</div> | Sent: 3/18/2024 2:55:56 AM<br>Viewed: 3/18/2024 7:50:10 AM<br>Signed: 3/18/2024 7:50:31 AM |

**Electronic Record and Signature Disclosure:**  
Accepted: 12/3/2020 8:46:12 AM  
ID: 235dd76e-a3c9-4e23-89f5-aedaeb3b241a

|                                                                                                                                     |                                                                                                                                                                                                                             |                                                                                            |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| Denise Bohlman<br>bohlmand@billingsmt.gov<br>City Clerk<br>City of Billings<br>Security Level: Email, Account Authentication (None) | <div>DocuSigned by:<br/><br/>D503C2218DC34F0...</div> <div>Signature Adoption: Pre-selected Style<br/>Using IP Address: 161.7.21.138</div> | Sent: 3/18/2024 8:05:08 AM<br>Viewed: 3/18/2024 8:14:01 AM<br>Signed: 3/18/2024 8:15:14 AM |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| In Person Signer Events | Signature | Timestamp |
|-------------------------|-----------|-----------|
|-------------------------|-----------|-----------|

| Editor Delivery Events | Status | Timestamp |
|------------------------|--------|-----------|
|------------------------|--------|-----------|

| Agent Delivery Events | Status | Timestamp |
|-----------------------|--------|-----------|
|-----------------------|--------|-----------|

| Intermediary Delivery Events | Status | Timestamp |
|------------------------------|--------|-----------|
|------------------------------|--------|-----------|

| Certified Delivery Events | Status | Timestamp |
|---------------------------|--------|-----------|
|---------------------------|--------|-----------|

|                                                                                                                                    |                                                                   |                                                            |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|
| Liz Kampa<br>kampal@billingsmt.gov<br>Purchasing Agent<br>City of Billings<br>Security Level: Email, Account Authentication (None) | <div><b>VIEWED</b></div> <div>Using IP Address: 161.7.21.49</div> | Sent: 3/18/2024 7:50:33 AM<br>Viewed: 3/18/2024 8:05:07 AM |
|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|------------------------------------------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| Carbon Copy Events | Status | Timestamp |
|--------------------|--------|-----------|
|--------------------|--------|-----------|

|                                                                                                   |                          |                            |
|---------------------------------------------------------------------------------------------------|--------------------------|----------------------------|
| Wynnette Maddox<br>maddoxw@billingsmt.gov<br>Security Level: Email, Account Authentication (None) | <div><b>COPIED</b></div> | Sent: 3/18/2024 8:15:16 AM |
|---------------------------------------------------------------------------------------------------|--------------------------|----------------------------|

**Electronic Record and Signature Disclosure:**  
Not Offered via DocuSign

| Witness Events | Signature | Timestamp |
|----------------|-----------|-----------|
|----------------|-----------|-----------|

| Notary Events | Signature | Timestamp |
|---------------|-----------|-----------|
|---------------|-----------|-----------|

| Envelope Summary Events | Status | Timestamps |
|-------------------------|--------|------------|
|-------------------------|--------|------------|

|                     |                  |                      |
|---------------------|------------------|----------------------|
| Envelope Sent       | Hashed/Encrypted | 3/15/2024 9:28:19 AM |
| Certified Delivered | Security Checked | 3/18/2024 8:14:01 AM |
| Signing Complete    | Security Checked | 3/18/2024 8:15:14 AM |
| Completed           | Security Checked | 3/18/2024 8:15:16 AM |

| Payment Events | Status | Timestamps |
|----------------|--------|------------|
|----------------|--------|------------|





## **ELECTRONIC RECORD AND SIGNATURE DISCLOSURE**

From time to time, Carahsoft OBO City of Billings (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

### **Getting paper copies**

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

### **Withdrawing your consent**

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

### **Consequences of changing your mind**

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

### **All notices and disclosures will be sent to you electronically**

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

### **How to contact Carahsoft OBO City of Billings:**

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: [kampal@billingsmt.gov](mailto:kampal@billingsmt.gov)

### **To advise Carahsoft OBO City of Billings of your new email address**

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at [kampal@billingsmt.gov](mailto:kampal@billingsmt.gov) and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

### **To request paper copies from Carahsoft OBO City of Billings**

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to [kampal@billingsmt.gov](mailto:kampal@billingsmt.gov) and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

### **To withdraw your consent with Carahsoft OBO City of Billings**

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to [kampal@billingsmt.gov](mailto:kampal@billingsmt.gov) and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

### **Required hardware and software**

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

### **Acknowledging your access and consent to receive and sign documents electronically**

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to ‘I agree to use electronic records and signatures’ before clicking ‘CONTINUE’ within the DocuSign system.

By selecting the check-box next to ‘I agree to use electronic records and signatures’, you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Carahsoft OBO City of Billings as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Carahsoft OBO City of Billings during the course of your relationship with Carahsoft OBO City of Billings.

**First Amendment to Purchase and Sale Agreement**

**Seller: The City of Billings**

**Buyer: Honaker Realty, LLC & JWT Capital, LLC**

## **FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT**

**THIS FIRST AMENDMENT TO PURCHASE AND SALE AGREEMENT** (“PSA Amendment”) is made effective as of the latest date set out below in the signature block (“Effective Date”), by and between **Honaker Realty, LLC** and **JWT Capital, LLC** or their assigns (“Buyer”), and the **City of Billings** (“Seller”).

### **RECITALS**

- A. Effective March 1, 2024, Buyer and Seller executed that certain Purchase and Sale Agreement concerning Real and Personal Property referenced therein (“Agreement”).
- B. The Agreement provides certain matters for due diligence review by Buyer within the “Contingency Period” referenced at Section 11 of the Agreement, certain deadlines for which the parties agree should be extended. While the parties recognize that the Agreement permits extensions of the Contingency Period upon the payment of additional money from Buyer to Seller, pursuant to Section 11(f), the parties agree that based both upon Buyer’s ability to waive certain contingencies by September 18, 2024, as described below, and factors involving Contingencies outside of the control of Buyer, the agreement for the extension of the Contingency Period for certain matters defined below without additional consideration is warranted.
- C. In addition, the Agreement provides at Section 3(a) for a Closing Date within thirty (30) days of the satisfaction of Buyer’s Contingencies within the Contingency Period, provided, however, that such Section permits the parties to extend the Closing by mutual agreement. The parties agree that the Seller will not vacate the City Hall Property being purchased by the later of the potential Closing Date in Section 3(a) or February 1, 2025, as called for under the Agreement, Section 11(c)(7), and that it is beneficial to Seller that such Closing Date be extended to permit it additional time to vacate the City Hall Property, rather than create a lease structure for continued short term occupancy of the City Hall Property by Seller pending its vacating of such Property. Therefore, the parties believe that an extension of the Closing Date, as outlined below, to permit the orderly vacating of the City Hall Property by Seller, is warranted.
- D. Consequently, the parties agree that the Agreement should be amended as provided below.

### **FOR VALUABLE CONSIDERATION, IT IS AGREED:**

1. **Contingency Period.** Seller and Buyer agree that the following Contingencies set forth in the Agreement may be deemed to be waived by Buyer effective as of September 18, 2024:

- (a) environmental inspection and testing concerns referenced in Sections 10 and 11(c)(1) and (3) of the Agreement;
- (b) structural and mechanical inspections and testing referenced in Sections 11(c)(1) and (3) of the Agreement;
- (c) physical condition of the Property referenced in Section 11(c)(2) of the Agreement, except for the parking structure located on Parcel B of the Property for which repair

improvements are to be made by Seller as previously disclosed to Buyer by Seller, with agreed completion of such repair improvements by Buyer and Seller remaining a contingency for Buyer until completion of the same prior to Closing;

(d) execution of an acceptable Development Agreement between DBP and Buyer to develop Parcel A referenced in Section 11(c)(4);

(e) approval of Tax Increment Funds from DBP and Seller to Buyer referenced in Section 11(c)(5) of the Agreement;

(f) satisfaction of the encroachment of the Grand Building to the south of Parcel A referenced in Section 11(c)(11) of the Agreement.

The following Contingencies within the Agreement will be extended until November 15, 2024, or later date by mutual agreement, without additional consideration:

(g) approval of DBP for removal or use of the portable rest room located on Parcel B referenced in Section 11(c)(10) of the Agreement;

(h) execution of suitable Franchise Agreements with the hotel company involved in Phase 1 of the project located on Parcel A as referenced in Section 11(c)(6);

(i) Seller will provide approvals for suitable loading and unloading areas from 2<sup>nd</sup> Ave. North for hotel guests, as referenced in Section 11(c)(8);

(j) Seller will provide an agreement acceptable to Buyer for management of the parking on Parcels A and B as required in Section 11(c)(9);

(k) agreements satisfactory to Buyer regarding the sky bridge encroachments and title to the same as referenced in Section 11(c)(11); and

(l) any other due diligence type matter not specifically deemed to be waived by Buyer in subsections 1(a) through (f) above or in subsections below.

The following Contingency within the Agreement will be extended until the later of February 1, 2025, or Closing, as amended herein, without additional consideration:

(m) financing deemed suitable by Buyer, and completion of financing, including those requirements imposed by Buyer's lender or lenders;

The following Contingencies within the Agreement will be extended without additional consideration until the Closing, as amended herein:

(n) title review and Seller's compliance with the state of title for the Property to be conveyed by Seller to Buyer;

(o) Seller vacates the Property within the Permitted Time to Vacate set out in Section 2 below; and

(p) Seller is in compliance with its requirements, agreements and commitments under the Agreement and herein.



2. Seller's Date to Vacate Property. Seller and Buyer agree that the Seller will vacate the Property, together with removal of its personal property therefrom, no earlier than February 1, 2025, and no later than April 1, 2025 (the "Permitted Time to Vacate"). Seller will give Buyer not less than sixty (60) days notice in writing of the date within the Permitted Time to Vacate on which it will have completely vacated the Property. Once Seller has completely vacated the Property during the Permitted Time to Vacate it will give written notice to Buyer of the completion of the same ("Notice of Completion of the Vacating of the Property"). Provided that the Contingencies permitted to Buyer are satisfied, Buyer will Close on the purchase of all of the Property within sixty (60) days of the date of the Notice of Completion of the Vacating of the Property.
3. Full Force and Effect. Unless expressly amended herein, all terms, agreements, conditions, covenants, warranties and representations of the parties within the Agreement will remain in full force and effect and are deemed to be incorporated by reference herein.

IN WITNESS WHEREOF, the parties hereunto have set their hands the date and time appearing office at their respective signatures.

**SELLER**

**The City of Billings**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
William A. Cole  
Mayor

By: \_\_\_\_\_  
Denise R. Bohlman  
City Clerk

**BUYER**

**Honaker Realty, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JWT Capital, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Second Amendment to Purchase and Sale Agreement**

**Seller: The City of Billings**

**Buyer: Honaker Realty, LLC & JWT Capital, LLC**

## **SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT**

**THIS SECOND AMENDMENT TO PURCHASE AND SALE AGREEMENT** (“PSA Amendment”) is made effective as of the latest date set out below in the signature block (“Effective Date”), by and between **Honaker Realty, LLC** and **JWT Capital, LLC** or their assigns (“Buyer”), and the **City of Billings** (“Seller”).

### **RECITALS**

- A. Effective March 1, 2024, Buyer and Seller executed that certain Purchase and Sale Agreement concerning Real and Personal Property referenced therein (“Agreement”).
- B. The Agreement provides certain matters for due diligence review by Buyer within the “Contingency Period” referenced at Section 11 of the Agreement, certain deadlines for which the parties agree should be extended. The parties originally extended certain deadlines to November 15, 2024 through the First Amendment to Purchase and Sale Agreement. The parties again desire to extend the Contingency Period for certain contingency items, as more particularly described below.
- C. Consequently, the parties agree that the Agreement should be amended as provided below.

### **FOR VALUABLE CONSIDERATION, IT IS AGREED:**

**1. Contingency Period.** Seller and Buyer agree that the following Contingencies set forth in the Agreement may be deemed to be waived by Buyer effective as of October 30, 2024:

(i) Seller will provide approvals for suitable loading and unloading areas from 2<sup>nd</sup> Ave. North for hotel guests, as referenced in Section 11(c)(8).

The following Contingencies within the Agreement will be extended until December 6, 2024, or later date by mutual agreement, without additional consideration:

(g) approval of DBP for removal or use of the portable rest room located on Parcel B referenced in Section 11(c)(10) of the Agreement;

(h) execution of suitable Franchise Agreements with the hotel company involved in Phase 1 of the project located on Parcel A as referenced in Section 11(c)(6);

(j) Seller will provide an agreement acceptable to Buyer for management of the parking on Parcels A and B as required in Section 11(c)(9);

(k) agreements satisfactory to Buyer regarding the sky bridge encroachments and title to the same as referenced in Section 11(c)(11); and

(l) any other due diligence type matter not specifically deemed to be waived by Buyer in subsections 1(i) above or in subsections below.

2. Full Force and Effect. Unless expressly amended herein, all terms, agreements, conditions, covenants, warranties and representations of the parties within the Agreement will remain in full force and effect and are deemed to be incorporated by reference herein.

IN WITNESS WHEREOF, the parties hereunto have set their hands the date and time appearing office at their respective signatures.

**SELLER**

**The City of Billings**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
William A. Cole  
Mayor

By: \_\_\_\_\_  
Denise R. Bohlman  
City Clerk

**BUYER**

**Honaker Realty, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**JWT Capital, LLC**

\_\_\_\_\_  
Date

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**City Council Regular**

**Date:** 11/12/2024  
**Title:** Broadcom/VMware Virtual Server Licensing - 3 Yr Renewal  
**Presented by:** David Watterson, IT Director  
**Department:** Information Technology  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

---

**RECOMMENDATION**

Staff recommends the approval of the Broadcom (formally VMware) Virtual Server 3 Year License Renewal in the amount of \$96,624.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The City of Billings has utilized VMware Virtual Server software/licenses to support and manage all of our in-house hosted core network servers for 15+ years. We generally purchase 1-Year renewals, however, VMware was recently purchased by Broadcom which requires us to purchase 3-Years of service with equal annual payments. We don't foresee moving away from the VMware platform as there are no real options available in the market plus the VMware solutions are very robust, reliable, and have served us well for many years. This also locks in our pricing for the next 3 years. This purchase is being made through High Point Networks through a State of Montana/NASPO Contract: SCRA-HPN-110921.

**ALTERNATIVES**

City Council may:

- Approve; the 3-Year renewal of Broadcom/VMware Virtual Server Licenses or,
- Not Approve

**FISCAL EFFECTS**

The total cost of the 3-Year renewal from Broadcom for our Virtual Server Licenses is \$96,624. The City of Billings would pay \$32,208/yr for the FY25, FY26, and FY27 budget years. This purchase is being made through High Point Networks through a State of Montana/NASPO Contract: SCRA-HPN-110921.

---

**Attachments**

VMware 3 Yr Maint Renewal  
NASPO Contract SCRA-HPN-110921

## VMWARE to Broadcom Licensing Transition - 3YR Commitment

### Prepared for:

#### City of Billings

Attn: David Watterson  
210 N. 27th Street  
IT Division  
Billings, MT 59102

### Prepared by:

#### High Point Networks, LLC

Damon Andrews  
Direct: 406-860-5175  
damon@highpointnetworks.com



NASPO Contract: SCRA-HPN-110921 via Carahsoft

\*\*\*Three year commitment invoiced annually.\*\*\*

### Year 1 - Paid Annually

| Qty                                                                                                                                                                                                                                                                                                     | Item          | Description                                                                         | Price            | Ext. Price         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------|------------------|--------------------|
| <b>IMPORTANT:</b> Due to Broadcom's upcoming End of Fiscal Year, Broadcom has stated that all orders <b>must be placed by October 28th</b> in order to ensure they are fully processed by End of Fiscal Year.<br>Any orders not placed by that date <b>may be subject to potential price increases.</b> |               |                                                                                     |                  |                    |
| 96                                                                                                                                                                                                                                                                                                      | VCF-VSP-STD-8 | VMware vSphere Standard 8 - Per Core<br>Start Date: 12/27/2024 End Date: 12/26/2025 | \$43.00          | \$4,128.00         |
| 240                                                                                                                                                                                                                                                                                                     | VCF-VSP-FND-8 | VMware vSphere Foundation 8<br>Start Date: 12/27/2024 End Date: 12/26/2025          | \$117.00         | \$28,080.00        |
|                                                                                                                                                                                                                                                                                                         |               |                                                                                     | <b>Subtotal:</b> | <b>\$32,208.00</b> |

### Year 2 - Paid Annually

**\* Optional**

| Qty                                                                                                                                                                                                                                                                                                     | Item          | Description                                                                         | Price                       | Ext. Price         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------------------------------------------------------------------------|-----------------------------|--------------------|
| <b>IMPORTANT:</b> Due to Broadcom's upcoming End of Fiscal Year, Broadcom has stated that all orders <b>must be placed by October 28th</b> in order to ensure they are fully processed by End of Fiscal Year.<br>Any orders not placed by that date <b>may be subject to potential price increases.</b> |               |                                                                                     |                             |                    |
| 96                                                                                                                                                                                                                                                                                                      | VCF-VSP-STD-8 | VMware vSphere Standard 8 - Per Core<br>Start Date: 12/27/2025 End Date: 12/26/2026 | \$43.00                     | \$4,128.00         |
| 240                                                                                                                                                                                                                                                                                                     | VCF-VSP-FND-8 | VMware vSphere Foundation 8<br>Start Date: 12/27/2025 End Date: 12/26/2026          | \$117.00                    | \$28,080.00        |
|                                                                                                                                                                                                                                                                                                         |               |                                                                                     | <b>* Optional Subtotal:</b> | <b>\$32,208.00</b> |

### Year 3 - Paid Annually

**\* Optional**

| Qty                                                                                                                                                                                                                                                                                                     | Item | Description | Price | Ext. Price |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-------------|-------|------------|
| <b>IMPORTANT:</b> Due to Broadcom's upcoming End of Fiscal Year, Broadcom has stated that all orders <b>must be placed by October 28th</b> in order to ensure they are fully processed by End of Fiscal Year.<br>Any orders not placed by that date <b>may be subject to potential price increases.</b> |      |             |       |            |



## VMWARE to Broadcom Licensing Transition - 3YR Commitment

### Quote Information:

Quote #: 144159

Version: 1

Delivery Date: 10/21/2024

Expiration Date: 11/01/2024

### Year 3 - Paid Annually

\* Optional

| Qty | Item          | Description                                                                         | Price    | Ext. Price  |
|-----|---------------|-------------------------------------------------------------------------------------|----------|-------------|
| 96  | VCF-VSP-STD-8 | VMware vSphere Standard 8 - Per Core<br>Start Date: 12/27/2026 End Date: 12/26/2027 | \$43.00  | \$4,128.00  |
| 240 | VCF-VSP-FND-8 | VMware vSphere Foundation 8<br>Start Date: 12/27/2026 End Date: 12/26/2027          | \$117.00 | \$28,080.00 |

\* Optional Subtotal: \$32,208.00

### Quote Summary

| Description            | Amount      |
|------------------------|-------------|
| Year 1 - Paid Annually | \$32,208.00 |
| Total:                 | \$32,208.00 |

### \*Optional Expenses

| Description            | One-Time    |
|------------------------|-------------|
| Year 2 - Paid Annually | \$32,208.00 |
| Year 3 - Paid Annually | \$32,208.00 |

Optional Subtotal: \$64,416.00

Acceptance of the quote online is considered acceptance of an offer and, together with the terms of the Master Services Agreement provided below, and any applicable Statement of Work, which are hereby incorporated by reference, forms a legally binding contract. The customer is solely responsible for verifying the accuracy of all quotes and designs.

Return Policy: Product must be returned within 30 days of shipment date and will be subject to a restocking and freight fee. Product cannot be returned if opened (needs to be sealed in original packaging), written on and/or damaged; NO exceptions. HPN reserves the right to no return/refund.

All quotes are subject to shipping costs that may not be listed on the quote. Prices quoted are valid for 30 days from quotation date. Orders will be invoiced when shipped. Orders may be partially invoiced as items ship and thus there may be multiple invoices per order. Projects will be invoiced in the same method. Professional services may be progress billed over the term of the project. All licensing and subscription orders will be invoiced immediately upon customer approval. Payment for all orders are due in 30 days from invoice date. Finance charges will be charged at the rate of 1.5% per month if not paid by the due date. If payment is not received within 60 days of the invoice date, we reserve the right to suspend or terminate your service without further notice. Credit card usage as a form of payment may be accepted on a pre-approval basis and may be subject to a convenience fee. Please consult your Account Representative prior to placing an order for timely, updated pricing. This offer to sell the listed products is subject to product availability and prices are subject to change without notice due to manufacturer price changes or any error or omission.

Signature

Date



## State Contract Reseller Agreement

Agreement # SCRA-HPN-110921

This State Contract Reseller Agreement ("SCRA") is made between Carahsoft Technology Corp. with its offices at 11493 Sunset Hills Rd, Reston, VA, 20190 (Carahsoft) (National Association of State Procurement Officials Contract (NASPO ValuePoint) #AR2472) and High Point Networks, Inc. (Reseller), with its offices located at 728 E. Beaton Dr. Suite 200, West Fargo, ND 58078.

Under this SCRA, Carahsoft agrees to allow Reseller to place orders against their NASPO Participating Agreement for Montana (the "State Contract"). Orders under this Reseller arrangement are subject to the terms and conditions of the aforementioned State Contract.

This SCRA applies only to VMware products.

The Term of this SCRA shall be twelve (12) months from the date signed by both parties (the "Effective Date" of this SCRA and shall renew for subsequent twelve (12) month periods unless terminated by either party. Either party may terminate this agreement, at will, at any time, with or without cause, by written notice given to the other not less than thirty (30) days prior to the effective date of such notice.

Both parties are performing this SCRA as independent contractors. Nothing in this SCRA shall be construed to create the relationship of principal and agent between Carahsoft and Reseller. Neither party shall act or attempt to act or represent itself directly or by implication, as a Reseller of the other or in any manner assume or create any obligation on behalf of or in the name of the other.

**Non-solicitation.** Reseller agrees that during the existence of the Agreement and for a period of twelve (12) months thereafter, Reseller shall not solicit, entice away, endeavor to employ or employ any employee or other representative of Carahsoft without Carahsoft giving its written consent thereto.

**Limitation of Liability** Carahsoft's total cumulative liability in connection with this agreement and the software for any claim of any kind, shall in no case exceed the amount paid by reseller to Carahsoft for the products and demo software in the twelve (12) months prior to the claim.

**Product Delivery.** Unless stated otherwise in a quote or other exhibit from Carahsoft, delivery of Products shall be F.O.B. manufacturer point of shipment, upon transfer to a common carrier and Reseller shall assume all risk of loss or damage to Products while in transit. Reseller shall be responsible for all costs of shipping, transportation, freight, insurance, taxes and similar items. Absent shipping instructions to the contrary, Carahsoft shall select methods and routes for shipment, but shall not assume any liability in connection with shipment or constitute any carrier as its agent.

**Partial Shipments of Incomplete Orders.** Carahsoft shall, at Reseller's request, make partial shipments on account of Reseller's Orders, in which case payment therefor shall be made to correspond to the occurrence of actual shipment, and payment for such partial shipments shall be due and payable on exactly the same terms and conditions provided herein. Subsequent delays in shipment or delivery of any other installment shall not relieve Reseller of its obligation to accept delivery and remit payment for the remaining items in the Order(s).

Reseller will act as the Prime Contractor; perform all administrative, reporting, invoicing and program management activities required by the Cooperative Contract order(s). Reseller may name Carahsoft as a partner for opportunities. This SCRA will not obligate Carahsoft in any way other than for the purposes stated herein.

Carahsoft may terminate this SCRA immediately in the event that Reseller should fail to perform any obligation, duty or responsibility imposed under the State Contract or terms set forth in this SCRA, or if Reseller fails to satisfy the conditions of the preceding paragraph. In consideration of appointment as a Reseller under the State Contract, Reseller agrees to the following:

- a. Comply with the terms and conditions of the terms and conditions of the Master Agreement with NASPO and Carahsoft's Montana State Contract, receipt of which is hereby acknowledged..  
<https://www.naspovaluepoint.org/portfolio/cloud-solutions-2016-2026/carahsoft-technology-corporation/>;
- b. Be subject to audit by the State, with respect to sales made under the State Contract as set forth in the Montana State Contract;
- c. The NASPO contract fee of .25% of will be calculated on Reseller's sale price to the end user. In addition, the State of Montana imposes a 1.50% percent fee calculated on the "Net Purchase Price" as defined in §4 of the Montana State Contract. In order to provide proper pricing on each quote, Reseller will be required to supply the sale price to the customer for each line item on each opportunity under this agreement as part of the quoting process;
- d. Notify Carahsoft immediately of any contractual problems associated with any ordering entity that involves the State Contract;
- e. Reseller agrees to supply copies of end user orders to Carahsoft upon request;
- f. Reseller agrees to permit Carahsoft, upon thirty (30) days prior written notice, to conduct an annual review of its activities as they relate to this Agreement. The review shall focus on sales activities related to the Products. Information to be reviewed shall include, at a minimum, sales records, purchase orders, invoices, payment receipts, and related notes, emails or letters. Carahsoft may conduct an annual review of Reseller at its own expense and in a manner to ensure the minimum disturbance to Reseller's business as practicable. In the event a discrepancy in excess of 5% of reported sales is discovered during the course of the annual review, an additional review may be required. Reviews beyond the annual review shall be performed at Reseller's expense and may include reasonable professional fees for professional auditors, accountants or legal professionals.
- g. A Report of Sales shall be submitted to Carahsoft five (5) days following the completion of the monthly reporting period. \$0 sales reports are also required. Items sold through open market or non-contract vehicles to customers must be clearly identified as such on the report. The report shall be submitted containing the following information as shown in Att. A. Reports shall be submitted to: [ResellerReports@carahsoft.com](mailto:ResellerReports@carahsoft.com)

- |                                                    |                                                          |
|----------------------------------------------------|----------------------------------------------------------|
| (1) The date of sale,                              | (6) The price at which it was sold, including discounts, |
| (2) The customer name to which the sale was made,  | (7) Your PO Number to us, and                            |
| (3) The customer's P.O Number,                     | (8) All other significant sales order data.              |
| (4) The product/model sold-part # and description, |                                                          |
| (5) The quantity of each product/model sold,       |                                                          |

Following receipt of approved monthly report, Carahsoft will compute the applicable contract fees and invoice Reseller for these fees. Reseller agrees to remit payment for the contract fees within thirty (30) days of receipt of invoice. This fee is subject to change upon notification from the State of Montana to Carahsoft. Carahsoft will notify the Reseller of the fee change which will take place immediately.

Reseller will pay for all goods and services ordered under this agreement within thirty (30) days after receipt of invoice.

Reseller is responsible for payment of any taxes arising on any sale made under this Reseller Agreement.

The Reseller hereby certifies that its participation in the performance of the State Contract will be in accordance with all applicable terms, conditions, and prices of the NASPO Master Agreement, the Montana State Contract, and this State Contract Reseller Agreement. .

The foregoing is the complete agreement between the parties. No modification will be effective unless signed by both parties.

If there are conflicts with any of the Terms and Conditions set forth in this Agreement and the terms and conditions set forth in Carahsoft's NASPO Contract #AR2472, the terms and conditions in NASPO Contract #AR2472 take precedence.

|                                     |                                               |
|-------------------------------------|-----------------------------------------------|
| <b>Carahsoft Technology Corp</b>    | <b>Reseller</b>                               |
| Name:<br>Kristina Smith             | Name:<br>Chris Conner                         |
| Title: Contracts Manager            | Title:<br>Director of Sales Operations and HR |
| Signature:<br><i>Kristina Smith</i> | Signature:<br><i>Chris Conner</i>             |
| Date:<br>11/9/2021                  | Date:<br>12/7/2020                            |

**Attachment A**

**Monthly Report of Sales**

|                                   |  |
|-----------------------------------|--|
| <b><u>Reseller:</u></b>           |  |
| <b><u>Contact Name:</u></b>       |  |
| <b><u>Contact Tel, Email:</u></b> |  |
| <b><u>Reporting Period:</u></b>   |  |

| <u>Date of Sale</u> | <u>Cust. Name/End User</u> | <u>Cust. PO # (if CC, first 4 #s)</u> | <u>Item #</u> | <u>Item Description</u> | <u>Quantity</u> | <u>Unit Price</u> | <u>Ext. Price</u> | <u>PO # to Carahsoft</u> | <u>State or OM</u> | <u>Comments</u> |
|---------------------|----------------------------|---------------------------------------|---------------|-------------------------|-----------------|-------------------|-------------------|--------------------------|--------------------|-----------------|
|                     |                            |                                       |               |                         |                 |                   |                   |                          |                    |                 |
|                     |                            |                                       |               |                         |                 |                   |                   |                          |                    |                 |
|                     |                            |                                       |               |                         |                 |                   |                   |                          |                    |                 |
|                     |                            |                                       |               |                         |                 |                   |                   |                          |                    |                 |

## Attachment B

### Company Information

| COMPANY INFORMATION                                                                                  |                              |                                                 |                     |                                                                                                                                                                          |
|------------------------------------------------------------------------------------------------------|------------------------------|-------------------------------------------------|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (If already on file with Carahsoft, only fill POC info)                                              |                              |                                                 |                     |                                                                                                                                                                          |
| Company Name: High Point Networks, LLC                                                               |                              |                                                 |                     |                                                                                                                                                                          |
| Address: 728 E. Beaton Dr., Suite 200                                                                |                              |                                                 |                     |                                                                                                                                                                          |
| City, State & Zip: West Fargo, ND 58078                                                              |                              |                                                 |                     |                                                                                                                                                                          |
| Main Phone #: 701-282-6459                                                                           |                              |                                                 | D&B #:              |                                                                                                                                                                          |
| Business Type: Technology Provider                                                                   |                              |                                                 | # of Employees: 157 |                                                                                                                                                                          |
| Tax ID #: 271804410                                                                                  |                              |                                                 |                     |                                                                                                                                                                          |
| <b>Ownership:</b><br><input type="checkbox"/> Proprietorship<br><input type="checkbox"/> Partnership |                              | <input checked="" type="checkbox"/> Corporation |                     | Date Business Established:<br><br>11/1/2003                                                                                                                              |
| CONTACT INFORMATION                                                                                  |                              |                                                 |                     |                                                                                                                                                                          |
|                                                                                                      | Name                         | Phone Number                                    | Fax Number          | E-mail Address                                                                                                                                                           |
| Billing                                                                                              | Merrilee Hallaway            | 701-282-6459                                    | 701-356-7777        | accounting@highpointnetworks.com                                                                                                                                         |
| Sales                                                                                                | Damon Andrews<br>Mike Felten | 406-272-3388<br>406-281-7222                    |                     | <a href="mailto:damon@highpointnetworks.com">damon@highpointnetworks.com</a><br><a href="mailto:mike.felten@highpointnetworks.com">mike.felten@highpointnetworks.com</a> |
| Contracts/Reports                                                                                    | Chris Conner                 | 701-499-4954                                    | 701-356-7777        | Chris.conner@Highpointnetworks.com                                                                                                                                       |

## City Council Regular

**Date:** 11/12/2024  
**Title:** 2024 Federal Homeland Security Grant for Bomb Squad in the Amount of \$130,000  
**Presented by:** Rich St. John, Police Chief  
**Department:** Police  
**Presentation:** No  
**Legal Review:** No  
**Project Number:** N/A

---

## RECOMMENDATION

Staff recommends City Council approve and accept the Federal FY 2024 Homeland Security Grant in the amount of \$130,000.

## BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The State of Montana has \$130,000 available through the Federal FY 2024 U.S. Department of Homeland Security Grant Program and has offered a subgrant to the City of Billings Bomb Squad for training and equipment. This will be the City's twelfth year receiving Homeland Security Grant funds, which have been used for equipment and training.

The bomb squad has six members that require 40 hours of training per year. Funds will be used for costs associated with this training. The Billings Police bomb squad is planning to send the six members of the department's bomb squad to a 40-hour training course. Information obtained at this training will be used and shared with Federal, State and Local members within the bomb disposal community. The field of ordinance disposal is constantly changing and evolving. Continued education and training is necessary to maintain competence in this field. The primary function of the Billings Bomb Squad is to detect, disrupt and defeat any improvised explosive device. The training requested will enable the Billings Bomb Squad to learn and share the latest information regarding current threats and trends. The Billings Bomb Squad also plans to purchase a new digital x-ray system, protective equipment, and a remote initiating system.

## ALTERNATIVES

City Council may:

- Approve the Federal FY24 U.S. Department of Homeland Security Grant for the Bomb Squad in the amount of \$130,000; or,
- Not Approve the Federal FY24 U.S. Department of Homeland Security Grant for the Bomb Squad in the amount of \$130,000; which would result in the General Fund absorbing cost related to Bomb Squad training and equipment purchases.

## FISCAL EFFECTS

There is no financial impact to the City as there is no City match required for this grant.

---

**City Council Regular**

**Date:** 11/12/2024  
**Title:** 2024 JAG Application and Acceptance of Award in the Amount of \$142,367  
**Presented by:** Rich St. John, Police Chief  
**Department:** Police  
**Presentation:** No  
**Legal Review:** No  
**Project Number:** N/A

---

**RECOMMENDATION**

Staff recommends that the City Council approve the 2024 JAG application submission in the amount of \$142,367; accept the grant award; approve the MOU with the Yellowstone County Sheriff's Office (YCSO) and authorize the Mayor to sign the award documents when they are received.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The City has been notified that funding is available for the 2024 Justice Assistance (JAG) Grant. This \$142,367 is a joint application between the Billings Police Department (BPD) and the Yellowstone County Sheriff's Office (YCSO), with the BPD acting as the grant administrator. The YCSO will use its \$16,287 allocation of grant funds to purchase equipment to support their search and rescue operations. \$4,500 will be used to purchase a hydraulic helicopter transport cart. Two portable radio bank chargers will be purchased totaling \$2,489.60 and a four-wheel ATV in the amount of \$9,297.40

The BPD plans to use \$126,080 to purchase interior patrol SUV equipment, simulation ammunition, Point Blank vests, uniforms, First Aid supplies and promotional items.

The attached Memorandum of Understanding (MOU) is part of the application submittal.

**ALTERNATIVES**

City Council may:

- Approve the 2024 JAG application submission in the amount of \$142,367; accept the grant award; approve the MOU with Yellowstone County and authorize the Mayor to sign the award documents when they are received; or,
- Not Approve the 2024 JAG application submission in the amount of \$142,367 and provide further direction to staff.

**FISCAL EFFECTS**

There will be no cost to the City as no match is required.

---

**Attachments**

MOU



**THE STATE OF MONTANA, COUNTY OF YELLOWSTONE**  
**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN THE CITY OF BILLINGS, AND YELLOWSTONE COUNTY**  
**2024 BYRNE JUSTICE ASSISTANCE GRANT (JAG) PROGRAM AWARD**  
**\$142,367 O-BJA-2024-172239**

This Memorandum of Understanding (MOU) is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2024, between the City of Billings (CITY) acting through its Mayor, and Yellowstone County (COUNTY) acting through its Chairman of the Board of County Commissioners.

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party, and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interest of both parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Agreement; and

WHEREAS, the City agrees to provide the County \$16,287. from the JAG award.

WHEREAS, the CITY and the COUNTY will file a joint application with the CITY serving as applicant/fiscal agent for the JAG funds.

WHEREAS, the CITY and the COUNTY believe it to be in their best interests and the best interests of both of them to reallocate the JAG funds in this matter so as to continue to qualify for future JAG awards and in order to maximize the benefit from this 2024 JAG award.

NOW THEREFORE, the CITY and COUNTY agree as follows:

1.The purpose of this MOU is to provide a binding promise by the City of Billings to share the proceeds of a \$142,367. JAG award with the County of Yellowstone.

2.This MOU shall commence on the date the Justice Assistance Grant (JAG) is funded by the U.S. Department of Justice, and the funds are received by the City, and it shall terminate on September 30, 2027 unless the parties mutually agree, in writing, to an earlier termination date. This cooperative undertaking shall be financed exclusively from the JAG proceeds. CITY agrees to pay the COUNTY a total of \$16,287 of JAG funds. The COUNTY agrees to use \$20,611.00 for the program between the date of this agreement and September 30, 2027, the last day on which these funds may be spent, according the terms of the JAG.

3.Nothing in the performance of this MOU shall impose any liability for claims against the CITY or COUNTY. Each party to this agreement will be responsible for its own actions in providing services under this MOU and will save the other party harmless from and defend and indemnify them for any claims that arise due to or on account of any activities that are funded in whole or in part by JAG proceeds, and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party. The parties to this MOU do not intend for any third party to obtain a right by virtue of this MOU. No separate legal entity shall be created by this contract. The accounting for funds received by each of the local governing bodies shall be done by the City of Billings Finance Department and the County of Yellowstone Sheriff's Office, respectively. The City of Billings Financial Services Manager shall administer the disbursement of JAG proceeds in cooperation with the County of Yellowstone Sheriff's Office. No personnel costs will be funded from these proceeds by either party so neither party will be required to file reports or make payments of retirement system contributions pursuant to §19-2-506, MCA.

4.In the event that any payment that is expected to be made pursuant to this JAG is not received by the City of Billings, or in the event that either party violates the terms of this MOU either party may terminate this agreement by giving written notice to the mayor (for notice to the City) or to the commission chair (for notice to

the County) of the manner in which the other party has violated the provisions hereof. If a party so notified does not remedy the default within fifteen (15) days of receipt of the notice of the violation, then the party giving notice of the violation is released and discharged from any further obligation under this MOU and the MOU is of no further legal effect.

By entering into the MOU, the parties do not intend to create any obligations express or implied other than those set out herein; further, this MOU shall not create any rights in any party not a signatory hereto.

City of Billings, Montana

County of Yellowstone

\_\_\_\_\_  
/s/ William A. Cole, Mayor

\_\_\_\_\_  
/s/ John Ostlund, Chairman  
Yellowstone County Commissioners

APPROVED AS TO FORM:

\_\_\_\_\_  
/s/ Gina Dahl  
City Attorney's Office

\_\_\_\_\_  
/s/ Scott Twito  
Yellowstone County Attorney's Office

## City Council Regular

**Date:** 11/12/2024  
**Title:** Acceptance of Donation from the Rimrock Credit Union in the Amount of \$10,000  
**Presented by:** Rich St. John, Police Chief  
**Department:** Police  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

---

## RECOMMENDATION

Staff recommends that City Council accept the donation from Rimrock Credit Union in the amount of \$10,000.

## BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Council policy requires that any donation greater than \$500 must be approved by the City Council. City Council is being asked to accept a donation in the amount of \$10,000 from Rimrock Credit Union. The donation will be used by Billings Police Department School Resource Officers to create a week-long camp in the Summer, 2025 for incoming seventh graders to build leadership and teamwork skills through STEAM (Science, Technology, Engineering, Arts, and Math) and in conjunction with Law Enforcement. The camp will be at a local Billings School that has breakfast and lunch programs.

The students would arrive at 0730, have breakfast, have a morning briefing, physical training to get moving, games and activities for breaks or team building, several different STEAM projects focusing on crash investigations and diagrams, bomb technicians, drone operations, SWAT, TCCC (medical training with equipment from the schools), crisis intervention, firearms safety, and impairment of drugs/alcohol/THC, online safety, bullying/cyberbullying, conflict resolution. The students would also provide back to the community with a service project such as graffiti abatement, cleaning up a park or public area, or campus beautification for schools.

## ALTERNATIVES

City Council may:

- Approve the donation to the Billings Police Department in the amount of \$10,000 or;
- Disapprove the donation to the Billings Police Department in the amount of \$10,000 and the program will be cancelled.

## FISCAL EFFECTS

There is no impact on the General Fund since all activities will be supported by donations.

---

## City Council Regular

**Date:** 11/12/2024  
**Title:** Zimmerman Home Place Subdivision, 5th Filing - Final Minor Plat  
**Presented by:** David Green  
**Department:** Planning & Community Services  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** PZX-24-00166

---

### RECOMMENDATION

Staff recommends the City Council approve the final plat of Zimmerman Home Place Subdivision, 5th Filing.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

On August 27, 2024, Performance Engineering applied for final plat approval for Zimmerman Home Place Subdivision, 5th Filing. The proposed subdivision creates three (3) lots for development. The subject property is generally located west of Zimmerman Trail, south of Colton Blvd and east of Green Valley Drive. The property is zoned NX3 -- Mixed Residential 3, and NO - Neighborhood Office. The land is vacant subdivision land. Staff has reviewed the application and determined that the proposed plat has met all the conditions of approval and is forwarding a recommendation of final approval to the City Council. Upon City Council approval, these documents are appropriate as to form for filing with the Clerk and Recorder.

### STAKEHOLDERS

A public hearing is not scheduled for the City Council meeting; however, nearby property owners may attend the City Council meeting. At this time, the Planning Division has received no public comments or questions regarding the proposed subdivision.

### ALTERNATIVES

The City Council may approve or deny the final plat of Zimmerman Home Place Subdivision, 5th Filing. If the City Council chooses to deny the final plat, the denial must be because the criteria in Section 76-3-611, MCA are not met.

The criteria are as follows: MCA 76-3-611. Review of final plat.

(1) The governing body or the agent or agency designated by the governing body shall examine each final plat, and the governing body shall approve the plat only if:

- (a) it conforms to the conditions of approval set forth on the preliminary plat and to the terms of this chapter and (local) regulations adopted pursuant to this chapter; and
- (b) the County Treasurer has certified that all real property taxes and special assessments assessed and levied on the land to be subdivided have been paid. Staff finds the final plat meets the criteria outlined in MCA 76-3-611 above.

Staff finds the final plat is in compliance with the requirements of state statutes, conditions of approval and local regulations. City Council should approve the final plat.

### FISCAL EFFECTS

The final plat of this subdivision will have no financial impact on the Planning Division.

---

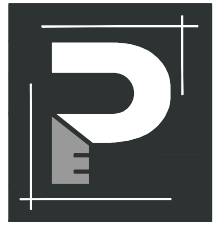
### Attachments

Final Plat  
Final SIA  
Conditions of approval



PLAT OF  
**ZIMMERMAN HOME PLACE SUBDIVISION, 5TH FILING**  
BEING LOTS 2 & 3, BLOCK 1 OF ZIMMERMAN HOME PLACE SUBDIVISION, 3RD FILING  
LOCATED IN THE SW 1/4 OF SECTION 34, TOWNSHIP 01 NORTH, RANGE 25 EAST, P.M.M., CITY OF BILLINGS,  
YELLOWSTONE COUNTY, MONTANA

PREPARED FOR : HIGHLANDS ZHP SUBDIVISION, LLC  
L & L ZHP SUBDIVISION, LLC  
LUDWIG CONSULTING, LLC



PREPARED BY : PERFORMANCE ENGINEERING, LLC

TOTAL AREA OF SUBDIVISION : ± 7.512 ACRES

JUNE 2024

**CERTIFICATE OF SURVEYOR**

I, the undersigned Mark W. Kadmas, Registered Land Surveyor, do hereby certify that this survey was done under my direct supervision of a tract of land located in the SW 1/4 of Section 34, Township 01 North, Range 25 East, P.M.M., City of Billings, Yellowstone County, Montana.

Said tract contains a net and gross area of 7.512 acres, more or less.

Said tract is subject to all easements and rights-of-way of record or apparent on the ground.

This survey was conducted in accordance with the Montana Subdivision and Platting Act, Sections 76-3-101 through 76-3-625, MCA.

Mark W. Kadmas, PLS 51414LS  
Registered Land Surveyor  
State of Montana

**CERTIFICATE OF APPROVAL**

STATE OF MONTANA )  
County of Yellowstone )

We hereby certify that we have examined the plat of ZIMMERMAN HOME PLACE SUBDIVISION, 5TH FILING and find that said plat conforms with the requirements of the laws of the State of Montana and the requirements of the Yellowstone County Board of Planning. It is therefore approved and the dedication to public use of any and all lands shown on this plat as being dedicated to such use are hereby accepted.

IN WITNESS WHEREOF, we have set our hands and the seal of the CITY OF BILLINGS, MONTANA this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

CITY OF BILLINGS, MONTANA

By: \_\_\_\_\_  
Mayor

**NOTICE OF APPROVAL**

STATE OF MONTANA )  
County of Yellowstone )

This plat has been approved for filing by the Yellowstone County Board of Planning and conforms to the recommendations of said board.

Date \_\_\_\_\_ President \_\_\_\_\_

Executive Secretary \_\_\_\_\_

**CERTIFICATE OF CITY ENGINEER'S OFFICE**

I hereby certify that the annexed and foregoing plat conforms with Section 76-4-125(1)(d), MCA for the removal of sanitary restrictions since the plat is inside a master planning area and said lots will be provided with municipal facilities for the supply of water and the disposal of sewage and solid waste.

Date \_\_\_\_\_ City Engineer's Office \_\_\_\_\_

**CERTIFICATE OF COUNTY TREASURER**

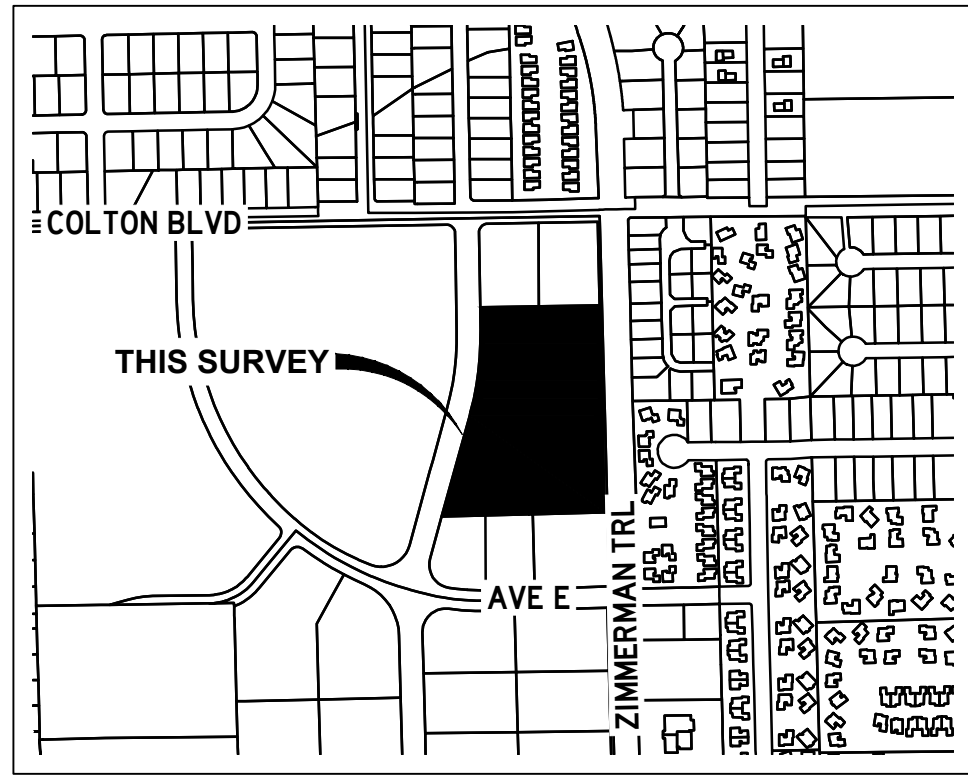
I hereby certify that all real property taxes and special assessments have been paid per Sections 76-3-611(1)(b) and 76-3-207(3), MCA.

Date \_\_\_\_\_ Yellowstone County Treasurer Deputy \_\_\_\_\_

**CERTIFICATE OF CITY ATTORNEY**

This document has been reviewed by the City Attorney's office and is acceptable as to form.

Date \_\_\_\_\_ Reviewed by \_\_\_\_\_



**VICINITY MAP**  
NOT TO SCALE

**LEGEND**

- PROPERTY CORNER, FOUND AS DESCRIBED
- PROPERTY CORNER, SET 5/8" REBAR W/ PE CAP
- FOUND CENTERLINE MONUMENT
- SURVEY BOUNDARY
- PROPOSED PROPERTY LINE
- EXISTING PROPERTY LINE
- RIGHT-OF-WAY LINE
- EASEMENT LINE

**LEGAL DESCRIPTION AND OWNER CERTIFICATION AND DEDICATION**

The undersigned owner(s) do hereby certify that they have cause to be surveyed and platted into lots, blocks, roads, and other divisions and dedications, as shown on this plat hereunto included, the following tract of land, to-wit:

Lots 2 & 3, Block 1 of Zimmerman Home Place Subdivision, 3rd Filing (Document No. 4042636).

Said tracts contain a net and gross area of 7.512 acres, more or less.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

HIGHLANDS ZHP SUBDIVISION, LLC

Preston Lees, Manager

STATE OF MONTANA )  
County of Yellowstone )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public in and for the State of Montana, personally appeared Preston Lees as the Manager of HIGHLANDS ZHP SUBDIVISION, LLC, known to me to be the person who signed the foregoing instrument and who acknowledged to me that they executed the same. Witness my hand and seal the day and year herein above written.

Notary Public in and for the State of Montana  
Printed name \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

L & L ZHP SUBDIVISION, LLC

Preston Lees, Manager

STATE OF MONTANA )  
County of Yellowstone )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public in and for the State of Montana, personally appeared Preston Lees as the Manager of L & L ZHP SUBDIVISION, LLC, known to me to be the person who signed the foregoing instrument and who acknowledged to me that they executed the same. Witness my hand and seal the day and year herein above written.

Notary Public in and for the State of Montana  
Printed name \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

LUDWIG CONSULTING, LLC

Brian Ludwig, Owner

STATE OF MONTANA )  
County of Yellowstone )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2024, before me, a Notary Public in and for the State of Montana, personally appeared Brian Ludwig as the Owner of LUDWIG CONSULTING, LLC, known to me to be the person who signed the foregoing instrument and who acknowledged to me that they executed the same. Witness my hand and seal the day and year herein above written.

Notary Public in and for the State of Montana  
Printed name \_\_\_\_\_  
Residing at \_\_\_\_\_  
My commission expires \_\_\_\_\_

**CLERK AND RECORDER FILING INFORMATION**

Subdivision Improvements Agreement  
Document No. \_\_\_\_\_  
Reciprocal Access Easement  
Document No. \_\_\_\_\_  
Sign Easement  
Document No. \_\_\_\_\_

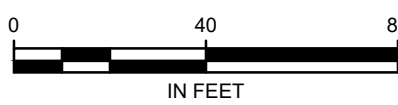
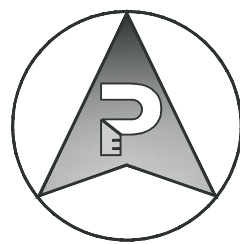
**BASIS OF BEARINGS**

Bearings shown on this survey are derived from a low distortion Lambert Conformal Conic single parallel projection with parameters as follows:

Latitude of Origin: 45° 47' 00" N  
Longitude of Origin: 108° 25' 00" W  
Mapping Scale Factor: 1.0001515

Distances are ground.

Unless otherwise noted, record distances between found monuments are within local accepted practice.



**SUBDIVISION IMPROVEMENTS AGREEMENT  
& WAIVER OF RIGHT TO PROTEST FUTURE SPECIAL IMPROVEMENT  
DISTRICTS**

**Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing**

**Table of Contents**

**(City of Billings)**

|       |                                                             |   |
|-------|-------------------------------------------------------------|---|
| I.    | Variances.....                                              | 2 |
| II.   | Property Conditions and Information for Lot Purchasers..... | 3 |
| III.  | Transportation .....                                        | 4 |
| IV.   | Emergency Service .....                                     | 5 |
| V.    | Storm Drainage .....                                        | 6 |
| VI.   | Utilities.....                                              | 6 |
| VII.  | Parks/Open Space .....                                      | 7 |
| VIII. | Irrigation .....                                            | 7 |
| IX.   | Soils/Geotechnical Study .....                              | 7 |
| X.    | Phasing of Improvements .....                               | 7 |
| XI.   | Financial Guarantees.....                                   | 7 |
| XII.  | Legal Provisions Applying to Subdivider.....                | 8 |

**SUBDIVISION IMPROVEMENTS AGREEMENT  
& WAIVER OF RIGHT TO PROTEST FUTURE SPECIAL  
IMPROVEMENT DISTRICTS**

**Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing**

**This agreement** is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between *Highlands ZHP Subdivision, LLC, L & L ZHP Subdivision, LLC, and Ludwig Consulting, LLC*, whose address for the purpose of this agreement is **2116 Broadwater Ave., Suite 101, Billings, MT 59102**, hereinafter referred to collectively as “Subdivider,” and the **CITY OF BILLINGS**, Billings, Montana, hereinafter referred to as “City.”

**WITNESSETH:**

**WHEREAS**, the plat of *Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing*, located in Yellowstone County, Montana, was submitted to the Yellowstone County Board of Planning; and

**WHEREAS**, at a regular meeting conducted on \_\_\_\_ day of \_\_\_\_\_, 20\_\_, the City Council conditionally approved a preliminary plat of *Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing*; and

**WHEREAS**, a Subdivision Improvements Agreement is required by the City prior to the approval of the final plat.

**WHEREAS**, the provisions of this agreement shall be effective and applicable to *Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing* upon the filing of the final plat thereof in the office of the Clerk and Recorder of Yellowstone County, Montana. The Subdivision shall comply with all requirements of the City of Billings Subdivision Regulations, the rules, regulations, policies, and resolutions of the City of Billings, and the laws and administrative rules of the State of Montana.

**THEREFORE, THE PARTIES TO THIS AGREEMENT**, for and in consideration of the mutual promises herein contained and for other good and valuable consideration, do hereby agree as follows:

**I. VARIANCES**

Subdivider has requested, and the City hereby grants, the following variances by the City Council from the strict interpretation of the City’s Subdivision Regulations (Section 23.1101, BMCC):

1. No variances are requested.



## **II. PROPERTY CONDITIONS AND INFORMATION FOR LOT PURCHASERS**

- A.** Lot owners will be required to construct the curb and gutter and sidewalk along the segment of the existing access road(s) that fronts their property at the time of lot development. If sidewalk is not constructed within 5 years, the City has the right to construct the sidewalk and assess the property owners.
- B.** Lot owners should be aware that this subdivision is being built in close proximity to prime deer and antelope habitat and it is likely that homeowners will experience problems with damage to landscaped shrubs, flowers, and gardens. The Montana Fish, Wildlife, and Parks Department does not provide damage assistance unless there is damage to commercial crops and/or a threat to public health and safety.
- C.** Lot owners should be aware that soil characteristics within the area of this subdivision, as described in the 1972 Yellowstone County Soil Survey, indicate that there could be potential limitations for proposed construction on the lots, which may require a geotechnical survey prior to construction.
- D.** No water rights have been transferred to the lot owners. Irrigation ditches that exist on the perimeter of this development are for the benefit of other properties. Perimeter ditches and drains shall remain in place and shall not be altered by the Subdivider or subsequent owners.
- E.** There is attached hereto a Waiver waiving the right to protest the creation of the special improvement district or districts which by this reference is expressly incorporated herein and made as much a part hereof as though fully and completely set forth herein at this point. The Waiver will be filed with the plat, shall run with the land, and shall constitute the guarantee by the Subdivider and property owner or owners of the developments described herein. Said Waiver is effective upon filing and is not conditioned on the completion of the conditions set forth in this Agreement. The Subdivider and owner specifically agree that they are waiving valuable rights and do so voluntarily.
- F.** The subdivider and subsequent contractors/builders acknowledge that there is a Stormwater Pollution and Prevention Plan (SWPPP) filed with the city and the Montana Department of Environmental Quality (MDEQ). This SWPPP shall be adhered to during all phases of construction and shall be updated as required by MDEQ under the General Permit for Stormwater Discharges Associated with Construction Activity, Chapter 28, BMCC and the Billings Stormwater Management Manual.
- G.** Individual lot owners should be aware that Best Management Practices for stormwater control shall be required for new construction on lots. Best

Management Practices are defined within Section 28-201, BMCC and detailed in the Billings Stormwater Management Manual.

- H.** A Traffic Impact Study (TIS) was completed as part of the Zimmerman Home Place Subdivision, 3<sup>rd</sup> Filing. Lot developers may be required to provide an update to the TIS to evaluate the proposed trip generation versus the original reports for traffic impacts. Lot owners can contact the City Engineering office for additional information regarding the original TIS and requirements for potential TIS updates.

### **III. TRANSPORTATION**

#### **A. Streets**

- All public roadways adjacent to the Subdivision have been completed as part of previous projects. No additional public street improvements are required by the Subdivider.
- All public right-of-way for surrounding streets has been dedicated. No additional right-of-way dedication is required.
- Lot owners will be required to construct the private access roads that front their property at the time of lot development.

#### **B. Sidewalks**

- Individual lot owners will be responsible for the construction of the sidewalks adjacent to the existing access roads fronting their lot at the time of lot construction and shall be included in each building permit.
- Sidewalks shall be 5-foot-wide boulevard style walks with handicap ramps and aprons installed where necessary.

#### **C. Street Lighting**

- No street lighting is proposed for the development; however, street lighting is included in the waiver of right to protest.

#### **D. Traffic Control Devices**

- A Traffic Impact Study (TIS) evaluating the impacts of the entire Zimmerman Home Place project area has previously been completed and submitted to City Engineering. Intersection impact fees associated with the findings of the TIS have been collected by the city and additional contributions are not required at this time.

- Lot developers may be required to provide an update to the TIS to evaluate the proposed trip generation versus the original reports for traffic impacts by City Engineering. Lot owners can contact the City Engineering office for additional information regarding the original TIS and requirements for potential TIS updates.

#### **E. Access**

- The Subdivision will be accessed by way of an existing access along the northern boundary of Lot 1 as well as a new access constructed along the boundary line common to Lots 1, 2 and 3 of the proposed subdivision.
- Access to Zimmerman Trail is restricted to the locations proposed and does not allow for access with individual lot approaches.

#### **F. Billings Area Bikeway and Trail Master Plan**

- The subdivision is located within the Bikeway and Trail Master Plan. A 10-foot multi-use trail has been constructed as part of a previous project along Zimmerman Trail.

#### **G. Public Transit**

- MET Transit provides service along Grand Avenue with the closest stop at the intersection of Grand Avenue and Zimmerman Trail, approximately 0.25 miles south of the Subdivision. No improvements are required to ensure public transit service.

### **IV. EMERGENCY SERVICE**

Construction of buildings made of combustible materials shall have adequate fire apparatus access roads and water supply (fire hydrants) in place to allow for fire suppression requirements. Prior to the issuance of a building permit for construction using combustible materials (i.e. lumber, plywood, wood trusses, etc.), fire apparatus access roads and water supply requirements shall be provided in accordance with the International Fire Code as adopted by the City of Billings.

At a minimum, the following is required:

- An unobstructed gravel road or gravel road base must be within 150 feet of the furthest portion of a building under construction as measured along the approved route.
- The access roads are required to support fire apparatus vehicle loading (40 tons) during all weather conditions and shall be a minimum of twenty (20) feet wide.
- An operational fire hydrant shall be located within 600 feet of the furthest portion of a residence under construction or within 400 feet of the furthest portion of a commercial building under construction as measured along the access roads to the site.

- The above requirements do not alter or effect the current minimum subdivision requirements for fire apparatus access and water supply.

## **V. STORM DRAINAGE**

All drainage improvements shall comply with the provisions set forth in Chapter 28, BMCC, and the Stormwater Management Manual in place at the time of development. A complete stormwater management plan for adjacent private infrastructure located within the shared private access roads has been submitted to the Engineering Division for review and approval. Storm facilities for adjacent private streets have been installed as part of a previous project.

A complete stormwater management Master Plan for the Zimmerman Home Place area has been developed and is on-file at the City Engineering office. Individual Lots will be required to manage their own stormwater in accordance with the above referenced Master Plan and the City of Billings' Stormwater Management Manual in place at the time of development. A complete stormwater management plan shall be submitted to the Engineering Division for review and approval at the time of Lot development.

## **VI. UTILITIES**

The Subdivision Improvements Agreement does not constitute an approval for extension of or connection to water mains and sanitary sewers. The property owner shall make application for extension/connection of water mains and sanitary sewers to the Public Works Department – Engineering Division. The extension/connection of/to water mains and sanitary sewers is subject to the approval of the applications and the conditions of approval. Applications shall be submitted for processing prior to the start of any construction and prior to review and approval of any project plans and specifications.

The Developer/Owner acknowledges that the subdivision shall be subject to the applicable System Development Fees in effect at the time new water and/or sanitary sewer service connections are made.

Lot 3, Block 1 does not have water, sewer, or storm service connections stubbed to it. Service connections to existing public mains within Green Valley Drive and/or Zimmerman Trail shall be completed at the time of Lot development.

The design/installation of sanitary sewers and appurtenances, and water mains and appurtenances (fire hydrants, etc) shall be in accordance with design standards, specifications, rules, regulations of and as approved by the City of Billings Public Works Department, Fire Department and the Montana Department of Environmental Quality.

**A. Water**

The subdivision will be serviced by an existing water main located in Green Valley Drive.

**B. Sanitary Sewer**

The subdivision will be serviced by an existing sanitary sewer main located in Green Valley Drive and Zimmerman Trail.

**C. Power, Telephone, Gas, and Cable Television**

All telephone, gas, electrical power, and cable television lines within the public right-of-way shall be installed prior to surface improvements. Existing 8-foot utility easements are provided along the front lot lines of selected lots for utility services as shown on the plat.

**VII. PARKS/OPEN SPACE**

There is no parkland requirement for proposed *Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing* as this is a minor subdivision [MCA 76-3-621(3)(a)].

**VIII. IRRIGATION**

No water rights have been transferred to the lot owners. There are no irrigation ditches within or adjacent to the Subdivision.

**IX. SOILS/GEOTECHNICAL STUDY**

A geotechnical investigation was performed for the area and can be obtained from the City Engineering Department office.

**X. PHASING OF IMPROVEMENTS**

The Subdivision is not proposed to be constructed in phases.

**XI. FINANCIAL GUARANTEES**

Except as otherwise provided, Subdivider shall install and construct said required improvements with cash or by utilizing the mechanics of a private contract secured by letters of credit or a letter of commitment to lend funds from a commercial lender. All engineering and legal work in connection with such improvements shall be paid by the contracting parties pursuant to said private contract, and the improvements shall be installed as approved by the City Engineer and Utility Department Manager.

## **XII. LEGAL PROVISIONS APPLYING TO SUBDIVIDER**

- A.** The owners of the properties involved in this proposed Subdivision by signature subscribed herein below agree, consent, and shall be bound by the provisions of this Agreement.
- B.** The covenants, agreements, and all statements in this Agreement run with the land and apply to and shall be binding on the heirs, personal representatives, successors, assigns and transferees of the respective parties.
- C.** In the event it becomes necessary for either party to this Agreement to retain an attorney to enforce any of the terms or conditions of this Agreement or to give any notice required herein, then the prevailing party or the party giving notice shall be entitled to reasonable attorney fees and costs.
- D.** Any amendments or modifications of this Agreement or any provisions herein shall be made in writing and executed in the same manner as this original document and shall after execution become a part of this Agreement.
- E.** Subdivider shall comply with all applicable federal, state, and local statutes, ordinances, and administrative regulations during the performance and discharge of its obligations. Subdivider acknowledges and agrees that nothing contained herein shall relieve or exempt it from such compliance.

**IN WITNESS WHEREOF**, the parties hereto have set their hands and official seals on the date first above written.

“SUBDIVIDER”

*Highlands ZHP Subdivision, LLC*

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF MONTANA     )  
                                      : ss  
County of                    )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, a Notary Public in and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of *Highlands ZHP Subdivision, LLC*, who executed the foregoing instrument and acknowledged to me that he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_



*L & L ZHP Subdivision, LLC*

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF MONTANA     )  
                                      : ss  
County of                     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in  
and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_  
\_\_\_\_\_, known to me to be the \_\_\_\_\_ of *L & L ZHP*  
*Subdivision, LLC*, who executed the foregoing instrument and acknowledged to me that  
he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

*Ludwig Consulting, LLC*

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF MONTANA     )  
                                      : ss  
County of                    )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, before me, a Notary Public in  
and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_  
\_\_\_\_\_, known to me to be the \_\_\_\_\_ of *Ludwig  
Consulting, LLC*, who executed the foregoing instrument and acknowledged to me that  
he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

This agreement is hereby approved and accepted by the City of Billings, this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

“CITY”  
CITY OF BILLINGS  
MONTANA

By: \_\_\_\_\_  
Mayor

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

STATE OF MONTANA     )  
                                      : ss  
County of Yellowstone     )

On this \_\_\_\_ day of \_\_\_\_\_, 20\_\_,  
before me, a Notary Public in and for the State of Montana, personally appeared \_\_\_\_\_ and \_\_\_\_\_, known to me to be the Mayor and City Clerk, respectively, of the City of Billings, Montana, whose names are subscribed to the foregoing instrument in such capacity and acknowledged to me that they executed the same on behalf of the City of Billings, Montana.

\_\_\_\_\_  
Notary Public in and for the State of Montana  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

# Waiver of Right to Protest

## FUTURE SPECIAL IMPROVEMENT DISTRICTS

FOR VALUABLE CONSIDERATION, the undersigned, being the Subdivider and all of the owners of the hereinafter described real property, do hereby waive the right to protest the formation of one or more special improvement district(s) for a period of no more than twenty years from the recording of this waiver, for street light maintenance and energy, and for the construction of streets, street widening, sidewalks, survey monuments, street name signs, curb and gutter, street lights, driveways, traffic signals, and traffic control devices, parks and park maintenance, trails, sanitary sewer lines, water lines, storm drains (either within or outside the area), and other improvements which the City of Billings may require.

This Waiver and Agreement is independent from all other agreements and is supported by sufficient independent consideration to which the undersigned are parties and shall run with the land and shall be binding upon the undersigned, their successors and assigns, and the same shall be recorded in the office of the County Clerk and Recorder of Yellowstone County, Montana.

This Waiver is in addition to any other recorded waiver related to the property described herein and is not intended to replace, supersede, or invalidate any such waiver.

The real property hereinabove mentioned is more particularly described as follows:

*Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing*

Signed and dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

*Highlands ZHP Subdivision, LLC*

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF                                 )  
                                                      : ss  
County of                                 )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_, known to me to be the \_\_\_\_\_ of *Highlands ZHP Subdivision LLC*, who executed the foregoing instrument and acknowledged to me that he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

L & L ZHP Subdivision, LLC

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF MONTANA     )  
                                      : ss  
County of                     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in  
and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_  
\_\_\_\_\_, known to me to be the \_\_\_\_\_ of *L & L ZHP  
Subdivision, LLC*, who executed the foregoing instrument and acknowledged to me that  
he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_

*Ludwig Consulting, LLC*

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF MONTANA     )  
                                      : ss  
County of                     )

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, a Notary Public in  
and for the State of \_\_\_\_\_, personally appeared \_\_\_\_\_  
\_\_\_\_\_, known to me to be the \_\_\_\_\_ of *Ludwig  
Consulting, LLC*, who executed the foregoing instrument and acknowledged to me that  
he/she executed the same.

\_\_\_\_\_  
Notary Public in and for the State of \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Residing at: \_\_\_\_\_  
My commission expires: \_\_\_\_\_



Bill Cole, Mayor  
P.O. Box 1178  
Billings, MT 59103  
P 406.657.8296  
F 406.657.8390

Performance Engineering  
608 North 29<sup>th</sup> Street  
Billings, MT 59101

Dear Applicant:

On September 23, 2024 the Billings City Council conditionally approved the preliminary plat of Zimmerman Home Place Subdivision, 5<sup>th</sup> Filing subject to the following conditions of approval:

1. Minor changes may be made in the SIA and final documents, as requested by the Planning, Legal or Public Works Departments to clarify the documents and bring them into the standard acceptable format.
2. The final plat shall comply with all requirements of the City of Billings Subdivision Regulations, rules, policies, and resolutions of the City of Billings, and the laws and Administrative Rules of the State of Montana.

Should you have any questions please contact Dave Green at (406) 657-8666 or by email at [greend@billingsmt.gov](mailto:greend@billingsmt.gov)

September 23, 2024

Sincerely,

William A. Cole, Mayor



## City Council Regular

**Date:** 11/12/2024  
**Title:** Updating Resolution Setting Tax Abatement Policies  
**Presented by:** Chris Kukulski, City Administrator  
**Department:** City Hall Administration  
**Presentation:** No  
**Legal Review:** Yes  
**Project Number:** NA

---

### RECOMMENDATION

Approve repealing and replacing all previous City of Billings tax abatement policy resolutions and adopting the consolidation of those resolutions into one tax abatement policy resolution, as proposed.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

In 1988, the State of Montana statutorily provided local governments with the authority to implement tax abatement programs. Since then, Yellowstone County and the City of Billings have offered the discretionary tool as an incentive to existing business and recruit new business to our community. The abatement allows businesses to add to their bottom line, incentivizing them to grow and add to Yellowstone County's economy by creating good paying jobs, increased services, and contributing to the economy's overall economic health.

A reminder, tax relief received is only on the incremental increase in taxable valuation.

The City's current tax abatement program resolutions have been in place for more than 15 years. Billings City Council, Yellowstone County Commissioners, and staff initiated a review of the tax abatement programs and resolutions. The proposed resolution is consistent with what Yellowstone County adopted earlier this year. The Department of Revenue strongly encourages the City and County to be consistent with one another.

Big Sky Economic Development (BSED) staff acts as the facilitator of requests for tax abatements in the City of Billings and Yellowstone County. Its staff oversees the application process to determine complete applications, needed information is supplied and property owner/ business owner signatures are on the applications. BSED provides the applicable jurisdiction's (City and County, or County) Attorney and Finance offices with the applications for review and confirmation it meets the minimum requirements to move forward with a request. If so, BSED collaborates with the applicant to guide the application through the jurisdiction's appropriate process for consideration. BSED requests and gathers information from the applicant, County, City, and the Department of Revenue. As economic development professionals, BSED gathers and analyzes data to show the estimated value of the proposed new private investment. BSED leans on its partners' expertise within local government and the Department of Revenue as its staff are neither attorneys, accountants, nor taxation specialists and obtains information from outside experts, publicly available information and property owners' provided information.

Big Sky Economic Development worked with the City and County on revising the tax abatement resolutions to better align with current Council and Commissioner directives.

The combined resolution incorporates all resolutions into one document, improves the resolution language and clarifies the requirements of the programs.

The revised resolution raises the minimum investment needed to be eligible to apply for a tax abatement to \$500,000 or greater across each program.

The revised resolution adds additional requirements under job creation and payroll reporting by requiring notarized job creation and payroll reports each January on active abatements.

The proposed resolution will provide clear application and reporting requirements to applicants, Billings city staff, and BSED in navigating the tax abatement process. Additionally, the job retention, job creation, payroll reporting provide clarity to program results.

On September 3, 2024 the Council discussed the proposed resolutions and asked that staff and BSED answer a series of questions and approach Yellowstone County with some changes. The bottom line is the county prefers to stick with their newly adopted resolution and we support the council doing the same. The attached memo from BSED

more specifically answers the questions that were raised on Sept. 3.

## **STAKEHOLDERS**

City and County Administration, Finance and Legal collaborated to review and revise resolutions related to tax abatement programs within the City of Billings and Yellowstone County.

## **ALTERNATIVES**

City Council may:

- Approve repealing and replacing the City's current tax abatement resolutions and updating and consolidating into one resolution as recommended by staff and Big Sky Economic Development (BSED); or,
- Not Approve repealing and replacing existing tax abatement resolution, in which case those will remain as the City's current policy.

## **FISCAL EFFECTS**

There are no fiscal impacts to approving the resolution. Any future fiscal impact would be based on the approval or denial of each tax abatement request presented.

While tax abatements suspend immediate **new** incremental government revenue, they encourage investment through business expansion and new business development to stimulate economic growth and generate additional revenue in the long term. By providing incentives for investment in economic activities, tax abatements can attract businesses, create jobs, and spur economic development.

## **SUMMARY**

Big Sky Economic Development worked with the City and County on revising the tax abatement resolutions to better align with current Council and Commissioner directives.

The combined resolution incorporates all resolutions into one document, improves the resolution language and clarifies the requirements of the programs.

The revised resolution raises the minimum investment needed to be eligible to apply for a tax abatement to \$500,000 or greater across each program.

The revised resolution adds additional requirements under job creation and payroll reporting by requiring notarized job creation and payroll reports each January on active abatements.

The proposed resolution will provide clear application and reporting requirements to applicants, Billings city staff, and BSED in navigating the tax abatement process. Additionally, the job retention, job creation, payroll reporting provides clarity to program results.

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## **Attachments**

Memo

Resolution

Current Resolution -New and Expanding Industry

Current Resolution - Remodeling, Reconstructing or Expanding Buildings

Current Resolution - Remodeling, Reconstructing or Expanding Commercial Property

## **Memo**

**To:** Billings City Council

**From:** Tax Abatement Program Review Committee, Submitted by Dianne Lehm Big Sky Economic Development

**Subject:** Tax Abatement Resolution September 3, 2024 Council Work Session Discussion

### **Tax Abatement Program Resolution:**

- 1) Specify private investment dollars  
Questions 16 of the application, asks the applicant to list any property tax benefits the applicant currently receives or has applied for at the time of application. Questions or concerns regarding this could be discussed at the public hearing.
- 2) Failure to meet job retention/creation penalties  
City Council and County have not imposed a penalty or rescinded a tax abatement. MCA 15-16-102 outlines the process. The County does not wish to amend the language to impose penalties. Item added to future revisions list.
- 3) Clarify definition of "New" and other definitions  
MCA 15-24-1401: (3) "New" means that the firm is new to the jurisdiction approving the resolution provided for in [15-24-1402](#)(2) and has invested or will invest at least \$125,000 worth of qualifying improvements or modernized processes in the jurisdiction either in the first tax year in which the benefits provided for in [15-24-1402](#) are to be received or in the preceding tax year.
- 4) Discuss Council recommendations with County and City Staff  
Items were presented to the County and we will keep a list of items to consider for future potential amendment. The County does not wish to make any amendments to the County Resolution.

### **Council Questions Follow up information:**

- 1) Minimum investment threshold:  
The City/County committee collectively reviewed applications within the last 10 years to determine a minimum threshold. Each current tax abatement met the proposed minimum investment. In the last 10 years of tax abatement applications, the lowest private capital investment was \$650,000. Only two applications within the last 10 years, (Raw Machinery \$650,000, Bottles and Shots \$800,000) have invested less than \$1 Million in the business and requested a tax abatement.
- 2) Create list of future potential amendments and clarifications  
A list of items to address at a future review of adopted resolutions has been created and will be added to as suggestions, questions, or concerns arise. These topics have been included:
  - Clearer definition of "New" to jurisdiction, other definitions

- Jurat or sworn statement instead of notarized for jobs retained/created
- Outline penalties if any: MCA 15-24-1501: (6) Property taxes abated from the reduction in property taxes allowed by this section are subject to recapture by the local governing body if the ownership or use of the property does not meet the requirements of this section or the resolution required by subsection (2). The recapture is equal to the amount of taxes avoided, plus interest and penalties for nonpayment of property taxes provided in [15-16-102](#), during any period in which an abatement under the provisions of this section was in effect. The amount recaptured, including penalty and interest, must be distributed by the treasurer to funds and accounts subject to the abatement in the same ratio as the property tax was abated. A recapture of taxes abated by this section is not allowed with regard to property ceasing to qualify for the abatement by reason of an involuntary conversion. The recapture of abated taxes may be canceled, in whole or in part, if the local governing body determines that the taxpayer's failure to meet the requirements is a result of circumstances beyond the control of the taxpayer.
- Does jurisdiction want active tax abatement recipients to complete an annual survey
- Does jurisdiction want a formal report on active tax abatements each year

**A RESOLUTION CREATING PROCEDURES FOR  
TAX ABATEMENT APPLICATIONS**

**WHEREAS**, the City of Billings believes it is in the public interest for new industries to locate in Billings and for existing industries to expand in Billings.

**WHEREAS**, the Montana Legislature has approved, in Section 15-24-1402, MCA, a means for Montana cities to provide incentives for certain types of new or expanding industries in the form of property tax reductions over a period of ten (10) years.

**WHEREAS**, the City of Billings believes it is the public interest that the community's existing buildings or structures be remodeled, reconstructed, or expanded thereby improving the community's appearance, expanding employment, and increasing the tax base.

**WHEREAS**, the Montana Legislature has approved, in Sections 15-24-1501 and 15-24-1502, MCA, a means for Montana cities to provide tax incentives for certain remodeling, reconstruction or expansion of existing buildings.

**WHEREAS**, the City Council wishes to offer those property tax incentives to qualified industries and for qualified improvements or modernized processes as well as to property owners of existing buildings or structures that remodel, reconstruct, or expand their property.

**WHEREAS**, City Council previously approved Resolutions 05-18376, 05-18377 and 05-18378, which outline the City of Billings' application process for tax incentives pursuant to MCA 15-24-1402, 15-24-1501, and 15-24-1502.

**WHEREAS**, the City of Billings wishes to consolidate and update the application process for tax abatements in the City. In doing so, the city seeks to supersede and replace prior resolutions 05-18376, 05-18377 and 05-18378. The city further seeks to consolidate the process for seeking a tax abatement in the City of Billings pursuant to MCA 15-24-1402, 15-24-1501, and 15-24-1502 under this resolution and attached exhibits.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA**, that it is in the public interest to encourage economic development in the City of Billings using tax incentives for new and expanding industry and for the remodel, reconstruction, and expansion of certain buildings and structures. Business owners in the City of Billings are encouraged to apply to the City of Billings for these tax incentives through the application process described in Exhibits A and B.

**BE IT FURTHER RESOLVED** that this resolution supersedes and replaces City of Billings Resolutions 05-18376, 05-18377 and 05-18378.

**PASSED AND APPROVED** by the City Council this \_\_\_\_ day of \_\_\_\_\_ 2024.

CITY OF BILLINGS

By: \_\_\_\_\_  
William A. Cole, Mayor

ATTEST:

By: \_\_\_\_\_  
Denise R. Bohlman, City Clerk

Attachments: Exhibits A & B

## EXHIBIT A

### Procedures for Obtaining Property Tax Incentives Under MCA 15-24-1402

1. All Applicants for tax reductions must petition the City of Billings in writing and address the requirements and provisions outlined in this exhibit.
2. Qualifying applicants may, at the discretion of the City Council, receive property tax reductions according to the following schedule:

The default initial abatement amount for this application in the City of Billings shall be set at 50%. The City Council, at its discretion, can set the abatement to 75%. Starting in the 6th year of the abatement, the taxation rate will increase by equal percentages until full value is reached in the 10th year and thereafter:

|                                |                      |
|--------------------------------|----------------------|
| 1st through 5th year           | 50% of taxable value |
| 6th year                       | 60%                  |
| 7th year                       | 70%                  |
| 8th year                       | 80%                  |
| 9th year                       | 90%                  |
| 10th year and subsequent years | 100%                 |

3. The definitions outlined below apply in the use of tax incentives approved by the City of Billings:
  - a. "Expansion" means that the industry has added or will add at least \$500,000 worth of qualifying improvements or modernized processes to its property in the City of Billings either in the first tax year in which the benefits provided for in MCA 15-24-1402 are to be received or in the preceding tax year.
  - b. "Industry" includes, but is not limited to, a firm that:
    - i. engages in the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the North American Industry Classification System Manual prepared by the United States office of management and budget.
    - ii. engages in the extraction or harvesting of minerals, ore, or forestry products.
    - iii. engages in the processing of Montana raw materials such as minerals, ore, agricultural products, and forestry products.
    - iv. engages in the transportation, warehousing, or distribution of commercial products or materials if 50% or more of the industry's gross sales or receipts are earned from outside the state.

- v. earns 50% or more of its annual gross income from out-of-state sales.
  - vi. engages in the production of electrical energy in an amount of 1 megawatt or more by means of an alternative renewable energy source as defined in MCA 15-6-225;
  - vii. operates a qualified data center or dedicated communications infrastructure classified under MCA 15-6-162; or
  - viii. operates a green hydrogen facility, green hydrogen pipeline, or green hydrogen storage system as defined in MCA 15-6-163.
- c. "New" means that the firm is new to the City of Billings and has invested or will invest at least \$500,000 worth of qualifying improvements or modernized processes in the jurisdiction either in the first tax year in which the benefits provided for in MCA 15-24-1402 are to be received or in the preceding tax year.
- d. "Qualifying" means meeting all the terms, conditions, and requirements for a reduction in taxable value under MCA 15-24-1401 and 15-24-1402.
4. The City of Billings may approve an application by separate resolution for the tax treatment as provided herein, only after the applicant has completed the following:
- a. Receives a building permit or a "Certificate in Lieu of Building Permit";
  - b. Presents a completed application for tax treatment provided by the Department of Revenue (available from the County Assessor's Office) or which is attached to the City of Billings Application Form for Tax Reduction.
  - c. Provides proof of qualification as new or expanding industry as defined herein.
  - d. Provides proof from the Yellowstone County Treasurer's Office that all of the applicant's taxes have been paid in full or otherwise provided for to the City of Billings's satisfaction. Taxes paid under protest do not preclude approval.
  - e. At the time the application is submitted, the applicant must provide a notarized list of current full-time and part-time jobs, including job titles, description of duties, and current wage range. The applicant will provide an estimate of the number of new jobs that will be created by the new or expanded facility. This estimate must include the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.
  - f. At the time the application is submitted, the applicant must provide an appraisal of the business and an estimate of an anticipated future appraisal following the construction.



- g. The applicant must have a representative appear before the City Council at the public hearing on the application to answer any questions or address any concerns raised by the City Council.
- 5. The applicant agrees, following an approval of an application, to conduct the following activities:
  - a. Within 90 days of the completion of construction, the applicant will provide an updated list of the positions created including the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.
  - b. Within 90 days of the completion of construction, the applicant will offer a tour of the improvements to the City Council.
  - c. The Applicant agrees to submit an annual report, for the duration of the abatement, that shall be mailed or submitted to both the City Council and to Big Sky Economic Development by January 15 of each year. The report shall include the number of part-time and full-time employees, total annual payroll, and a notarized list of employees. Additional information may be required to confirm job and payroll reports.
- 6. Upon approval of the application, the City of Billings shall notify, by certified mail, all taxing jurisdictions affected by the tax benefits.
- 7. Upon receipt of the completed application form and the approving resolution from the City Council, the Assessor shall make the assessment change pursuant to 15-24-1401 and 15-24-1402, MCA.
- 8. In no case may the benefit described in 15-24-1401 and 15-24-1402, MCA, apply to levies or assessments required under Title 15, Chapter 10, 20-9-331, 20-9-333, or otherwise required under State law.

## **EXHIBIT B**

### **Procedures for Obtaining Property Tax Incentives Under MCA 15-24-1501**

1. All Applicants for tax reductions must petition the City of Billings in writing and address the requirements and provisions outlined in this exhibit.
2. Qualifying applicants may, at the discretion of the City Council, receive property tax reductions according to the following schedule:

|                                             |      |
|---------------------------------------------|------|
| Construction period                         | 0%   |
| 1 <sup>st</sup> year following construction | 20%  |
| 2 <sup>nd</sup> year following construction | 40%  |
| 3 <sup>rd</sup> year following construction | 60%  |
| 4 <sup>th</sup> year following construction | 80%  |
| 5 <sup>th</sup> year following construction | 100% |
| Following years                             | 100% |

3. The City Council may approve an application by separate resolution for the tax treatment as provided herein, only after the applicant has completed the following:
  - a. Presents a completed application for Tax Reduction-Building Remodel, Expansion or Reconstruction.
    - i. As part of the application, building site plans/drawings shall be completed and submitted to the City of Billings prior to construction beginning. Failure to submit prior to construction beginning may preclude approval.
    - ii. Project remodel/reconstruction/expansion must meet all applicable City zoning criteria, building codes, ordinances, resolutions, or statutory requirements.
  - b. Provides proof from the Yellowstone County Treasurer's Office that all of the applicant's taxes have been paid in full or otherwise provided for to the City Council's satisfaction. Taxes paid under protest do not preclude approval.
  - c. At the time the application is submitted, the applicant must provide a notarized list of current full-time and part-time jobs, including job titles, description of duties, and current wage range. The applicant will provide an estimate of the number of new jobs that will be created by the new or expanded facility. This estimate must include the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.

- d. At the time the application is submitted, the applicant must provide an appraisal of the business and an estimate of an anticipated future appraisal following the construction.
    - i. Applications made pursuant to MCA 15-24-1501 must show an increase in taxable value by at least two and one half (2.5) percent and must have project construction costs of at least \$500,000.
  - e. The applicant must have a representative appear before the City Council at the public hearing on the application to answer any questions or address any concerns raised by the City Council.
- 9. The applicant agrees, following an approval of an application, to conduct the following activities:
  - a. Within 90 days of the completion of construction, the applicant will provide an updated list of the positions created including the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.
  - b. Within 90 days of the completion of construction, the applicant will provide a written statement affirming that the cost of the project exceeded \$500,000.
  - c. Within 90 days of the completion of construction, the applicant will offer a tour of the improvements to the City Council.
  - d. The Applicant agrees to submit an annual report, for the duration of the abatement, that shall be mailed or submitted to both the City Council and to Big Sky Economic Development by January 15 of each year. The report shall include the number of part-time and full-time employees, total annual payroll, and a notarized list of employees. Additional information may be required to confirm job and payroll reports.
- 10. Upon approval of the application, the City of Billings shall notify, by certified mail, all taxing jurisdictions affected by the tax benefits.
- 11. Upon receipt of the completed application form and the approving resolution from the City Council, the Assessor shall make the assessment change pursuant to 15-24-1501 and 15-24-1502, MCA.
- 12. In no case may the benefit described in 15-24-1501 and 15-24-1502, MCA apply to levies or assessments required under Title 15, Chapter 10, 20-9-331, 20-9-333, or otherwise required under State law.

## **RESOLUTION 05-18376**

### **A RESOLUTION CREATING A CITY OF BILLINGS TAX INCENTIVE PROGRAM FOR NEW AND EXPANDING INDUSTRY**

**WHEREAS**, the City Council of the City of Billings believes that it is in the public interest for new industries to locate in Billings and for existing industries to expand in Billings; and

**WHEREAS**, the Montana Legislature has approved, in Sections 15-24-1401 and 15-24-1402, MCA, a means for Montana cities to provide incentives for certain types of new or expanding industries in the form of property tax reductions over a period of ten (10) years; and

**WHEREAS**, the City Council desires to offer those property tax incentives to qualified industries and for qualified improvements or modernized processes.

### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA AS FOLLOWS:**

1. That it is in the public interest to encourage economic development in the city of Billings through property tax incentives for new and expanding industries.
2. A tax incentive program is hereby established that meets the requirements set forth in 15-24-1401 and 15-24-1402 MCA and applicable Administrative Rules of Montana.
3. Each applicant shall meet the following minimum criteria:
  - a. is an industry as defined in 15-24-1401 MCA;
  - b. if expanding, the industry has invested at least \$50,000 of qualifying improvements or modernized processes within this or the preceding tax year;
  - c. if new to the city, the industry has invested at least \$125,000 in qualifying improvements or modernized processes within this or the preceding tax year;
  - d. provide an estimate of the number of new jobs that will be created by the new or expanding industry, the hiring schedule and the salary ranges for the new employees;
  - e. provide proof from the Yellowstone County Treasurer's office that all of the applicant's taxes have been paid. Taxes paid under protest do not preclude application approval; and
  - f. the applicant has completed the application procedures outlined in attached Exhibit A.
4. Benefits conferred by Billings' new or expanding industry tax incentive program are as follows:
  - a. In the first five (5) years after a construction permit is issued, the qualifying improvements or modernized processes that represent a new or expanding industry must be taxed at fifty percent (50%) of their taxable value;

- b. Each year thereafter, the percentage will increase by equal percentages until the full taxable value is attained in the tenth (10<sup>th</sup>) year;
5. The tax incentive is limited to the number of mills levied and assessed by the local high school district, the local elementary school district and the City of Billings.
6. The City Council must authorize the granting of the tax incentive to any applicant by passing a resolution approving the application of the schedule of tax incentives set forth above in Paragraph 4 or some other schedule, for each existing building or structure as to which the tax incentive is granted.

**BE IT FURTHER RESOLVED** that property owners are hereby encouraged to apply to the City of Billings for consideration of tax incentives authorized pursuant to Section 15-24-1401 and Section 15-24-1402, M.C.A. for new industries or expanding existing industries or modernized processes.

**PASSED AND APPROVED** by the City Council this 12<sup>th</sup> day of December, 2005.

CITY OF BILLINGS

By: \_\_\_\_\_  
Charles F. Tooley, Mayor

ATTEST:

By: \_\_\_\_\_  
Marita Herold, CMC/AAE, City Clerk

## EXHIBIT A

### APPLICATION PROCEDURES FOR CITY OF BILLINGS, MONTANA TAX INCENTIVE PROGRAM FOR NEW AND EXPANDING INDUSTRIES

- Prospective clients contact Big Sky Economic Development Authority (BSEDA) who acts as the intermediary in the application process, and an initial meeting is scheduled.
- At the initial meeting, prospective client project is discussed to determine if the projects meets the tax incentive application criteria. If the project appears to qualify for an incentive, the client is given tax incentive applications, copies of the tax incentive program cited in the *Montana Code Annotated* and copies of the adopting resolutions.
- Clients then complete and return applications and supporting documentation and the applicable processing fee to BSEDA. BSEDA reviews the application for completeness.
- An appointment is then scheduled with the designated City staff to review the project documentation and perform a site visit if needed. This leads to either staff endorsement of the project or a determination that the project does not meet the program criteria.
- City staff will prepare and submit a staff report, accompanied by the application documentation, and schedule a public hearing with the City Council. The staff report will advise the Council why the application should be approved, conditionally approved, including recommended conditions, or denied.
- City staff will prepare a resolution for Council consideration that contains the elements required by state law and administrative rules.
- City staff shall notify by certified mail, all taxing jurisdictions that may be affected by the proposed tax benefit.
- The City Council will conduct a public hearing on the application at its next available regular meeting and will approve, conditionally approve or disapprove the application.
- BSEDA will send a letter to the applicant regarding the Council's decision, including any conditions of approval.
- When the construction reaches substantial completion, the client contacts BSEDA and schedules a final inspection to determine if the project meets tax incentive requirements and any conditions of approval.
- If the project meets all City and State requirements, BSEDA will work with City staff to prepare and submit a final approval letter and appropriate documentation to the Montana Department of Revenue.

The following definitions and terms apply to the new and expanding industry tax incentive program:

- "Expansion" means an industry that invests at least \$50,000 in qualifying improvements or modernized processes within this or the previous tax year
- "New" means an industry that is new to the city of Billings and has invested at least \$125,000 in qualifying improvements or modernized processes within this or the preceding tax year. New industry does not include property treated as new industrial property under Section 15-6-135 MCA (class 5 industrial property)

- “Industry” means, but is not limited to, a firm that a) engages in mechanical or chemical transformation of materials into products, b) engages in the extraction or harvesting of minerals, ore or forestry products, c) engages in processing Montana raw materials such as minerals, ore, agricultural products and forestry products, d) engages in transportation, warehousing or distribution of commercial products or materials if 50% or more of the industry’s gross sales are from outside the state, or e) earns 50% or more of its annual gross income from out of state sales
- “Qualifying” means meeting all of the terms, conditions and requirements for a reduction in taxable value under this program

## **RESOLUTION 05-18377**

### **A RESOLUTION CREATING A CITY OF BILLINGS TAX INCENTIVE PROGRAM FOR REMODELING, RECONSTRUCTING OR EXPANDING BUILDINGS OR STRUCTURES AND REPEALING CITY RESOLUTION #89-16126**

**WHEREAS**, the City Council of the City of Billings believes that it is in the public interest that the community's existing buildings and structures be remodeled, reconstructed or expanded, thereby improving the community's appearance, expanding employment and increasing the tax base; and

**WHEREAS**, the Montana Legislature has approved, in Section 15-24-1501, MCA, a means for Montana cities to provide tax incentives for certain remodeling, reconstruction or expansion of existing buildings; and

**WHEREAS**, the City Council desires to offer those property tax incentives to existing building owners that remodel, reconstruct or expand their buildings.

#### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA AS FOLLOWS:**

1. That it is in the public interest to encourage existing building remodeling, reconstruction or expansion in the city of Billings through property tax incentives.
2. A tax incentive program is hereby established that meets the requirements set forth in Section 15-24-1501, MCA and applicable Administrative Rules of Montana.
3. The incentive applies only to the taxable value of the improvements made to the building due to the remodeling, reconstruction or expansion. The percentage of the increased taxable value that is subject to taxation during the construction period and for the five years following construction shall be as follows:

|                                                           |      |
|-----------------------------------------------------------|------|
| Construction period                                       | 0%   |
| First year through the fourth year following construction | 0%   |
| Fifth year following construction                         | 100% |
| Following years                                           | 100% |
4. Each applicant shall meet the following minimum criteria:
  - a. the construction increases the property's value by at least 2.5% as determined by the Montana Department of Revenue;
  - b. the construction costs meet or exceed \$500,000;
  - c. provide documentation that all property taxes on the property have been paid, except that taxes paid under protest do not preclude application approval;
  - d. provide information on the number and pay ranges of jobs that are created or retained by the construction project; and
  - e. the applicant has completed the application procedures outlined in attached Exhibit A.
5. The tax incentive is limited to the number of mills levied by the local high school district, the local elementary school district and the City of Billings.
6. The City Council must authorize the granting of the tax incentive to any applicant by passing a resolution approving the application of the schedule of tax incentives set forth above in Paragraph or some other schedule, for each existing building or structure as to which the tax





CITY OF BILLINGS

By: Charles F. Tooley  
Charles F. Tooley, Mayor

ATTEST:

By: Marita Herold  
Marita Herold, CMC/AAE, City Clerk

## EXHIBIT A

### APPLICATION PROCEDURES FOR CITY OF BILLINGS, MONTANA TAX INCENTIVE PROGRAM FOR REMODELING, RECONSTRUCTING OR EXPANDING EXISTING BUILDINGS

- Prospective clients contact Big Sky Economic Development Authority (BSEDA) who acts as the intermediary in the application process, and an initial meeting is scheduled.
- At the initial meeting, prospective client project is discussed to determine if the projects meets the tax incentive application criteria. If the project appears to qualify for an incentive, the client is given tax incentive applications, copies of the tax incentive program cited in the *Montana Code Annotated* and copies of the adopting resolutions.
- Clients then complete and return applications and supporting documentation and the applicable processing fee to BSEDA. BSEDA reviews the application for completeness.
- An appointment is then scheduled with the designated City staff to review the project documentation and perform a site visit if needed. This leads to either staff endorsement of the project or a determination that the project does not meet the program criteria.
- City staff will prepare and submit a staff report, accompanied by the application documentation, and schedule a public hearing with the City Council. The staff report will advise the Council why the application should be approved, conditionally approved, including recommended conditions, or denied.
- City staff will prepare a resolution for Council consideration that contains the elements required by state law and administrative rules.
- The City Council will conduct a public hearing on the application at its next available regular meeting and will approve, conditionally approve or disapprove the application.
- BSEDA will send a letter to the applicant regarding the Council's decision, including any conditions of approval.
- When the construction reaches substantial completion, the client contacts BSEDA and schedules a final inspection to determine if the project meets tax incentive requirements and any conditions of approval.
- If the project meets all City and State requirements, BSEDA will work with City staff to prepare and submit a final approval letter and appropriate documentation to the Montana Department of Revenue.

## **RESOLUTION 05-18378**

### **A RESOLUTION CREATING A CITY OF BILLINGS TAX INCENTIVE PROGRAM FOR REMODELING, RECONSTRUCTING OR EXPANDING CERTAIN COMMERCIAL PROPERTY**

**WHEREAS**, the City Council of the City of Billings believes that it is in the public interest that the community's existing, vacant commercial buildings or structures be remodeled, reconstructed or expanded, thereby improving the community's appearance, expanding employment and increasing the tax base; and

**WHEREAS**, the Montana Legislature has approved, in Section 15-24-1502 MCA, a means for Montana cities to provide tax incentives for remodeling, reconstructing or expanding certain commercial property; and

**WHEREAS**, the City Council desires to offer those property tax incentives to remodel, reconstruct or expand certain commercial property.

### **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA AS FOLLOWS:**

1. That it is in the public interest to encourage existing, vacant commercial building remodeling, reconstruction or expansion in the city of Billings through property tax incentives.
2. A tax incentive program is hereby established that meets the requirements set forth in Section 15-24-1502 MCA and applicable Administrative Rules of Montana.
3. Each applicant shall meet the following minimum criteria:
  - a. The commercial building or structure has not been used in a business for at least six (6) months immediately preceding the date of application to the City
  - b. the construction increases the property's taxable value by at least 5% as determined by the Montana Department of Revenue
  - c. provide documentation that all property taxes on the property have been paid, except that taxes paid under protest do not preclude application approval
  - d. provide information on the number and pay ranges of jobs that are created or retained by the construction project
  - e. the applicant has completed the application procedures outlined in attached Exhibit A.
4. The incentive is limited to the increase in taxable value of the building improvements due to the remodeling, reconstruction or expansion. The percentage of the increased taxable value that is subject to taxation during the construction period and for the ten years following construction shall be as follows:

|                                                                             |        |
|-----------------------------------------------------------------------------|--------|
| Construction period up to 12 months<br>and for 5 years following completion | Exempt |
| First year following exemption                                              | 20%    |
| Second year following exemption                                             | 40%    |
| Third year following exemption                                              | 60%    |
| Fourth year following exemption                                             | 80%    |
| Fifth year following exemption and<br>all subsequent years                  | 100%   |

5. The tax incentive is limited to the number of mills levied by the local high school district, the local elementary school district and the City of Billings.
6. The City Council must authorize the granting of the tax incentive to any applicant by passing a resolution approving the application of the schedule of tax incentives set forth above in Paragraph 4 or some other schedule, for each existing building or structure as to which the tax incentive is granted.

**BE IT FURTHER RESOLVED** that property owners are hereby encouraged to apply to the City of Billings for consideration of tax incentives authorized pursuant to Section 15-24-1502, M.C.A. for remodeling, reconstruction or expansion of vacant, existing commercial buildings where the remodeling, reconstruction or expansion will increase the property's taxable value by at least 5% as determined by the State of Montana Department of Revenue or its agents.

**PASSED AND APPROVED** by the City Council this 12<sup>th</sup> day of December, 2005.

#### CITY OF BILLINGS

By: \_\_\_\_\_  
Charles F. Tooley, Mayor

ATTEST:

By: \_\_\_\_\_  
Marita Herold, CMC/AAE, City Clerk

## EXHIBIT A

### APPLICATION PROCEDURES FOR CITY OF BILLINGS, MONTANA TAX INCENTIVE PROGRAM FOR REMODELING, RECONSTRUCTING OR EXPANDING EXISTING, VACANT COMMERCIAL BUILDINGS

- Prospective clients contact Big Sky Economic Development Authority (BSEDA) who acts as the intermediary in the application process, and an initial meeting is scheduled.
- At the initial meeting, prospective client project is discussed to determine if the project meets the tax incentive application criteria. If the project appears to qualify for an incentive, the client is given tax incentive applications, copies of the tax incentive program cited in the *Montana Code Annotated* and copies of the adopting resolutions.
- Clients then complete and return applications and supporting documentation and the applicable processing fee to BSEDA. BSEDA reviews the application for completeness.
- An appointment is then scheduled with the designated City staff to review the project documentation and perform a site visit if needed. This leads to either staff endorsement of the project or a determination that the project does not meet the program criteria.
- City staff will prepare and submit a staff report, accompanied by the application documentation, and schedule a public hearing with the City Council. The staff report will advise the Council why the application should be approved, conditionally approved, including recommended conditions, or denied.
- City staff will prepare a resolution for Council consideration that contains the elements required by state law and administrative rules.
- The City Council will conduct a public hearing on the application at its next available regular meeting and will approve, conditionally approve or disapprove the application.
- BSEDA will send a letter to the applicant regarding the Council's decision, including any conditions of approval.
- When the construction reaches substantial completion, the client contacts BSEDA and schedules a final inspection to determine if the project meets tax incentive requirements and any conditions of approval.
- If the project meets all City and State requirements, BSEDA will work with City staff to prepare and submit a final approval letter and appropriate documentation to the Montana Department of Revenue.

**City Council Regular**

**Date:** 11/12/2024  
**Title:** Second/Final Reading Ordinance adopting 2021 International Fire Code  
**Presented by:** Jaime Fender, Assistant Fire Marshal  
**Department:** Fire  
**Presentation:** Yes  
**Legal Review:** Yes  
**Project Number:** NA

**RECOMMENDATION**

The Billing's Fire Department, Building Department, general construction and building contractors, and fire protection specialists recommend the approval of the 2021 International Fire Code (IFC).

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The State of Montana adopted the 2021 Edition of the International Fire Code (IFC) on March 11, 2023. The 2021 Edition of the International Building Code was adopted by the City of Billings on September 1st, 2022. The IFC is considered a companion code created by the International Code Council that is designed to work in unison with other I-Codes (plumbing code, Mechanical Code, Fuel Gas Code, Etc). All I-codes adopted by the City of Billings are using the 2021 Edition, except the IFC.

**STAKEHOLDERS**

The stakeholders for adopting the 2021 Edition of IFC are the City of Billing's Fire Department, Billing's Building Department, fire protection system designers and contractors, general contractors, building and fire protection plan reviewers.

**ALTERNATIVES**

City Council may:

- Approve 2021 IFC
- Not Approve 2021 IFC

The City Council may choose from two model fire codes in the United States to adopt; Uniform Fire Code (NFPA1/UFC) and the International Fire Code.

The Pros and Cons to the adoption of either code have been analyzed and are presented for the City Council as follows:

**Alternative 1**

Adoption of the 2021 IFC (recommended)

**Pros:** The IFC is a "companion code" and directly correlates with the International Building Code that is adopted throughout the state and in the City of Billings. Private industry, including architects and engineers, support the adoption of the IFC. Fire prevention bureau staff is prepared to implement the 2021 IFC immediately. The fire department has already purchased the 2021 IFC code books for staff. The State Fire Marshal's Office has already adopted the 2021 IFC. Adoption of the 2021 IFC will keep the city consistent with state law.

**Cons:** None

**Alternative 2**

Adoption of the 2021 Uniform Fire Code

**Pros:** None

**Cons:** NFPA1/UFC is not a "companion code" to the International Codes which control most of the construction in this state. Adoption of a non-companion fire code would decrease staff's effectiveness, increase building plan review times, and cause confusion with architects and engineers concerning fire code requirements. Adoption of a non-companion fire code would cause inconsistencies between the building and fire codes.

| Criteria       | 2021 IFC                         | 2021 UFC                            |
|----------------|----------------------------------|-------------------------------------|
| Companion Code | Works with IBC and other I-Codes | Independent, not a companion to IBC |

|                           |                                                            |                                                           |
|---------------------------|------------------------------------------------------------|-----------------------------------------------------------|
| Industry Support          | Strong support from architects, engineers                  | More niche support, especially in fire protection circles |
| State and Local Adoption  | Widely adopted and aligned with state law                  | Less common in some jurisdictions, including Montana      |
| Implementation Efficiency | Easier to implement due to alignment with other codes      | May increase plan review complexity                       |
| Comprehensiveness         | Comprehensive, covering a wide range of fire safety topics | More focused on fire prevention and protection            |

## FISCAL EFFECTS

There is no significant financial impact of adopting the 2021 IFC. 2021 IFC books have already been purchased.

## SUMMARY

Presented the 2021 International Fire Code adoption with State of Montana and City of Billings' amendments to City Council for public hearing and 1st reading ordinance on October 28, 2024. On June 3, 2024, I requested city council's guidance on changing the fire code adoption process from a city ordinance to an administrative order. It was city council's opinion to keep the process of adoption via city ordinance. On September 16, 2024, I presented the local amendments to the 2021 International Fire Code that are stricter than what the State of Montana adopted. All other changes from the state of Montana's code adoption to Billings local amendments are already in place. 2nd and final reading are scheduled for November 25, 2024.

State of Montana 2021 Fire Code Adoption

<https://rules.mt.gov/browse/collections/aec52c46-128e-4279-9068-8af5d5432d74/policies/3bc741e2-2367-4657-be3f-ccbb026e8746>

IFC

<https://codes.iccsafe.org/content/IFC2021P2>

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## Attachments

IFC Repeal Ordinance Final Redline

IFC Repeal Ordinance Clean Copy

ORDINANCE 24-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF BILLINGS,  
PROVIDING THAT CHAPTER 14 OF THE BILLINGS,  
MONTANA CITY CODE (BMCC) BE AMENDED BY  
AMENDING THIS SECTION OF CHAPTER 14 FIRE  
PREVENTION AND PROTECTION: 14-301

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS THAT:

**Section 1.** That Section 14-301 of the Billings, Montana City Code (BMCC) be amended so that such article shall read as follows:

**Sec. 14-301. - Adoption by reference of the 2021 edition of the International Fire Code.**

- (a) The International Fire Code, 2021 edition, including Appendices "B", "C", "E", "F", "G", "I", as published by the International Code Council, is adopted by reference as the fire code of the city. It regulates and governs the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises as herein provided; provides for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, penalties, conditions and terms of said fire code on file in the office of the city clerk are hereby referred to, adopted, and made a part hereof, as if fully set out, with the additions, insertions, deletions and changes, if any, set by ordinance, or as amended and mandated by the State of Montana from time to time.

- (b) The following sections of the Fire Code are hereby amended as follows:

*Section 101.1 Title.* Insert: [City of Billings, Montana] so that such section shall read as follows:

"101.1 Title. These regulations shall be known as the Fire Code of the City of Billings, Montana, hereinafter referred to as "this code."

- (a) 104.2 Application and permits is adopted.

- (b) 105.1.1 Permits is adopted.



(c) The Permit sections of the following chapters are adopted: 3, 5, 6, 9, 11, 12, 20 through 35, 37, 39, 50 through 55, and 57 through 67.

(d) 106 CONSTRUCTION DOCUMENTS is adopted.

(e) 107 FEES is not adopted.

(f) 108.2.1 Inspection requests is adopted.

(g) 108.2.2 Approval required is adopted.

(h) 108.3 Concealed work is adopted.

(i) 111 MEANS OF APPEALS is not adopted.

*Section 111 Means Of Appeals.* Delete: Entire section.

*Section 112.4 Violation penalties.* Insert: [Misdemeanor, \$500.00, 6 months] so that such section shall read as follows:

"112.4 Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor, punishable by a fine of not more than \$500.00 or by imprisonment not exceeding 6 months, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense."

*Section 113.4 Failure to comply.* Insert: [not less than \$100.00 or more than \$500.00] so that such section shall read as follows:

"113.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$100.00 or more than \$500.00."

*Section 202 GENERAL DEFINITIONS* is amended by adding or modifying the following definitions:

BUILDING OFFICIAL is modified to read:

"The Chief of the Building and Commercial Measurements Bureau of the Department of Labor and Industry or, when made applicable by statute or rule, the building official of the City of Billings, Montana or the building official of Yellowstone County, Montana."

FARM is added and defined as: "A tract of land devoted to agricultural purposes."

"Governmental fire agencies. Any fire department organized under Montana law under the jurisdiction of a city, county, state, fire district, or fire service area."

NATIONALLY RECOGNIZED STANDARDS is added and defined as:

"Includes, but is not limited to, any of the standards referenced in: NFPA; IFC 2021 edition, Underwriters Laboratories Inc. (UL); American Petroleum Institute (API); American Society for Testing and Materials (ASTM); and American National Standards Institute (ANSI)."

OCCUPANCY CLASSIFICATION Group E, day care facilities

"This group includes buildings and structures or portions thereof occupied by more than five children older than 2 ½ years of age who receive educational, supervision or personal care services for less than 24 hours per day.

(A) Fifteen or fewer children. A facility having fifteen or fewer children receiving such care shall be classified as part of the primary occupancy.

(B) Fifteen or fewer children in a dwelling unit. A facility such as the above within a dwelling unit and having fifteen or fewer children receiving such care shall be classified as a Group R-3 occupancy or shall comply with the

(C) Within places of worship. Rooms and spaces within places of worship providing such care during religious functions shall be classified as part of the primary occupancy."

RANCH is added and defined as: "A tract of land devoted to agricultural purposes."

RURAL AREA is added and defined as:

“Those areas located three miles or more beyond (outside) the corporate limits of a Class 1 or Class 2 city, as defined in 7-2-4111, MCA, when the Class 3 city's population is more than 1,500 residents. In the case of any unincorporated place, city, or community, or town, the unincorporated place, city, community, or town, the unincorporated place, city, community, or town will be considered rural if it has a population of less than 1,500 and a density of less than 800 persons per square mile, according to the most recent U.S. census.”

*Section 307.2 Permit required.* Delete: [recognized silvicultural or range or wildlife management practices, prevention or control of disease or pests, or a bonfire. Application for such approval shall only be presented by and permits issued to the owner of the land upon which the fire is to be kindled.], Insert: [approved agricultural and rural burning, bon fires, and open burning conducted by government agencies subject to the approval of the fire code official. Application for such approval shall only be presented by and permits issued to the owner or lessee of the land upon which the fire is to be kindled or a responsible person.] so that such section shall read as follows:

"307.2 Permit required. A permit shall be obtained from the fire code official in accordance with Section 105 prior to kindling a fire for approved agricultural and rural burning, bon fires, and open burning conducted by government agencies subject to the approval of the fire code official. Application for such approval shall only be presented by and permits issued to the owner or lessee of the land upon which the fire is to be kindled or a responsible person."

*Section 307.3 Extinguishment authority.* Insert: [recreational fires, bon fires, portable outdoor fireplaces, or], Delete: [open], [open] so that such section shall read as follows:

"307.3 Extinguishment authority. When recreational fires, bon fires, portable outdoor fireplaces, or open burning creates or adds to a hazardous situation, or a required permit for burning has not been obtained, the fire code official is authorized to order the extinguishment of the burning operation.

311.6 Unoccupied tenant spaces in mall buildings. 2. and 3. are not adopted.

319.10.3 Fuel gas systems is not adopted.

*Section 311.6 Unoccupied tenant spaces in mall buildings.*

*Section 405.3* section and replace with: "Frequency. Required emergency evacuation drills shall be held at the intervals specified in 20-1-402, MCA. There must be at least eight emergency evacuation/disaster drills held a year in a school. At least four of the drills must be fire exit drills. Drills must be held at different hours of the day or evening to avoid distinction between drills and actual disasters." In Table 405.3, delete the word "monthly" from the Frequency column, applicable to Group E, and replace with "20-1-402, MCA."

407.5 Hazardous Materials Inventory Statement is not adopted.

407.6 Hazardous Materials Management Plan is not adopted.

407.7 Facility closure plans is not adopted.

*Section 903.2.4.2 Group F-1 distilled spirits*

*Section 903.2.8 Group R.* Delete subsection 903.2.8 and replace with the following:

"903.2.8 Group R.

1. An approved automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all Group R buildings meeting any of the following criteria:
  - a. 9 or more transient guests or 5 or more transient guestrooms
  - b. 9 or more occupants in other than dwelling units;
  - c. 5 or more dwelling units; or
  - d. more than 2 stories
2. In lieu of the above required automatic sprinkler system in buildings not more than three stories above the lowest level of exit discharge, each transient guestroom may be provided with at least one door leading directly to an exterior exit access that leads directly to approved exits.
3. Transient guest for the purpose of this subsection shall mean an occupant who is primarily transient in nature, staying at one location for 30 days or less.
4. The requirements for automatic sprinkler systems for R-4 occupancies are found in ARM 24.301.146."

*Section 903.2.9.3 Group S-1 distilled spirits or wine*

*Section 903.3.5 Water Supplies.* Insert: [A minimum safety factor of 10% but not less than 5 psi shall be provided in any automatic sprinkler system hydraulic calculation.] so that such section shall read as follows:

" 903.3.5 Water supplies. "Water supplies for *automatic sprinkler systems* shall comply with this section and the standards referenced in Section 903.3.1. The potable water supply shall be protected against backflow in accordance with the requirements of this section and the *International Plumbing Code*. For connections to public waterworks systems, the water supply test used for design of fire protection systems shall be adjusted to account for seasonal and daily pressure fluctuations based on information from the water supply authority and as approved by the

903.4.2 Alarms. Insert [and visual] so that such section shall read as follows:

"903.4.2 Alarms. An approved audible and visual device, located on the exterior of the building in an approved location, shall be connected to each automatic sprinkler system. Such sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

903.6 Where required in

existing

buildings and structures

is not adopted.

Exception 1 is not adopted.

*Section 907.6.6 Monitoring.* [When required by the fire code official, non-required fire alarm systems shall be monitored by an approved supervising station in accordance with NFPA 72 and this code.] so that such section shall read as follows:

"907.6.6 Monitoring. Fire alarm systems required by this chapter or by the International Building Code shall be monitored by an approved supervising station in accordance with NFPA 72. When required by the fire code official,

non-required fire alarm systems shall be monitored by an approved supervising station in accordance with NFPA 72 and this code.

Exception: Monitoring by a supervising station is not required for:

1. Single- and multiple-station smoke alarms required by Section 907.2.11.
2. Smoke detectors in Group I-3 occupancies.
3. Automatic sprinkler systems in one- and two-family dwellings.

1009.8 Two-way communication. Add "Emergency elevator communication equipment systems for the deaf, hard of hearing, and speech impaired, is amended as follows: Emergency elevator communication systems for the deaf, hard of hearing, and speech impaired. An emergency two-way communication system shall be provided in accordance with the provisions of ASME A17.1/CSA B44 and NFPA 72."

1010.2 Door operations. Adopted, adding the sentence "Exit doors shall not be locked, chained, bolted, barred, latched, or otherwise rendered unusable. All locking devices shall be of an approved type."

1020.2 Construction. Amend by adding the following: "Upgrading of corridors in existing E occupancies serving an occupant load of 30 or more, may have walls and ceilings of not less than one-hour fire-resistive construction as required by this code. Existing walls surfaced with wood lathe and plaster in good condition or 1/2-inch gypsum wallboard or openings with fixed wired glass set in steel frames are permitted for corridor walls and ceilings and occupancy separations when approved. Doors opening into such corridors shall be protected by 20- minute fire assemblies or solid wood doors not less than 1 3/4 inches (45 mm) thick. Where the existing frame will not accommodate the 1 3/4-inch-thick door, a 1 3/8-inch-thick solid bonded wood-core door or equivalent insulated steel door shall be permitted. Doors shall be

*Table 1020.2 CORRIDOR FIRE-RESISTANCE RATING, R Occupancy, replace Greater than 10" with "Greater than 8."*

*Section 1020.2 Construction and Table 1020.2*

*Section*

1031.2 Where required. Amend as follows: "In addition to the means of egress required by this chapter, emergency escape and rescue openings shall be required in all sleeping rooms in Group R occupancies located in buildings that do not have an automatic sprinkler system and in the following occupancies:"

*Table 1103.1 OCCUPANCY AND USE REQUIREMENTS. Amend to include "R" (required to comply) for Section 1103.9 under "E" Occupancy Classification column.*

1103.5 Sprinkler systems is not adopted.

1207.1.2.1 Communication utilities is not adopted.

1207.10.4 Construction documents is not adopted.

1207.10.5 Approved locations is not adopted.

1207.10.7.5 Local staging. Delete words "when the permit is issued."

2006.2 Airport fuel systems. Change NFPA 407 to NFPA 407-12.

*Section 2006.3 Construction of aircraft-fueling vehicles and accessories*

*Section 2306.2.1 Underground tanks.* Delete: [Chapter 57], Insert: [Montana Code Annotated (MCA) and the Administrative Rules of Montana (ARM)] so that such section shall read as follows:

"2306.2.1 Underground tanks. Underground tanks for the storage of Class I, II and IIIA liquid fuels shall comply with Montana Code Annotated (MCA) and the Administrative Rules of Montana (ARM)."

2306.2.3 Above-ground tanks located outdoors, above grade, is adopted. See 50-3-103, MCA, for modifications. In paragraph 4., change Section 5706.2 to ARM 23.12.605.

2306.7.9 through 2306.7.9.2.4 Vapor-recovery and vapor-processing systems are not adopted.

3103.2 Approval required. Adopted, but deleting "a permit and."

3103.7 Inspections. Delete the word "permit." After Exception: delete the word "Permit."

3104.2 Flame propagation performance testing and certification. In the first and last sentence of the paragraph, change the word "permit" to "approval."

3105.5 Required documents. Delete the words "the fire code official and."

3106.4.1 Public safety plan for gatherings. Delete the words "with the application for an operational permit as required by section 3106.2.2."

3201.3 Construction documents. In the first sentence, delete the words "and at the time of application for a storage permit." In the second sentence, change the words "storage permit" to "building permit."

3201.4 Fire safety and evacuation plan. Delete the words "at the time of permit application."

3504.3 Area reviews. In the first sentence, delete the words "while the permit is in effect" and delete the second sentence "Information shown on the permit shall be verified prior to signing the permit in accordance with Section 105.5."

5001.6.1 Temporarily out-of-service facilities. Delete the words "maintain a permit and."

5001.6.2 Permanently out-of-service facilities. Replace paragraph with "Facilities not monitored and inspected on a regular basis shall be deemed to be permanently out of service and shall be closed in an approved

5003.3.1.1 Records. Delete the words "by the permittee."

5003.5 Hazard identification signs. Delete the words "in quantities requiring a permit and."

5307.4.1 Documentation. Change the words "with the application for permit" to "to the fire code official for approval."

5503.1.1.1 Data submitted for approval. Delete the words "with the application."

5601.1.3 Fireworks - is not adopted and is replaced by Title 50, chapter 37, MCA.

5601.2 Permit required. Replace section 105.5 with 50-37-107, MCA.

5601.2.2 through 5601.2.4.2 are not adopted and are replaced with Title 50, chapter 37, MCA.

5606.5 through 5606.5.2.3 Display and storage in Group M occupancies are not adopted and are replaced with 50-61-120 and 50-61-121, MCA.

*Section 5606.5.2. Storage.* Delete: [Sections 5606.5.2.1 through 5606.5.2.3], Insert: [Section 5606.5.2.2 and MCA 50-61-121] so that such section shall read as follows:

"5606.5.2. Storage. Storage of small arms ammunition components shall comply with Section 5606.5.2.2 and MCA 50-61-121."

5608.1



(c) That the geographic limits referred to in certain sections of the 2021 International Fire Code are hereby established as follows:

*"Section 5704.2.9.6.1 Locations where above-ground tanks are prohibited. Storage of Class I and II liquids in above-ground tanks outside of buildings is prohibited within the limits established by the City of Billings Zoning Code."*

5706.1 General. In paragraph 1., delete "farms and."

5706.2 Storage and dispensing of flammable and combustible liquids on farms and construction sites. Delete "farms and" from the heading and "on farms and rural areas and" from the paragraph. Add at the end of the paragraph "See ARM 23.12.605 for requirements of farms and rural areas."

5706.2.5.1 Tanks with top openings only. Paragraph 2. is not adopted.

*"Section 5706.2.4.4 Locations where above-ground tanks are prohibited. The storage of Class I and II liquids in above-ground tanks is prohibited within the limits established by the City of Billings Zoning Code."*

5706.5.4.5 Commercial, industrial, governmental or manufacturing. Paragraph 1. is not adopted. Delete the first sentence in paragraph 3.

5707.1.1 Approval required. Delete the words "first obtaining a permit and."

*"Section 5806.2 Limitations. Storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited within the limits established by the City of Billings Zoning Code."*

*"Section 6104.2 Maximum capacity within established limits. For the protection of heavily populated or congested areas, the storage of liquefied petroleum gas shall not exceed the aggregate capacity of 2,000 gallons for any one installation. Storage of liquefied petroleum gas in above-ground tanks outside of buildings is restricted within the limits established by the City of Billings Zoning Code."*

On page 80-12, Referenced Standards, change NFPA 407-17 to NFPA 407-12.

**Section 2. EFFECTIVE DATE.** This ordinance shall be effective thirty (30) days after second reading and final adoption as provided by law.

**Section 3. REPEALER.** All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

**Section 4. SEVERABILITY.** If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

PASSED by the City Council on first reading the \_\_\_\_\_ day of October, 2024.

PASSED, ADOPTED and APPROVED on second reading this \_\_\_\_\_ day of November, 2024.

CITY OF BILLINGS

BY: \_\_\_\_\_  
William A. Cole, Mayor

Attest:

BY: \_\_\_\_\_  
Denise R. Bohlman, City Clerk

ORDINANCE 24-\_\_\_\_\_

AN ORDINANCE OF THE CITY OF BILLINGS,  
PROVIDING THAT CHAPTER 14 OF THE BILLINGS,  
MONTANA CITY CODE (BMCC) BE AMENDED BY  
AMENDING THIS SECTION OF CHAPTER 14 FIRE  
PREVENTION AND PROTECTION: 14-301

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BILLINGS THAT:

**Section 1.** That Section 14-301 of the Billings, Montana City Code (BMCC) be amended so that such article shall read as follows:

**Sec. 14-301. - Adoption by reference of the 2021 edition of the International Fire Code.**

- (a) The International Fire Code, 2021 edition, including Appendices "B", "C", "E", "F", "G", "I", as published by the International Code Council, is adopted by reference as the fire code of the city. It regulates and governs the safeguarding of life and property from fire and explosion hazards arising from the storage, handling and use of hazardous substances, materials and devices, and from conditions hazardous to life or property in the occupancy of buildings and premises as herein provided; provides for the issuance of permits and collection of fees therefore; and each and all of the regulations, provisions, penalties, conditions and terms of said fire code on file in the office of the city clerk are hereby referred to, adopted, and made a part hereof, as if fully set out, with the additions, insertions, deletions and changes, if any, set by ordinance, or as amended and mandated by the State of Montana from time to time.

- (b) The following sections of the Fire Code are hereby amended as follows:

*Section 101.1 Title.* Insert: [City of Billings, Montana] so that such section shall read as follows:

"101.1 Title. These regulations shall be known as the Fire Code of the City of Billings, Montana, hereinafter referred to as "this code."

- (a) 104.2 Application and permits is adopted.

- (b) 105.1.1 Permits is adopted.

- (c) The Permit sections of the following chapters are adopted: 3, 5, 6, 9, 11, 12, 20 through 35, 37, 39, 50 through 55, and 57 through 67.

(d) 106 CONSTRUCTION DOCUMENTS is adopted.

(e) 107 FEES is not adopted.

(f) 108.2.1 Inspection requests is adopted.

(g) 108.2.2 Approval required is adopted.

(h) 108.3 Concealed work is adopted.

(i) 111 MEANS OF APPEALS is not adopted.

*Section 111 Means Of Appeals.* Delete: Entire section.

*Section 112.4 Violation penalties.* Insert: [Misdemeanor, \$500.00, 6 months] so that such section shall read as follows:

"112.4 Violation penalties. Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or who shall erect, install, alter, repair or do work in violation of the approved construction documents or directive of the fire code official, or of a permit or certificate used under provisions of this code, shall be guilty of a misdemeanor, punishable by a fine of not more than \$500.00 or by imprisonment not exceeding 6 months, or both such fine and imprisonment. Each day that a violation continues after due notice has been served shall be deemed a separate offense."

*Section 113.4 Failure to comply.* Insert: [not less than \$100.00 or more than \$500.00] so that such section shall read as follows:

"113.4 Failure to comply. Any person who shall continue any work after having been served with a stop work order, except such work as that person is directed to perform to remove a violation or unsafe condition, shall be liable to a fine of not less than \$100.00 or more than \$500.00."

*Section 202 GENERAL DEFINITIONS* is amended by adding or modifying the following definitions:

BUILDING OFFICIAL is modified to read:

"The Chief of the Building and Commercial Measurements Bureau of the Department of Labor and Industry or, when made applicable by statute or rule, the building official of the City of Billings, Montana or the building official of Yellowstone County, Montana."

FARM is added and defined as: “A tract of land devoted to agricultural purposes.”

FIRE DEPARTMENT is added and defined as:

“Governmental fire agencies. Any fire department organized under Montana law under the jurisdiction of a city, county, state, fire district, or fire service area.”

NATIONALLY RECOGNIZED STANDARDS is added and defined as:

“Includes, but is not limited to, any of the standards referenced in: NFPA; IFC 2021 edition, Underwriters Laboratories Inc. (UL); American Petroleum Institute (API); American Society for Testing and Materials (ASTM); and American National Standards Institute (ANSI).”

OCCUPANCY CLASSIFICATION Group E, day care facilities is modified to read:

“This group includes buildings and structures or portions thereof occupied by more than five children older than 2 ½ years of age who receive educational, supervision or personal care services for less than 24 hours per day.

(A) Fifteen or fewer children. A facility having fifteen or fewer children receiving such care shall be classified as part of the primary occupancy.

(B) Fifteen or fewer children in a dwelling unit. A facility such as the above within a dwelling unit and having fifteen or fewer children receiving such care shall be classified as a Group R-3 occupancy or shall comply with the *International Residential Code*.

(C) Within places of worship. Rooms and spaces within places of worship providing such care during religious functions shall be classified as part of the primary occupancy.”

RANCH is added and defined as: “A tract of land devoted to agricultural purposes.”

RURAL AREA is added and defined as:

“Those areas located three miles or more beyond (outside) the corporate limits of a Class 1 or Class 2 city, as defined in 7-2-4111, MCA, when the Class 3 city's population is more than 1,500 residents. In the case of any

unincorporated place, city, or community, or town, the unincorporated place, city, community, or town, the unincorporated place, city, community, or town will be considered rural if it has a population of less than 1,500 and a density of less than 800 persons per square mile, according to the most recent U.S. census."

*Section 307.2 Permit required.* Delete: [recognized silvicultural or range or wildlife management practices, prevention or control of disease or pests, or a bonfire. Application for such approval shall only be presented by and permits issued to the owner of the land upon which the fire is to be kindled.], Insert: [approved agricultural and rural burning, bon fires, and open burning conducted by government agencies subject to the approval of the fire code official. Application for such approval shall only be presented by and permits issued to the owner or lessee of the land upon which the fire is to be kindled or a responsible person.] so that such section shall read as follows:

"307.2 Permit required. A permit shall be obtained from the fire code official in accordance with Section 105 prior to kindling a fire for approved agricultural and rural burning, bon fires, and open burning conducted by government agencies subject to the approval of the fire code official. Application for such approval shall only be presented by and permits issued to the owner or lessee of the land upon which the fire is to be kindled or a responsible person."

*Section 307.3 Extinguishment authority.* Insert: [recreational fires, bon fires, portable outdoor fireplaces, or], Delete: [open], [open] so that such section shall read as follows:

"307.3 Extinguishment authority. When recreational fires, bon fires, portable outdoor fireplaces, or open burning creates or adds to a hazardous situation, or a required permit for burning has not been obtained, the fire code official is authorized to order the extinguishment of the burning operation."

311.6 Unoccupied tenant spaces in mall buildings. 2. and 3. are not adopted.

319.10.3 Fuel gas systems is not adopted.

*Section 311.6 Unoccupied tenant spaces in mall buildings.* Items 2 and 3 are deleted.

*Section 405.3 Frequency.* Delete section and replace with: "Frequency. Required emergency evacuation drills shall be held at the intervals specified in 20-1-402, MCA. There must be at least eight emergency evacuation/disaster drills held

a year in a school. At least four of the drills must be fire exit drills. Drills must be held at different hours of the day or evening to avoid distinction between drills and actual disasters." In Table 405.3, delete the word "monthly" from the Frequency column, applicable to Group E, and replace with "20-1-402, MCA."

407.5 Hazardous Materials Inventory Statement is not adopted.

407.6 Hazardous Materials Management Plan is not adopted.

407.7 Facility closure plans is not adopted.

*Section 903.2.4.2 Group F-1 distilled spirits.* Amend by adding the following paragraph: "Exception: An automatic sprinkler system is not required where a Group F-1 fire area used for the manufacture of distilled spirits is not more than one story above-grade plane, and not exceeding 2,500 square feet."

*Section 903.2.8 Group R.* Delete subsection 903.2.8 and replace with the following:

"903.2.8 Group R.

1. An approved automatic sprinkler system installed in accordance with Section 903.3 shall be provided in all Group R buildings meeting any of the following criteria:
  - a. 9 or more transient guests or 5 or more transient guestrooms
  - b. 9 or more occupants in other than dwelling units;
  - c. 5 or more dwelling units; or
  - d. more than 2 stories
2. In lieu of the above required automatic sprinkler system in buildings not more than three stories above the lowest level of exit discharge, each transient guestroom may be provided with at least one door leading directly to an exterior exit access that leads directly to approved exits.
3. Transient guest for the purpose of this subsection shall mean an occupant who is primarily transient in nature, staying at one location for 30 days or less.
4. The requirements for automatic sprinkler systems for R-4 occupancies are found in ARM 24.301.146."

*Section 903.2.9.3 Group S-1 distilled spirits or wine* is amended to include: "Exception: An automatic sprinkler system is not required where a Group S1 fire

area used for the bulk storage of distilled spirits or wine is not more than one story above grade plane, and not exceeding 2,500 square feet."

*Section 903.3.5 Water Supplies.* Insert: [A minimum safety factor of 10% but not less than 5 psi shall be provided in any automatic sprinkler system hydraulic calculation.] so that such section shall read as follows:

" 903.3.5 Water supplies. "Water supplies for *automatic sprinkler systems* shall comply with this section and the standards referenced in Section 903.3.1. The potable water supply shall be protected against backflow in accordance with the requirements of this section and the *International Plumbing Code*. For connections to public waterworks systems, the water supply test used for design of fire protection systems shall be adjusted to account for seasonal and daily pressure fluctuations based on information from the water supply authority and as approved by the *fire code official*. A minimum safety factor of 10% but not less than 5 psi shall be provided in any automatic sprinkler system hydraulic calculation."

903.4.2 Alarms. Insert [and visual] so that such section shall read as follows:

"903.4.2 Alarms. An approved audible and visual device, located on the exterior of the building in an approved location, shall be connected to each automatic sprinkler system. Such sprinkler water-flow alarm devices shall be activated by water flow equivalent to the flow of a single sprinkler of the smallest orifice size installed in the system. Where a fire alarm system is installed, actuation of the automatic sprinkler system shall actuate the building fire alarm system.

903.6 Where required in existing buildings and structures is not adopted.

906.1 Where required. Exception 1 is not adopted.

*Section 907.6.6 Monitoring.* [When required by the fire code official, non-required fire alarm systems shall be monitored by an approved supervising station in accordance with NFPA 72 and this code.] so that such section shall read as follows:

"907.6.6 Monitoring. Fire alarm systems required by this chapter or by the International Building Code shall be monitored by an approved supervising station in accordance with NFPA 72. When required by the fire code official, non-required fire alarm systems shall be monitored by an approved supervising station in accordance with NFPA 72 and this code.

Exception: Monitoring by a supervising station is not required for:



1. Single- and multiple-station smoke alarms required by Section 907.2.11.
2. Smoke detectors in Group I-3 occupancies.
3. Automatic sprinkler systems in one- and two-family dwellings.

1009.8 Two-way communication. Add "Emergency elevator communication equipment systems for the deaf, hard of hearing, and speech impaired, is amended as follows: Emergency elevator communication systems for the deaf, hard of hearing, and speech impaired. An emergency two-way communication system shall be provided in accordance with the provisions of ASME A17.1/CSA B44 and NFPA 72."

1010.2 Door operations. Adopted, adding the sentence "Exit doors shall not be locked, chained, bolted, barred, latched, or otherwise rendered unusable. All locking devices shall be of an approved type."

1020.2 Construction. Amend by adding the following: "Upgrading of corridors in existing E occupancies serving an occupant load of 30 or more, may have walls and ceilings of not less than one-hour fire-resistive construction as required by this code. Existing walls surfaced with wood lathe and plaster in good condition or 1/2-inch gypsum wallboard or openings with fixed wired glass set in steel frames are permitted for corridor walls and ceilings and occupancy separations when approved. Doors opening into such corridors shall be protected by 20- minute fire assemblies or solid wood doors not less than 1 3/4 inches (45 mm) thick. Where the existing frame will not accommodate the 1 3/4-inch-thick door, a 1 3/8-inch-thick solid bonded wood-core door or equivalent insulated steel door shall be permitted. Doors shall be selfclosing or automatic closing by smoke detection. Transoms and openings other than doors from corridors to rooms shall comply with this code or shall be covered with a minimum of 3/4 - inch plywood or 1/2-inch gypsum wallboard or equivalent material on the room side. Exception: Existing corridor walls, ceilings, and opening protection not in compliance with the above may be continued when such buildings are protected with an approved automatic sprinkler system throughout. Such sprinkler system may be supplied from the domestic water system if it is of adequate volume and pressure."

*Table 1020.2 CORRIDOR FIRE-RESISTANCE RATING, R Occupancy, replace Greater than 10" with "Greater than 8."*

*Section 1020.2 Construction and Table 1020.2 are amended as stated in ARM 24.301.146 (20) and as may be amended from time to time.*

*Section 1030.1 General is amended as stated in ARM 24.301.146 (22) and as may be amended from time to time.*

1031.2 Where required. Amend as follows: "In addition to the means of egress required by this chapter, emergency escape and rescue openings shall be required in all sleeping rooms in Group R occupancies located in buildings that do not have an automatic sprinkler system and in the following occupancies:"

*Table 1103.1 OCCUPANCY AND USE REQUIREMENTS. Amend to include "R" (required to comply) for Section 1103.9 under "E" Occupancy Classification column.*

1103.5 Sprinkler systems is not adopted.

1207.1.2.1 Communication utilities is not adopted.

1207.10.4 Construction documents is not adopted.

1207.10.5 Approved locations is not adopted.

1207.10.7.5 Local staging. Delete words "when the permit is issued."

2006.2 Airport fuel systems. Change NFPA 407 to NFPA 407-12.

*Section 2006.3 Construction of aircraft-fueling vehicles and accessories. Change NFPA 407 to NFPA 407-12.*

*Section 2306.2.1 Underground tanks. Delete: [Chapter 57], Insert: [Montana Code Annotated (MCA) and the Administrative Rules of Montana (ARM)] so that such section shall read as follows:*

"2306.2.1 Underground tanks. Underground tanks for the storage of Class I, II and IIIA liquid fuels shall comply with Montana Code Annotated (MCA) and the Administrative Rules of Montana (ARM)."

2306.2.3 Above-ground tanks located outdoors, above grade, is adopted. See 50-3-103, MCA, for modifications. In paragraph 4., change Section 5706.2 to ARM 23.12.605.

2306.7.9 through 2306.7.9.2.4 Vapor-recovery and vapor-processing systems are not adopted.

3103.2 Approval required. Adopted, but deleting "a permit and."

3103.7 Inspections. Delete the word "permit." After Exception: delete the word "Permit."

3104.2 Flame propagation performance testing and certification. In the first and last sentence of the paragraph, change the word "permit" to "approval."

3105.5 Required documents. Delete the words "the fire code official and."

3106.4.1 Public safety plan for gatherings. Delete the words "with the application for an operational permit as required by section 3106.2.2."

3201.3 Construction documents. In the first sentence, delete the words "and at the time of application for a storage permit." In the second sentence, change the words "storage permit" to "building permit."

3201.4 Fire safety and evacuation plan. Delete the words "at the time of permit application."

3504.3 Area reviews. In the first sentence, delete the words "while the permit is in effect" and delete the second sentence "Information shown on the permit shall be verified prior to signing the permit in accordance with Section 105.5."

5001.6.1 Temporarily out-of-service facilities. Delete the words "maintain a permit and."

5001.6.2 Permanently out-of-service facilities. Replace paragraph with "Facilities not monitored and inspected on a regular basis shall be deemed to be permanently out of service and shall be closed in an approved manner ."

5003.3.1.1 Records. Delete the words "by the permittee."

5003.5 Hazard identification signs. Delete the words "in quantities requiring a permit and."

5307.4.1 Documentation. Change the words "with the application for permit" to "to the fire code official for approval."

5503.1.1.1 Data submitted for approval. Delete the words "with the application."

5601.1.3 Fireworks - is not adopted and is replaced by Title 50, chapter 37, MCA.

5601.2 Permit required. Replace section 105.5 with 50-37-107, MCA.

5601.2.2 through 5601.2.4.2 are not adopted and are replaced with Title 50, chapter 37, MCA.

5606.5 through 5606.5.2.3 Display and storage in Group M occupancies are not adopted and are replaced with 50-61-120 and 50-61-121, MCA.

*Section 5606.5.2. Storage.* Delete: [Sections 5606.5.2.1 through 5606.5.2.3], Insert: [Section 5606.5.2.2 and MCA 50-61-121] so that such section shall read as follows:

"5606.5.2. Storage. Storage of small arms ammunition components shall comply with Section 5606.5.2.2 and MCA 50-61-121."

5608.1 General . Add "and Title 50, chapter 37, MCA" at end of sentence.

(c) That the geographic limits referred to in certain sections of the 2021 International Fire Code are hereby established as follows:

*"Section 5704.2.9.6.1 Locations where above-ground tanks are prohibited.* Storage of Class I and II liquids in above-ground tanks outside of buildings is prohibited within the limits established by the City of Billings Zoning Code."

5706.1 General. In paragraph 1., delete "farms and."

5706.2 Storage and dispensing of flammable and combustible liquids on farms and construction sites. Delete "farms and" from the heading and "on farms and rural areas and" from the paragraph. Add at the end of the paragraph "See ARM 23.12.605 for requirements of farms and rural areas."

5706.2.5.1 Tanks with top openings only. Paragraph 2. is not adopted.

*"Section 5706.2.4.4 Locations where above-ground tanks are prohibited.* The storage of Class I and II liquids in above-ground tanks is prohibited within the limits established by the City of Billings Zoning Code."

5706.5.4.5 Commercial, industrial, governmental or manufacturing. Paragraph 1. is not adopted. Delete the first sentence in paragraph 3.

5707.1.1 Approval required. Delete the words "first obtaining a permit and."

*"Section 5806.2 Limitations.* Storage of flammable cryogenic fluids in stationary containers outside of buildings is prohibited within the limits established by the City of Billings Zoning Code.

*"Section 6104.2 Maximum capacity within established limits.* For the protection of heavily populated or congested areas, the storage of liquefied petroleum gas shall not exceed the aggregate capacity of 2,000 gallons for any one installation. Storage of liquefied petroleum gas in above-ground tanks outside of buildings is restricted within the limits established by the City of Billings Zoning Code."

On page 80-12, Referenced Standards, change NFPA 407-17 to NFPA 407-12.

**Section 2. EFFECTIVE DATE.** This ordinance shall be effective thirty (30) days after second reading and final adoption as provided by law.

**Section 3. REPEALER.** All resolutions, ordinances, and sections of the City Code inconsistent herewith are hereby repealed.

**Section 4. SEVERABILITY.** If any provision of this ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect the other provisions of this ordinance which may be given effect without the invalid provisions or application, and, to this end, the provisions of this ordinance are declared to be severable.

PASSED by the City Council on first reading the \_\_\_\_\_ day of October, 2024.

PASSED, ADOPTED and APPROVED on second reading this \_\_\_\_\_ day of November, 2024.

CITY OF BILLINGS

BY: \_\_\_\_\_  
William A. Cole, Mayor

Attest:

BY: \_\_\_\_\_  
Denise R. Bohlman, City Clerk

## City Council Regular

**Date:** 11/12/2024  
**Title:** Council Holiday Meetings Schedule  
**Presented by:** Chris Kukulski, City Administrator  
**Department:** City Hall Administration  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

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### RECOMMENDATION

Staff recommends Council approve replacing the second work session of the month (December 16th) with the second regular business meeting and vacate the December 23rd Regular Business meeting date.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

Per Billings, Montana City Code, Sec. 2-211, City Council shall hold regular business meetings on the second and fourth Mondays of each month, unless the meeting would fall on a day recognized as a holiday, then the meeting would be held on the following day (Tuesday). Any regular business meeting may be canceled or rescheduled by majority vote of the Council at any time prior to the date scheduled for such meetings. Traditionally, during the month of December, Councilmembers and staff are on extended holiday leave during the week of Christmas. Therefore, the second work session meeting of the month (third Monday) is vacated in order to hold the second regular business meeting.

This year Christmas is on Wednesday (the 25th) of the fourth week. This year also has a unique situation involving the move of City Hall and Council Chambers to the New City Hall building. In anticipation of the move, it will be necessary to provide time for Channel 7 TV, the IT Department, Spectrum, and the audio-visual company, Teledata, to move cameras and equipment and fiber switch from City Hall to the new building and conduct testing before another Council meeting is held.

Therefore, Staff is asking Council to replace the second work session (December 16th) with the second regular business meeting and vacate the December 23rd meeting date.

### ALTERNATIVES

City Council may:

- Approve staff's recommendation to alter meeting schedule; or
- Disapprove staff's recommendation to alter the December meeting schedule and leave it as is with 2 work sessions in December and 2 regular business meetings. Doing so, may hinder or prevent installation and implementation of audio-visual equipment and fiber switch to be prepared for Council meetings in the New City Hall after the first of the new year.

### FISCAL EFFECTS

N/A

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**City Council Regular**

**Date:** 11/12/2024  
**Title:** Payment of Claims for week of October 7th, 2024  
**Presented by:** Erin Watterud  
**Department:** Finance  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends Council approve the Payment of Claims

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

Claims in the amount of \$1,704,058.82 have been reviewed and are presented for City Council payment approval. A complete listing of the claims for the week are available in the Finance Department. Payment Approval Process Every invoice for payment is entered into the City's accounting system and the backup documentation is scanned in and attached (physical invoices, additional e-mails explaining payments, bids, contracts, etc.). Each invoice goes through a multi-step approval process depending upon the amount of the payment. First, invoices are entered by the department requesting the payment and the department director or designee must perform an initial review and approval of the purchase. The number of approvals within the department can vary based upon the size of the department, but no less than one approver within each department must verify the payment. Second, all payments, regardless of size, must be approved by the Purchasing Agent or designee. The Purchasing Agent will review the payment to ensure purchasing procedures are followed and appropriate documentation is attached. If the payment is greater than \$1,000, then it must be approved by the Finance Director or designee. If that payment is greater than \$10,000, then it must be approved by the City Administrator or Assistant City Administrator. Once all approvals are completed, the payment is able to be made and the Accounts Payable Clerk can print the check. After all checks are printed, a list of all checks in excess of \$2,500 is generated and placed on the next City Council meeting for review.

**ALTERNATIVES**

No other alternatives were analyzed.

**FISCAL EFFECTS**

Claims have a varying impact on department budgets, but are submitted by the departments and reviewed by Finance staff before being sent to the Council.

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**Attachments**

CouncilMemo wk of 10/07/2024

| Check Date | Check # | Name                          | Fund Name      | Amount        | Item Desc                                       |
|------------|---------|-------------------------------|----------------|---------------|-------------------------------------------------|
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 5.73       | 41111813                                        |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 41.53      | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 562.39     | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Transit        | \$ 825.00     | 4115442_DEF                                     |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 701.93     | 4117108                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 989.44     | 4119289                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,977.69   | 4119765                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Transit        | \$ 5.19       | 4120696_Oil                                     |
| 10/07/2024 | ACH     | A & I Distributors            | Solid Waste    | \$ 825.00     | DEF Landfill                                    |
| 10/07/2024 | ACH     | A & I Distributors            | Solid Waste    | \$ 870.00     | DEF Pump. Landfill.                             |
| 10/07/2024 | ACH     | A & I Distributors            | Solid Waste    | \$ 1,650.00   | DEF. Collections.                               |
| 10/07/2024 | ACH     | A & I Distributors            | Street/Traffic | \$ 825.00     | def for trucks                                  |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,255.83   | 41111813                                        |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 41.53      | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,392.86   | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 696.43     | 4117108                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 562.39     | 4119765                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Transit        | \$ 2,263.57   | 4120696_Oil                                     |
| 10/07/2024 | ACH     | A & I Distributors            | Solid Waste    | \$ 171.17     | Drum coupler and tubes. Landfill                |
| 10/07/2024 | ACH     | A & I Distributors            | Solid Waste    | \$ 9.80       | Oil Eater. Landfill.                            |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 41.53      | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,636.26   | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,636.26   | 4117108                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 696.43     | 4119765                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 41.53      | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,997.05   | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 231.40     | 4117108                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 818.13     | 4119765                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 562.39     | 4114398                                         |
| 10/07/2024 | ACH     | A & I Distributors            | Fleet          | \$ 1,441.51   | 4117108                                         |
| 10/07/2024 | ACH     | Burns & McDonnell Engineering | Water          | \$ 212,382.79 | WO 19-42 West End Water Treatment Plant Project |
| 10/07/2024 | ACH     | Eldorado National California  | Transit        | \$ 985.06     | Rear Engine Door Gauge Communicators            |



| Check Date | Check # | Name                         | Fund Name | Amount      | Item Desc                             |
|------------|---------|------------------------------|-----------|-------------|---------------------------------------|
| 10/07/2024 | ACH     | Eldorado National California | Transit   | \$ 14.03    | 90873476_Shipping                     |
| 10/07/2024 | ACH     | Eldorado National California | Transit   | \$ 2,749.84 | 90868837_Rear Leaf Spring             |
| 10/07/2024 | ACH     | Eldorado National California | Transit   | \$ 237.79   | 90868837_Shipping                     |
| 10/07/2024 | ACH     | Galles Filter                | Transit   | \$ 29.93    | U-15130_Turbo V-Clamps                |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 21.76    | P1-33686-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 12.68    | P1-33880-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 14.02    | P1-33956-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 186.60   | P1-34064-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 37.56    | P1-34064-02                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 13.89    | P1-33686-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 23.59    | P1-33686-02                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 24.58    | P1-33956-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 24.58    | P1-33956-02                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 17.62    | P1-33956-03                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 124.16   | P1-34064-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Transit   | \$ 50.32    | U-15130_Unit#1836_Turbo V-Clamps      |
| 10/07/2024 | ACH     | Galles Filter                | Transit   | \$ 17.02    | U-15179_Unit#1836_Clamps & Turbo Hose |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 5.33     | P1-33686-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 186.24   | P1-33880-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 37.56    | P1-33956-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 8.40     | P1-34064-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 12.68    | P1-33676-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 23.59    | P1-33880-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 43.92    | P1-33956-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 104.72   | P1-34064-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Transit   | \$ 50.32    | U-15130_Turbo V-Clamps                |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 7.18     | P1-33686-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 157.08   | P1-33880-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 6.09     | P1-33956-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 21.76    | P1-34064-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 17.16    | P1-33686-01                           |
| 10/07/2024 | ACH     | Galles Filter                | Fleet     | \$ 21.60    | P1-33880-01                           |

| Check Date | Check # | Name          | Fund Name   | Amount    | Item Desc                                 |
|------------|---------|---------------|-------------|-----------|-------------------------------------------|
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 3.68   | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 27.96  | P1-34064-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 46.76  | P1-33686-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 43.92  | P1-33880-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 7.32   | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Solid Waste | \$ 903.03 | Outer, Inner, Cab Air Elements. Landfill. |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 25.20  | P1-32919-03                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 24.58  | P1-33686-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 3.59   | P1-33686-02                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 137.00 | P1-33880-02                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 30.25  | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 12.68  | P1-33956-02                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 6.34   | P1-33956-03                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 31.72  | P1-34064-01                               |
| 10/07/2024 | ACH     | Galles Filter | Water       | \$ 66.49  | U-14873-12 VOLT PASSENGER CAR LT          |
| 10/07/2024 | ACH     | Galles Filter | Wastewater  | \$ 66.48  | U-14873-12 VOLT PASSENGER CAR LT          |
| 10/07/2024 | ACH     | Galles Filter | Transit     | \$ 29.93  | U-15130_Unit# 1836_Turbo V-Clamps         |
| 10/07/2024 | ACH     | Galles Filter | Transit     | \$ 36.45  | U-15179_Unit#1836_Clamps & Turbo Hose     |
| 10/07/2024 | ACH     | Galles Filter | Transit     | \$ 26.36  | U-15199_Unit#1836_Clamps                  |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 37.56  | P1-33686-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 3.44   | P1-33880-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 3.64   | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 12.78  | P1-33676-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 49.16  | P1-33880-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 11.43  | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 3.95   | P1-33676-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 13.98  | P1-33880-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 5.32   | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 46.44  | P1-33676-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 74.40  | P1-33880-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 7.12   | P1-33956-01                               |
| 10/07/2024 | ACH     | Galles Filter | Fleet       | \$ 24.60  | P1-33676-01                               |

| Check Date | Check # | Name                  | Fund Name   | Amount        | Item Desc                      |
|------------|---------|-----------------------|-------------|---------------|--------------------------------|
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 15.86      | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 12.22      | P1-33676-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 33.06      | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 13.89      | P1-33676-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 15.04      | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 33.06      | P1-33676-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 7.36       | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 31.95      | P1-33676-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 23.38      | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 10.80      | P1-33676-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 10.06      | P1-33880-01                    |
| 10/07/2024 | ACH     | Galles Filter         | Fleet       | \$ 11.28      | P1-33676-01                    |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ (2,103.45) | 58712CR                        |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 767.87     | 133645                         |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 771.57     | 58699                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 691.18     | 58714                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 1,032.94   | 58738                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 36.70      | 58699                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 229.78     | 58714                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 376.20     | 133596                         |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 1,311.82   | 133683                         |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 324.94     | 58762                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 3,023.40   | 58762                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 2,103.45   | 58774                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 1,073.30   | 58719                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 22.97      | 133683                         |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 2,103.45   | 58712                          |
| 10/07/2024 | ACH     | Kois Brothers         | Fleet       | \$ 529.73     | 133637                         |
| 10/07/2024 | ACH     | Rexel USA             | Wastewater  | \$ 6,243.00   | WO 24-29 WRF Campus Electrical |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet       | \$ 4,211.44   | 442773                         |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet       | \$ 5,336.43   | 442781                         |
| 10/07/2024 | ACH     | Town & Country Supply | Solid Waste | \$ 18,494.10  | 442305                         |

| Check Date | Check # | Name                  | Fund Name     | Amount       | Item Desc                                 |
|------------|---------|-----------------------|---------------|--------------|-------------------------------------------|
| 10/07/2024 | ACH     | Town & Country Supply | Transit       | \$ 16,411.80 | 442316_Diesel Fuel                        |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 6,806.46  | 442773                                    |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 6,148.97  | 444413                                    |
| 10/07/2024 | ACH     | Town & Country Supply | Facilities    | \$ 494.00    | Inv. #443535 Fuel for Stillwater Building |
| 10/07/2024 | ACH     | Town & Country Supply | Airport       | \$ 22,698.76 | Invoice #442627. QTA Car Rental Fuel      |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 5,650.32  | 442773                                    |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 3,740.46  | 444413                                    |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 8,314.31  | 442773                                    |
| 10/07/2024 | ACH     | Town & Country Supply | Fleet         | \$ 13,157.50 | 442781                                    |
| 10/07/2024 | ACH     | Tractor & Equipment   | Fleet         | \$ 9,150.00  | B3705901                                  |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Public Safety | \$ 272.00    | Lceo Llc - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards      | General       | \$ 46.35     | Dex Imaging, Llc - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards      | General       | \$ 350.00    | 2024 Montana Arbitrati - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | General       | \$ 45.00     | Dex Imaging - PCard                       |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Water         | \$ 6.99      | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Water         | \$ 25.98     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Water         | \$ 21.98     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Water         | \$ 109.98    | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Park Dist 1   | \$ 40.30     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Airport       | \$ 17.98     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Public Safety | \$ 10.48     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Fire Grants   | \$ 59.97     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Solid Waste   | \$ 41.94     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Solid Waste   | \$ 33.98     | Evergreen Ace Hardware - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Legal Grants  | \$ 600.00    | Wf *Wayfair4267346676 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards      | General       | \$ 155.88    | Wondershare - PCard                       |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Public Safety | \$ 3,288.00  | Waveband Communic - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Library       | \$ 30.00     | Gan*1094Grfalltribcirc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Library       | \$ 34.00     | Gan*Usatodaycirc - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Water         | \$ 29.67     | Grainger - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Wastewater    | \$ 29.67     | Grainger - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards      | Library       | \$ 299.54    | Vograce - PCard                           |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 79.98    | Evergreen Ace Hardware - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 18.36    | Evergreen Ace Hardware - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 342.43   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 72.87    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 499.79   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 57.26    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 291.43   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 227.52   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 121.56   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 29.52    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 210.14   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 424.56   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 142.83   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 124.63   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 86.44    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 28.81    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 683.62   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 36.12    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 72.33    | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 683.62   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 100.49   | Grainger - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 259.01   | Wildlife Control Supplies - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 24.17    | Exxon Blue Basket Market - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 103.27   | Issa Intl Sports Scien - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 300.00   | Soi Nexiq - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 384.00   | Tfs*Fishersci Ecom Hus - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 159.00   | Tfs*Fishersci Ecom Hus - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 34.20    | Tfs*Fishersci Ecom Hus - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 329.98   | Clear Creek Nursery DbA C - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 19.98    | Clear Creek Nursery DbA C - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 559.98   | Clear Creek Nursery DbA C - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 1,110.72 | Firstspear Llc - PCard            |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                        |
|------------|---------|------------------|---------------|-------------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 239.45   | Paypal *Genuinemark - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin    | \$ 281.30   | Paypal *Genuinemark - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 240.25   | Paypal *Genuinemark - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 225.00   | Paypal *Mvcia - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 225.00   | Paypal *Mvcia - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 225.00   | Paypal *Mvcia - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 56.00    | Quickscores - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 132.35   | Trc Electronics - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 40.00    | Cna Surety - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 25.50    | American Water Technol - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 57.00    | American Water Technol - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 39.00    | American Water Technol - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 43.75    | Dollar Tree - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants  | \$ 21.25    | Dollar Tree - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 18.75    | Dollar Tree - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 129.84   | Dollar #0050812 - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 1,949.46 | Thomson West*Tcd - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 161.68   | Hertz #0793030 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 745.64   | Airbnb * Hm3Cr2Yr3Q - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 382.63   | Airbnb * Hmyesm8Hx3 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 750.08   | Life Assist Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 252.50   | Life Assist Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 864.80   | Life Assist Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 72.50    | Life Assist Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 119.40   | Life Assist Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 6.84     | Lil' Market Groceri - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 488.00   | Bobcat Of Big Sky Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ (66.28)  | Bobcat Of Big Sky Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 1,200.00 | Bobcat Of Big Sky Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 1,200.00 | Bobcat Of Big Sky Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 50.00    | Texas Roadhouse Fr #2157 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 62.98    | Cab Store Billings, Mt - PCard   |

| Check Date | Check # | Name             | Fund Name        | Amount      | Item Desc                      |
|------------|---------|------------------|------------------|-------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 69.99    | Cab Store Billings, Mt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic   | \$ (249.97) | Cab Store Billings, Mt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic   | \$ 249.97   | Cab Store Billings, Mt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants      | \$ 26.98    | Cab Store Billings, Mt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 85.49    | Skechers-Usa #1238 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 52.50    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 71.75    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 63.00    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 49.00    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 28.00    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities       | \$ 66.50    | Spinfresh Laundry - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 19.99    | Spotify Usa - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 50.00    | Textmagic.Com - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 11.00    | Shell Oil 10009332007 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Stillwater Const | \$ 194.95   | Idwholesaler*Levata - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | General          | \$ 1,484.28 | Ultra Graphics, Llc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water            | \$ 138.84   | Sams Club #4805 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 41.96    | Sams Club #4805 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 135.94   | Sams Club #4805 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 92.12    | Sams Club #4805 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 11.88    | Sams Club#4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 63.96    | Sams Club#4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic   | \$ 103.84   | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste      | \$ 35.92    | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste      | \$ 23.98    | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 65.92    | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 15.92    | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 160.74   | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 238.84   | Samsclub #4805 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 958.69   | Parts Super Center - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 175.00   | Edge Construction Supp - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 368.28   | Edge Construction Supp - PCard |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 132.00   | Edge Construction Supp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 23.28    | Edge Construction Supp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 16.29    | Edge Construction Supp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 16.29    | Edge Construction Supp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 6.58     | Conoco - 3 Gs Store 1 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 18.43    | Conoco - Bozeman 7 1092 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 155.19   | Corporate Translate - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 130.19   | Brady Worldwide Inc. - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 130.19   | Brady Worldwide Inc. - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 241.78   | Brady Worldwide Inc. - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 241.79   | Brady Worldwide Inc. - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 604.19   | United States Plastic Cor - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 2,700.00 | Smk*Surveymonkey.Com - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ (971.60) | Buchanan Automation Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 249.99   | Mac Tools - Billings - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 280.00   | Pzg**Mt Dept Environ Q - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 62.72    | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 124.22   | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 21.72    | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 62.72    | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 154.97   | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 31.97    | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 31.97    | Pzg**Mt Dept Of Ag Onl - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 187.50   | When I Work, Inc. - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 200.00   | Wheniwork.Com - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 234.99   | Zips Truck Equipment Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 2,349.90 | Zoro Tools Inc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 359.98   | Zoro Tools Inc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,286.91 | Zoro Tools Inc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 1,088.99 | Zoro Tools Inc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Pgrms     | \$ 209.00   | International Bronze Plaq - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 946.91   | Hilton Advpurch8002367113 - PCard |



| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 236.73   | Hilton Advpurch8002367113 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 403.44   | Amc 9640 Online - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 1,880.70 | Cncs - PCard                      |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 1,755.32 | Cncs - PCard                      |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 1,102.50 | Cool River Roasting - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 223.09   | Gatehouse Supplies - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 245.85   | Jersey Mikes Online Uc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 220.93   | Jersey Mikes Online Uc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 625.00   | Medallion Vault & Casket - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 700.00   | Pix4D Sa - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 72.39    | Zumba Fitness - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 35.00    | Zumbini - PCard                   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 28.84    | Ferguson Ent #1342 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 137.11   | Ferguson Ent #1342 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 521.00   | Knox Company Inc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 119.40   | Canva* I04269-0479744 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 480.00   | Ebay O*09-12063-09933 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 1,317.13 | Ebay O*17-12022-79069 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 313.96   | Ebay O*19-12040-12464 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 60.17    | Gamestop - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 122.72   | Gamestop - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 81.99    | Hulu 877-8244858 Ca - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 35.75    | North Coast Electric - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 177.00   | Pp*Zee Creative - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 575.99   | Sherrilltree - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 785.42   | Action Targets - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 61.72    | Fedex Offic22600022665 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 27.29    | Fedex70764053 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 50.40    | Fedex70989804 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 19.07    | Fedex71636100 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 73.52    | Fedex71636100 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 185.00   | Bartlett Manufacturing Co - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 59.90    | Ampd Strong - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 14.99    | Ampd Strong - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 4.99     | Ampd Strong - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 342.00   | Automationdirect.Com - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 100.00   | Automationdirect.Com - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ (256.50) | Automationdirect.Com - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 9.99     | Cricut - PCard                    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 384.60   | Equipmentsshare.Com - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 134.31   | General Safety Equipment - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 2.99     | Remarkable - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 216.00   | Tst*Waterpark - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 371.22   | Wasabi Technologies - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 225.00   | Billings Clinic - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 506.44   | Tactical Medical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program    | \$ 219.45   | Residence Inn Denver - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 122.65   | Uniform Warehouse - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 258.30   | Polaris Laboratories - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 31.32    | Cenex-Mountain West Coop - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 30.21    | Cenex-Mountain West Coop - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 28.54    | Cenex- Zip Trip #53 - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 50.00    | Cenex- Zip Trip #57 - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 30.00    | Snappyduds - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 63.92    | Snappyduds - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 37.15    | Chevron 0354086 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 27.00    | 91367 - Artisan West Gara - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 27.00    | 91367 - Artisan West Gara - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 27.00    | 91367 - Artisan West Gara - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 59.80    | Travel Guard Group Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 1,004.00 | Montana Tire Distributor - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 99.00    | Montana Tire Distributor - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 1,108.00 | Montana Tire Distributor - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 60.03    | Facebk *226P48Ldb2 - PCard        |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 50.00    | Facebk *9H5Gx9Usd2 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 50.00    | Facebk *Bf4Bpalsd2 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 80.00    | Facebk *Cdawz84Eb2 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 127.11   | Facebk *Cmhtp7Gw42 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 10.96    | Facebk *Fpbpd9Qsd2 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 50.00    | Facebk *U8P239Ysd2 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 12.00    | Google*Gsuite Explore1 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 496.79   | Midwayusa Com - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,424.89 | Midwayusa Com - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 272.89   | Midwayusa Com - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 1,101.35 | La Quinta Motor Inns - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 244.43   | Global Assets Integrated - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ (578.52) | Versalift Northwest - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 393.03   | Versalift Northwest - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 648.60   | Lawson Products - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 175.26   | Lawson Products - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 142.02   | Lawson Products - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fleet          | \$ 50.00    | Autoauth Service - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 450.53   | Purvis Industries 68 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 325.63   | Purvis Industries 68 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 74.00    | Tst* Spitz Restaurant Gro - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 177.00   | Zeecreative - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 12.75    | Zeecreative - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 12.75    | Zeecreative - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 12.75    | Zeecreative - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 12.75    | Zeecreative - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 100.74   | Aaim - Services - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 18.84    | Womack Billings Mt - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 162.62   | Norco - 97 - Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 159.65   | Norco - 97 - Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 63.16    | Friendly'S - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 2,500.00 | Transportation Security C - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount    | Item Desc                       |
|------------|---------|------------------|---------------|-----------|---------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 184.54 | Tritech Forensics - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 25.00  | Edams Tire & Automotive - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 229.65 | Aeisupply.Com - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 509.15 | Homedepot.Com - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 85.73  | The Home Depot 3101 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 330.00 | Associatio* Imla Caree - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | #N/A          | \$ 430.00 | Associatio* Nrpa Caree - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 69.25  | Albertsons #0038 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 15.14  | Albertsons #0038 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 30.47  | Albertsons #0038 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 29.35  | Albertsons #0038 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 35.34  | Albertsons #0038 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 1.99   | Albertsons #0630 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 11.98  | Albertsons #0630 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 11.99  | Albertsons #1227 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 17.98  | Albertsons #1227 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 155.95 | Albertsons #4025 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 18.81  | Albertsons #4025 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 10.98  | Albertsons #4025 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 53.94  | Albertsons #4025 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 17.98  | Albertsons #4025 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants  | \$ 109.90 | Albertsons #4041 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 156.29 | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 157.86 | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 108.60 | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 365.01 | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 39.33  | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 318.95 | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 63.51  | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 63.51  | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 10.55  | Alsco Inc. - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 10.56  | Alsco Inc. - PCard              |

| Check Date | Check # | Name             | Fund Name     | Amount    | Item Desc                        |
|------------|---------|------------------|---------------|-----------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 22.01  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 33.80  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.20  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.69  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 23.44  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 26.32  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 26.25  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 26.32  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.55  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 35.64  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.05  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 418.22 | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 288.90 | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 19.12  | AlSCO Inc. - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 120.00 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 174.73 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 140.08 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 145.63 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 126.94 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 218.58 | Ecolab Inc - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 299.00 | Pluralsight - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 281.58 | 360 Office Solutions Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 17.00  | 360 Office Solutions Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 223.93 | 360 Office Solutions Inc - PCard |

| Check Date | Check # | Name             | Fund Name        | Amount      | Item Desc                         |
|------------|---------|------------------|------------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 3.72     | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 24.30    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 12.01    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 4.36     | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library          | \$ 304.93   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 41.88    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 15.87    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 128.11   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering      | \$ 393.99   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin       | \$ 524.46   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General          | \$ 484.76   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic   | \$ 153.71   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General          | \$ 23.98    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Central Services | \$ 807.27   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 76.48    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 3,178.17 | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library          | \$ 13.96    | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library          | \$ 456.00   | 360 Office Solutions Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 479.99   | 360 Office Solutions-Blgs - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 30.64    | 360 Office Solutions-Blgs - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General          | \$ 87.29    | 360 Office Solutions-Blgs - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 418.40   | Eod Gear - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 2,093.23 | Imprintitem - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 175.00   | National Registry Emt - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety    | \$ 175.00   | National Registry Emt - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 55.00    | Knife River 5601 - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1      | \$ 81.90    | Knife River 5601 - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater       | \$ 252.37   | Radwell International - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic   | \$ 1,190.00 | In *Billings Precast - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport          | \$ 50.00    | In *Cotter'S Sewer, Septi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit          | \$ 300.00   | In *Cotter'S Sewer, Septi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library          | \$ 150.00   | In *Downtown Billings Ass - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 41.25    | In *Frosty Solutions, Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 137.50   | In *Frosty Solutions, Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 56.50    | In *Frosty Solutions, Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 56.50    | In *Frosty Solutions, Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 1,318.00 | In *Trugrit Traction Inc. - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 50.00    | In *Universal Awards - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 35.00    | In *Yellowstone E-Waste S - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 495.00   | In *Gps Commercial Cleani - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 105.00   | In *Independent Lock And - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 508.30   | In *K4 Inspections Inc. - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 693.00   | In *Mountain West Medical - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 90.00    | In *Vinyl Monkeys - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 200.00   | Truenorth Steel Billings - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 30.00    | Notaryhnb-800.422.1555 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 200.00   | Garden Avenue Greenhous - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 29.97    | Autozone #3772 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 600.00   | J&N Tactical - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 67.96    | Tire Sply Ntwrk - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 17.56    | Mcdonald'S F2515 - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 75.00    | Humanities Montana - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 150.00   | Sunset Bowl - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 165.00   | Sunset Bowl - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 225.00   | Sunset Bowl - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 192.52   | Yellowstnepkgraywolfc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 204.44   | Cavendishsq - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 70.00    | Sq *Big Dipper Billings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 50.00    | Sq *Cpr Cell Phone Repair - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 338.95   | Sq *Genuine Marketing Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fleet         | \$ 44.50    | Sq *Genuine Marketing Llc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 20.00    | Sq *Mazevo Coffee - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 20.00    | Sq *Mazevo Coffee - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 46.00    | Sq *Pc&C - PCard                  |

| Check Date | Check # | Name             | Fund Name     | Amount        | Item Desc                         |
|------------|---------|------------------|---------------|---------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 35.00      | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 115.00     | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 145.00     | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 145.00     | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 140.00     | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 20.00      | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 95.00      | Sq *Skyline Services, Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 221.00     | Sq *Stomping Grounds Book - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ (1,111.24) | Sq *Tel Net Systems Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 1,111.24   | Sq *Tel Net Systems Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 238.50     | Sq *Tel Net Systems Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 190.80     | Sq *Tel Net Systems Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 12.40      | Sq *Tvetene Turf, Inc. - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 600.00     | Sq *Tvetene Turf, Inc. - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 225.00     | Sq *Wild Rose Paintball / - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 345.00     | Sq *Wild Rose Paintball / - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 345.00     | Sq *Wild Rose Paintball / - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 52.00      | Sq *Yellowstone County Ne - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 52.00      | Sq *Yellowstone County Ne - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 10.00      | Sq *Mazevo Coffee Events - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 10.00      | Sq *Mazevo Coffee Events - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 52.00      | Sq *Yellowstone County Ne - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 79.99      | Spectrum - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 298.06     | Spectrum - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 76.50      | Shopamlegalcodes - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 197.90     | Ideal Blasting Supply - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 102.54     | Firehosedirect Frq - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 275.00     | Summit Fire And Security - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 300.00     | Summit Fire And Security - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 40.00      | National Academies Of Eme - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 106.05     | Firstaidsuppliesonline - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 165.00     | Rain Bird Online Store - PCard    |



| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 97.00    | Www.Volgistics.Com - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,116.00 | Arm Scor Cartridge Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 428.22   | Northern Quest - Resor - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 428.22   | Northern Quest - Resor - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,350.00 | Sumup *Silver Threads - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 52.88    | 2Wayradioparts.Com - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 590.00   | Noregon Systems - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 229.99   | Lenovo United States - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 25.00    | Topz Sandwich Company - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program    | \$ 41.88    | Name-Cheap.Com* B7Qnrs - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program    | \$ 15.16    | Name-Cheap.Com* Qe2Aoi - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ (312.12) | Industries Martins - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 312.12   | Industries Martins - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 312.12   | Industries Martins - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 312.12   | Industries Martins - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 79.00    | Linovision - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 276.00   | Billings Ink And Toner, I - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,080.95 | Midland Mechanical Inc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 537.67   | Bound Tree Medical Llc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 120.00   | Stacked A Montana Grill - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 395.00   | Force Science Institut - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 550.00   | Isfsi.Org - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 3,534.69 | Oes Global Inc - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 36.17    | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 58.94    | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 114.34   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 193.08   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 260.49   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 315.02   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 297.02   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 46.87    | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 58.20    | Billings - Tacoma Screw P - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 193.88   | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 7.08     | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 8.99     | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 47.15    | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 1.39     | Billings - Tacoma Screw P - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 45.77    | Tacoma Screw Products Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 93.71    | Interstate Battery Of The - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 45.00    | Wwp*Sprague Pest Solution - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 65.00    | Wwp*Sprague Pest Solution - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 222.54   | Dakota Supply Group - Bil - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 122.97   | Pst*Enviro Safety - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 19.80    | Batteries+Bulbs #0253 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 26.50    | Batteries+Bulbs #0253 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 82.50    | Batteries+Bulbs #0253 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 24.96    | The Ups Store 2594 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 167.17   | The Ups Store 2594 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 13.19    | The Ups Store 2594 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 16.68    | Ups*Billing Center - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 9.68     | Ups*Billing Center - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 36.86    | Ups*Billing Center - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 33.65    | Ups*Billing Center - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program    | \$ 4.00     | City Of Helena Parking - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 356.33   | Iron Mountain - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 735.00   | Mcwholesale - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,908.00 | Motorola Solutions Onlin - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 2,000.00 | Motorola Solutions Onlin - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 80.00    | Wise Wonders Museum - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 120.00   | Wise Wonders Museum - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 3,579.00 | Ls North Ridge Fire Eq - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 245.00   | Nutrien Ag Solution 2747 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 192.20   | Buddy Punch - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 138.86   | C B Operations Llc - PCard        |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                      |
|------------|---------|------------------|----------------|-------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 138.86   | C B Operations Llc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ (138.86) | C B Operations Llc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 50.48    | C B Operations Llc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 646.60   | C B Operations Llc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 46.88    | Kelley Connect - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 46.88    | Kelley Connect - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 48.29    | Kelley Connect - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 48.70    | Kelley Connect - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 58.09    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 47.97    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 17.54    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 17.44    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 49.00    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants   | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin     | \$ 16.59    | Zoom.Us 888-799-9666 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 270.85   | Avis Rent-A-Car - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 7.99     | Lockwood Ace Hardware - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 1.19     | Lockwood Ace Hardware - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 44.97    | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 71.42    | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 69.69    | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 117.24   | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 72.87    | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 95.35    | Evergreen Ace Hardware - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 195.00   | Templepubli - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 3,203.92 | Steiner Eoptics Inc - PCard    |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                      |
|------------|---------|------------------|---------------|-------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 560.00   | Smartwaiver - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 343.00   | Simply Local Mag - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 343.00   | Simply Local Mag - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 1,680.00 | Savatree - Tree & Lawn - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program    | \$ 76.98    | Rokform.Com - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 187.60   | Rodeway Inns - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 187.60   | Rodeway Inns - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 116.00   | Rev.Com - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 320.00   | Rev.Com - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 192.00   | Rev.Com - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 118.26   | Reflex Protect Inc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 118.27   | Reflex Protect Inc - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 135.00   | Real Audio Concepts - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 100.00   | Pzg**Hismembership - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 6.25     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 69.96    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 1.17     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 1.16     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 25.98    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 6.12     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 19.99    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 28.97    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 14.99    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 31.48    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 6.21     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 98.95    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 7.18     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 39.99    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 5.79     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 3.99     | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 13.18    | Kings Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 4.99     | Kings Ace Hdwe - PCard         |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                        |
|------------|---------|------------------|----------------|-------------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 108.96   | Kings Ace Hdwe - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 39.99    | Kings Ace Hdwe - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 27.96    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 158.94   | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 21.98    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 80.95    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 108.87   | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 21.98    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 16.99    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 50.47    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 27.97    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 200.59   | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants    | \$ 59.98    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 13.77    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 10.00    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 46.97    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 24.16    | Heights Ace Hdwe - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 1,000.00 | Pierce Billings Admin - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 519.90   | Billings Paint Center - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 19.80    | Superior Water Solutions - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 390.00   | Let S Glow Putt - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 244.00   | Let S Glow Putt - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 60.00    | Lets Glow Putt Arcade - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 70.00    | Lets Glow Putt Arcade - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 305.00   | Civil Air Patrol Magazin - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 105.00   | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 20.00    | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 20.00    | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 20.00    | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 8.25     | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 8.25     | Spic And Span - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 8.50     | Spic And Span - PCard            |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                      |
|------------|---------|------------------|----------------|-------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 15.00    | Spic And Span - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 15.00    | Spic And Span - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 15.00    | Spic And Span - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 1,343.02 | Idexx Distribution Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,539.59 | B&H Photo 800-606-6969 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,609.80 | B&H Photo 800-606-6969 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 304.83   | B&H Photo 800-606-6969 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 163.02   | B&H Photo 800-606-6969 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin     | \$ 54.63    | Albertsons #0047 - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 46.97    | Albertsons #0047 - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 20.06    | Albertsons #0047 - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 143.50   | Ntl Cntr For Safety - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 40.00    | Ntl Cntr For Safety - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 29.90    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 137.94   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 137.94   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 62.73    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 36.72    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 15.96    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 16.97    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 755.00   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 824.01   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,737.27 | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 44.98    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 130.97   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 197.89   | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 26.97    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 72.83    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 72.18    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 57.90    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 28.35    | The Home Depot #3101 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 3.98     | The Home Depot #3101 - PCard   |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                     |
|------------|---------|------------------|----------------|-------------|-------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 36.34    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 9.28     | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 34.97    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 87.94    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 29.97    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ (34.97)  | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 9.48     | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 63.81    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 52.37    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 197.35   | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 17.94    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 5.98     | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 119.91   | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 39.97    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 25.87    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 67.20    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 54.90    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 138.74   | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 22.72    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 11.36    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 29.55    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 149.00   | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 39.94    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 19.65    | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 641.06   | The Home Depot #3101 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 1,406.44 | National Tool Leasing - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 24.99    | Office Depot 1135 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 334.11   | Office Depot #1080 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 20.99    | Office Depot #1080 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 48.48    | Office Depot #450 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 37.98    | Office Depot #450 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 206.21   | Office Depot #450 - PCard     |

| Check Date | Check # | Name             | Fund Name     | Amount     | Item Desc                      |
|------------|---------|------------------|---------------|------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 68.74   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 89.98   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 30.00   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 61.49   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 32.21   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 12.78   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ (12.78) | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 9.40    | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 56.39   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 28.19   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 100.98  | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 16.79   | Office Depot #450 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 91.97   | Billings Rv Inc - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 98.05   | Mcmaster-Carr - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 157.50  | Dxp Enterprises - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 5.00    | Dxp Enterprises - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 93.97   | Amazon Mark* 0089Z40J3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 59.99   | Amazon Mark* 0J9Yg6343 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 9.59    | Amazon Mark* 192734Jj3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 23.51   | Amazon Mark* 1B2Sh0Ja3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 39.49   | Amazon Mark* 1C3Y58Ax3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 43.87   | Amazon Mark* 7D2De4Bw3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 28.30   | Amazon Mark* C54Kv8Om3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 14.00   | Amazon Mark* Pb87T2053 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 104.67  | Amazon Mark* Qa88U4D93 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 295.92  | Amazon Mark* R44Dq43H1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 15.18   | Amazon Mark* R45Vj6J10 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 7.99    | Amazon Mark* R470Y6T10 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 25.98   | Amazon Mark* R47Au6Dh0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 61.15   | Amazon Mark* R47Bl42E1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 71.97   | Amazon Mark* R485A9Ue0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 179.91  | Amazon Mark* R486X3972 - PCard |



| Check Date | Check # | Name             | Fund Name      | Amount    | Item Desc                      |
|------------|---------|------------------|----------------|-----------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 138.08 | Amazon Mark* R48Xo7Ab1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 150.58 | Amazon Mark* R49Jo9R00 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 68.99  | Amazon Mark* R49Nt3Jl0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 24.98  | Amazon Mark* Rk1Q914E1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 33.74  | Amazon Mark* Rk3Dc0Pj0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 34.94  | Amazon Mark* Rk3Vs4Uv2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 8.99   | Amazon Mark* Rk52Q94U1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 8.99   | Amazon Mark* Rk56T7461 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 81.90  | Amazon Mark* Rk5Po4X31 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 45.99  | Amazon Mark* Rk6H88Jz1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 79.74  | Amazon Mark* Rq7Qp21G3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 306.95 | Amazon Mark* V67Ng70A3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 71.56  | Amazon Mark* Xq7Hp8Kt3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 17.98  | Amazon Mark* Z806W3N00 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 48.47  | Amazon Mark* Z89T943T0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 22.36  | Amazon Mark* Zt0So31H2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 76.88  | Amazon Mark* Zt1Z06Pr0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 405.15 | Amazon Mark* Zt22G4Rx2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 59.28  | Amazon Mark* Zt4Qv24L2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 6.30   | Amazon Mark* Zt52F1Oa1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 6.74   | Amazon Mark* Zt52F1Oa1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 33.82  | Amazon Mark* Zt52F1Oa1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 10.79  | Amazon Mark* Zt54C2Gw0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 53.93  | Amazon Mark* Zt8Ar3Q01 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 337.16 | Amazon Mark* Zt9Gv8lo1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 44.99  | Amazon Mark* Zt9Xv5J00 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building       | \$ 35.98  | Amazon Mktpl*0X5T31St3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 16.47  | Amazon Mktpl*200Cu72O3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 64.53  | Amazon Mktpl*3Z9Bk8Mm3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 145.29 | Amazon Mktpl*5W7Jc0B03 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 28.31  | Amazon Mktpl*7Z2Tp7P83 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources   | \$ 20.98  | Amazon Mktpl*Ds8Hs56S3 - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                      |
|------------|---------|------------------|---------------|-------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,194.12 | Amazon Mktpl*R40SI0Ut1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 29.96    | Amazon Mktpl*R41lh08Q2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 115.80   | Amazon Mktpl*R42Ca4Mr2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 122.07   | Amazon Mktpl*R42Uo0Qd2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 39.57    | Amazon Mktpl*R431E1160 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 17.99    | Amazon Mktpl*R43Tq25V0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 41.97    | Amazon Mktpl*R44247Qj2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 46.47    | Amazon Mktpl*R44Ks85I2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 9.99     | Amazon Mktpl*R45Ap1Qv2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 195.00   | Amazon Mktpl*R45Yu8Zj0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 51.38    | Amazon Mktpl*R47Cs6Ce0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 98.05    | Amazon Mktpl*R48I94Ar1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 138.64   | Amazon Mktpl*R493G0Yo2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 9.99     | Amazon Mktpl*Rk2Ih8Tj1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 6.99     | Amazon Mktpl*Rk3Bv8St2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 80.00    | Amazon Mktpl*Rk8332Aj0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 151.23   | Amazon Mktpl*Ru1Or2Ya1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 11.96    | Amazon Mktpl*Ru7Bq3960 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 19.99    | Amazon Mktpl*Ru7Td7Rl1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 9.95     | Amazon Mktpl*Um7Tr3Tc3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 48.50    | Amazon Mktpl*Yy14P9623 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 4.27     | Amazon Mktpl*Z81804Oa0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 14.31    | Amazon Mktpl*Z863J9Cd1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 16.00    | Amazon Mktpl*Zr3Wb7D03 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 35.05    | Amazon Mktpl*Zt0O28Mb0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 90.50    | Amazon Mktpl*Zt4J42Vv2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 25.83    | Amazon Mktpl*Zt8Jy1Ux1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 32.07    | Amazon Mktpl*Zt9Q407W2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 31.39    | Amazon Reta* 3X8Rb12D3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 134.97   | Amazon Reta* 5T5R052J3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 63.28    | Amazon Reta* Ao7W94Vi3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 15.50    | Amazon Reta* Cu2I35113 - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount     | Item Desc                      |
|------------|---------|------------------|---------------|------------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 14.80   | Amazon Reta* E665I7063 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 444.90  | Amazon Reta* Ef9X91T63 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 299.75  | Amazon Reta* Xa2Lq8Eh3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 37.96   | Amazon Reta* Z81183To1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 13.99   | Amazon Reta* Z82Qv9430 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 17.99   | Amazon Reta* Z862A5Zl2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 29.78   | Amazon Reta* Zt74279Q1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ (32.16) | Amazon.Com - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 617.34  | Amazon.Com*7I19E50B3 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 12.99   | Amazon.Com*R44Jb9Xq1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 109.98  | Amazon.Com*Rk14F10F1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 24.99   | Amazon.Com*Rk27455I0 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 65.40   | Amazon.Com*Rk27G1Dj1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 489.54  | Amazon.Com*Rk2Vv0Dx2 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 89.99   | Amazon.Com*Rk6G30Gr0 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 52.28   | Amazon.Com*Rk6Kh3Hs1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 67.89   | Amazon.Com*Rk75K1Jf1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 37.99   | Amazon.Com*Ru3Bq7S80 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 89.99   | Amazon.Com*Ru51N1Yg1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 41.56   | Amazon.Com*Xu0Kd7G93 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 35.00   | Amazon.Com*Y449M9Yy3 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 30.86   | Amazon.Com*Zt1Us8Vu1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 28.39   | Amazon.Com*Zt7C28Bp1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 104.95  | Amazon.Com*Zt7T49Fu1 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 15.08   | Amazon.Com*Zt8Pv2Go0 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 92.00   | American Red Cross - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 10.34   | Amzn Mktp Us*3H0Sa6Wn3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 24.90   | Amzn Mktp Us*Im6C41Ee3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 48.15   | Amzn Mktp Us*N36Pd7Qh3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 116.50  | Amzn Mktp Us*Nd66A4O33 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 12.97   | Amzn Mktp Us*R40594Tj0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 12.48   | Amzn Mktp Us*R42441Km0 - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount    | Item Desc                      |
|------------|---------|------------------|---------------|-----------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 12.31  | Amzn Mktp Us*R42Fi83X1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 319.99 | Amzn Mktp Us*R43G73B42 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 21.94  | Amzn Mktp Us*R44Ly8Sl2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources  | \$ 32.00  | Amzn Mktp Us*R461W4Fc0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 32.99  | Amzn Mktp Us*R476B5Zx1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 250.00 | Amzn Mktp Us*R48A24Un0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 21.98  | Amzn Mktp Us*R48Xm3A81 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 10.44  | Amzn Mktp Us*R497143B1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 430.79 | Amzn Mktp Us*Rk1lx5Gl1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 187.17 | Amzn Mktp Us*Rk2924682 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 13.50  | Amzn Mktp Us*Rk3Gq3Yc1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 199.50 | Amzn Mktp Us*Rk44Z4ls2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 199.50 | Amzn Mktp Us*Rk44Z4ls2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 35.89  | Amzn Mktp Us*Rk5E82Oy0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 28.64  | Amzn Mktp Us*Rk5Ez97U2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 67.96  | Amzn Mktp Us*Rk6A680R2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 77.68  | Amzn Mktp Us*Rk8Er6Ja1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 4.10   | Amzn Mktp Us*Rk8Oe8X11 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 4.10   | Amzn Mktp Us*Rk8Oe8X11 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 4.07   | Amzn Mktp Us*Rk8Oe8X11 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 57.46  | Amzn Mktp Us*Ru1087Uj1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 12.87  | Amzn Mktp Us*Sa78G4Nr3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 27.00  | Amzn Mktp Us*Tw30N1Jy3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 37.48  | Amzn Mktp Us*V021C3Rm3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 7.19   | Amzn Mktp Us*Z85B85400 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 10.98  | Amzn Mktp Us*Zn3l97Kr3 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 18.00  | Amzn Mktp Us*Zt0Ub8Uq2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 13.33  | Amzn Mktp Us*Zt1Rw3Kf2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 299.00 | Amzn Mktp Us*Zt2810Sn2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin    | \$ 93.97  | Amzn Mktp Us*Zt29X3222 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 25.17  | Amzn Mktp Us*Zt33S9570 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 53.02  | Amzn Mktp Us*Zt4Vz34N0 - PCard |

| Check Date | Check # | Name             | Fund Name      | Amount    | Item Desc                      |
|------------|---------|------------------|----------------|-----------|--------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 16.58  | Amzn Mktp Us*Zt9Mq5X62 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 216.22 | Arcantenna.Com - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 9.95   | Amazon Reta* R411E5Cr1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 74.21  | Amazon Reta* R46050Yn2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources   | \$ 93.00  | Amazon Reta* R46W93Wg2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 85.45  | Amazon Reta* Rk5Jw30D2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 440.95 | Amazon Reta* Rk5Kl6Ti0 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 327.48 | Amazon Reta* Zt76G9Vq1 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 38.89  | Amazon Reta* Zt92l2Uj2 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 13.16  | Town & Country Food - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 11.00  | Selbys - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 27.23  | Selbys - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 17.60  | Selbys - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 52.98  | Best Buy 00005926 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Legal Grants   | \$ 189.99 | Bestbuycom806959874681 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Legal Grants   | \$ 459.98 | Bestbuycom806966796831 - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 8.48   | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 19.92  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 53.94  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 119.10 | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 133.90 | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 399.08 | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 27.98  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 11.94  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Pgrms     | \$ 93.58  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Pgrms     | \$ 70.85  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 87.40  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 75.92  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 30.66  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 16.32  | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 288.18 | Lowe's #00319* - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 41.38  | Lowe's #00319* - PCard         |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 170.10   | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 20.23    | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 2,699.10 | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 83.94    | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 9.99     | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 140.87   | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 19.98    | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 19.98    | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 17.88    | Lowes #00319* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 329.00   | Lowes #00907* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 13.34    | Lowes #00907* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 63.84    | Lowes #00907* - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 745.20   | Industrial Coating Soluti - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 34.61    | Holiday Stationstore0506 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 19.98    | Wal-Mart #2923 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 83.98    | Wal-Mart #2923 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 144.00   | Wal-Mart #2923 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 28.86    | Wal-Mart #2923 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 44.12    | Wm Supercenter #1956 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 86.93    | Wm Supercenter #2923 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 70.96    | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 43.97    | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 23.52    | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 5.24     | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 26.14    | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 6.96     | Wal-Mart #1956 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 94.39    | Walmart.Com - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 7.85     | Wm Supercenter #1956 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 33.68    | Wm Supercenter #1956 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 42.36    | Wm Supercenter #1956 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants   | \$ 186.00   | Wm Supercenter #1956 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants   | \$ 59.76    | Wm Supercenter #1956 - PCard      |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 50.00    | National Association Of S - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 6.31     | Usps Po 2907740107 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants   | \$ 17.55    | Usps Po 2907740107 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 62.57    | Usps Po 2907800103 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning      | \$ 2.80     | Usps Po 2907800103 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 14.60    | Usps Po 2907800103 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 11.26    | Usps Po 2907800103 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 62.23    | Subway 19835 - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 370.00   | A1 Jds Lock - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 820.23   | Kimball Midwest Payeezy - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,092.99 | Nfpa Natl Fire Protect - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 85.00    | Stellas Kitchen & Bakery - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,662.00 | Priority Dispatch Corp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,662.00 | Priority Dispatch Corp - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 1,581.97 | Hampton Inns - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 305.00   | Nrpa Operating - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 305.00   | Nrpa Operating - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 305.00   | Nrpa Operating - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 125.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 125.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 350.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 250.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 125.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 125.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 250.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 250.00   | Msu-Bz-Ext-Localgov - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 59.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 59.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 12.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 59.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 12.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 19.99    | Adobe *Adobe - PCard              |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 263.88   | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 239.88   | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 14.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 239.88   | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 59.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 54.99    | Adobe *Adobe - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 60.68    | Adobe Inc. - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 4,063.09 | Edwards Jet Center - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 50.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 50.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 50.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 50.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 25.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 25.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 50.00    | Safetyprocsystems.Com - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 239.98   | General Pacific, Inc. - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 709.00   | General Pacific, Inc. - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 925.00   | American Association O - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 16.00    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 53.60    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 189.95   | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 14.75    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 45.00    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 36.00    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 283.00   | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 60.00    | West End Lock And Securit - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 382.03   | Uline *Ship Supplies - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | #N/A           | \$ 71.28    | Rainbow Store - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 17.56    | Target 00001719 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 9.99     | Target 00001719 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 27.38    | Target 00013334 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 6.99     | Target 00013334 - PCard           |



| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 11.18    | Target 00013334 - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 25.00    | Target.Com * - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 115.00   | Bargreen Ellingson - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 452.49   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 45.23    | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 1.00     | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 105.06   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 338.19   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 169.10   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 169.09   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 174.22   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 174.22   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 2,634.06 | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 11.26    | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 529.79   | City Of Billings - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG           | \$ 2.50     | Co Billings Park3 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 54.38    | Yellowstone County Treas - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 9.97     | Holiday Stations 0108 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 82.35    | Agilent Technologies, - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 221.82   | Agilent Technologies, - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program     | \$ 15.50    | Conoco - Sei 34179 - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 1,355.67 | Fastenal Company 01Mtbll - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 2,250.00 | Istate Power Systems 001 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 309.18   | Supplyhouse.Com - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 104.00   | Nemont - PCard                    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 106.75   | Nemont - PCard                    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 1,675.00 | Vermeer Mountain West, In - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 1,675.00 | Vermeer Mountain West, In - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 1,675.00 | Vermeer Mountain West, In - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 41.28    | Tst*City Brew Coffee - C - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 212.50   | Isa Montana Section - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 212.50   | Isa Montana Section - PCard       |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 1,041.65 | Rsd - Billings#57 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 206.22   | Pzg**Hhs Governor Cnf - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 646.00   | Steepworld Climbing - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 59.39    | O'Reilly 1551 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 21.99    | O'Reilly 1551 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 125.25   | O'Reilly 1551 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 8.54     | O'Reilly 1751 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 4.49     | O'Reilly 1751 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 29.32    | Sherwin Williams 703429 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 649.00   | Www.Theseminargroup.Ne - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants   | \$ 401.28   | Delta Hotels - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants   | \$ 401.28   | Delta Hotels - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 109.00   | Efx*Infoservices - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 109.00   | Efx*Infoservices - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 278.65   | Vistaprint - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 499.00   | Yourmembership - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 219.45   | Allfuses.Com - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 47.05    | American Heart Shopcpr - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 41.20    | American Heart Shopcpr - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 350.00   | American National Standar - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 91.47    | Asana.Com - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 154.50   | Association Of Metropo - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 79.03    | Bb-Bosh T - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 9,152.00 | Boltz Equipment - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources   | \$ 2,835.00 | Can I Phish Pty Ltd - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources   | \$ 2,835.00 | Can I Phish Pty Ltd - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ (298.70) | Cars On Booking - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 298.70   | Cars On Booking - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 170.20   | Cars On Booking - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants    | \$ 265.26   | Condor Retail Dept - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants    | \$ 305.52   | Condor Retail Dept - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 59.99    | Dashlane U* Dashlane P - PCard    |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 59.99    | Dashlane U* Dashlane P - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 525.00   | Data Axle-Citydirectories - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 108.99   | Dtv*Directv Service - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 221.60   | E-Conolight Llc - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 1,213.48 | Kincaid Equipment Manufac - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 484.96   | Kincaid Equipment Manufac - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 2,470.34 | Lifetechcorp*12671613 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fire Grants    | \$ 1,925.00 | Mammut Sports Group, Inc. - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 143.97   | Minuteman Press Billings - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 44.99    | Murdoch'S Ranch&Home #99 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 39.99    | Murdoch'S Ranch&Home #99 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 555.80   | Onlinecomponents.Com - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 20.00    | Openai *Chatgpt Subscr - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 59.88    | Paddle.Net* Maptilerdu - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 149.00   | Pens.Com - PCard                  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Planning       | \$ 299.00   | Planetizen Store - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 11.99    | Pp*Pp Roku For Cbs Intera - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin     | \$ 7.99     | Prime Video *R49983182 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 18.74    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 4.50     | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 13.49    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 17.50    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 52.48    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 25.98    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 52.48    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 4.99     | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 9.58     | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 4.49     | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 77.26    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 104.97   | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 64.63    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 11.94    | Kings Ace Hdwe - PCard            |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 39.99    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 51.07    | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 569.97   | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 44.02    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 1,399.00 | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 91.75    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 13.32    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 53.28    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 43.98    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 9.79     | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 518.00   | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 16.45    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 180.35   | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 144.51   | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 149.99   | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 34.08    | A And H Turf And Specialt - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 1,248.11 | Ace Electric - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 250.00   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 939.92   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 313.17   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking        | \$ 240.00   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 531.40   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 403.50   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 230.00   | Air Controls-Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 63.00    | Animal Clinic Of Billings - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 163.98   | Applied Ind Tech 2422 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 336.70   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 336.72   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 437.38   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 282.10   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 651.43   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 88.78    | Big Sky Linen And Unif - PCard    |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 29.59    | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 334.42   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 334.44   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 672.68   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 282.10   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 537.74   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 88.78    | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 29.59    | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 163.47   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 163.47   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 329.97   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 141.05   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 268.87   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 59.19    | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 59.17    | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 163.47   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 163.46   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 329.97   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 141.05   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 268.87   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 143.12   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Fleet          | \$ 682.88   | Big Sky Linen And Unif - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 924.90   | Billings Army Navy Surplu - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 59.65    | Billings Construction Sup - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 45.00    | Billings Nursery And Land - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 45.00    | Billings Nursery And Land - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 711.73   | Billings Nursery And Land - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 7.95     | Billings Pump & Irrigati - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 93.15    | Billings Pump & Irrigati - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 74.76    | Border States Industries - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,926.00 | Cmi Inc Moto - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 10.00    | Billings Chamber Of Comme - PCard |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 215.75   | Archie Cochrane Ford - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 271.00   | Creative Monograms Smb - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 2,481.00 | Creative Monograms Smb - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 280.00   | Creative Monograms Smb - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 41.71    | Cross Petroleum Service - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 776.44   | Dude Rancher Lodge - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 61.06    | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 413.75   | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 2,086.73 | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 3,946.69 | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 235.56   | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin    | \$ 48.46    | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 279.54   | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 279.53   | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin    | \$ 349.99   | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 66.43    | Econo Print - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,114.72 | Econoprint - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 372.61   | Econoprint - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 250.98   | Era - A Waters Company - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 1,363.00 | Executive Cleaning Co Inc - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 110.00   | Fairmont Hot Springs Reso - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 110.00   | Fairmont Hot Springs Reso - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 3,078.73 | Flowservice Llc - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 59.90    | Tlf*Gainans Floral And Gi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 54.79    | Galls - PCard                     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 459.80   | Galls - PCard                     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 323.39   | Galls - PCard                     |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 135.00   | Government Finance Offic - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 135.00   | Government Finance Offic - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 135.00   | Government Finance Offic - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 152.50   | Swana - PCard                     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 152.50   | Swana - PCard                     |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                        |
|------------|---------|------------------|---------------|-------------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 595.95   | Hach Company - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 895.90   | Hach Company - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 702.05   | Hach Company - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 227.05   | Hach Company - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 847.50   | Hach Company - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 4,275.00 | Hanser Wrecker Company - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 3,150.00 | Hanser Wrecker Company - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 3,850.00 | Hanser Wrecker Company - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 750.00   | Hansers Hardin - PCard           |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 39.75    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 53.10    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 46.65    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 30.15    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 117.44   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 199.80   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 575.71   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 87.25    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 30.15    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 67.40    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 365.28   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 187.42   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 435.43   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 160.66   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 16.15    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 269.85   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 387.46   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 60.38    | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 389.35   | Hanson Chemical - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 26.83    | Hose & Rubber Supply - B - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 100.02   | Hose & Rubber Supply - B - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 68.53    | Hose & Rubber Supply - B - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 9.50     | Hose & Rubber Supply - B - PCard |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 433.81   | Hose & Rubber Supply - B - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 114.64   | Hose & Rubber Supply - B - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 58.86    | Hose & Rubber Supply - B - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 1,068.48 | Hose & Rubber Supply - B - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 15.85    | Tire Rama 101 Bc - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 260.66   | Tire Rama 105 It - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 942.50   | Tire Rama 105 It - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 26.00    | Tire Rama 105 It - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 27.76    | Jares Fence Company Inc - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 53.82    | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 427.92   | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 1,093.30 | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 680.10   | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 1,540.65 | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 447.16   | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 2,621.40 | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 2,531.80 | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 1,882.79 | Kb Commercial Products - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | IT Resources   | \$ 34.50    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 10.18    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 10.19    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 10.19    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 10.19    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 80.90    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 87.50    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 82.68    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 87.50    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 54.50    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 68.80    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 75.00    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 12.50    | 4Te*Alarm Monitoring Serv - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 103.50   | Marketing Specialties In - PCard  |



| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                        |
|------------|---------|------------------|---------------|-------------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 246.00   | Marketing Specialties In - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 240.21   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 422.43   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 172.61   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 66.67    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 60.94    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 45.30    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 268.05   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 249.98   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 78.89    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 45.39    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 74.43    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 28.21    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 60.47    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 98.90    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 958.17   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 31.11    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 425.74   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 9.99     | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 459.13   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 462.40   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 1,261.53 | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 21.94    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 648.09   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 222.04   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 341.46   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 1,191.64 | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 525.66   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 70.46    | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 120.03   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 353.14   | Midland Implement Co - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 299.96   | Midland Implement Co - PCard     |

| Check Date | Check # | Name             | Fund Name     | Amount    | Item Desc                       |
|------------|---------|------------------|---------------|-----------|---------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 97.84  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 28.29  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 369.60 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 84.42  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 187.12 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 228.00 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 37.46  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 250.35 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 144.60 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 136.05 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 96.53  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 52.04  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 265.62 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 43.64  | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 145.44 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 239.39 | Midland Implement Co - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 175.00 | Midland Printing - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 88.98  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 19.74  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 170.92 | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 20.26  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 4.72   | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 12.32  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 63.16  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 16.27  | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 595.20 | Napa Store 3547001 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 133.07 | Napa Store 3547007 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 559.56 | Northern Hotel - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 559.56 | Northern Hotel - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 45.00  | Northern Hotel - Berni - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 319.43 | Northwest Pipe Fittings - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 161.77 | Northwest Pipe Fittings - PCard |

| Check Date | Check # | Name             | Fund Name          | Amount      | Item Desc                         |
|------------|---------|------------------|--------------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 75.06    | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport            | \$ 89.95    | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Ballpark Donations | \$ 350.40   | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 57.66    | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 75.06    | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 338.72   | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities         | \$ 4.16     | Northwest Pipe Fittings - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater         | \$ 122.79   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater         | \$ 91.68    | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater         | \$ 626.60   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 125.94   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 68.55    | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 370.14   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 432.94   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 270.67   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 96.77    | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 171.09   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 61.38    | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 170.64   | Northwest Scientific Inc - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities         | \$ 67.79    | Pacific Steel Branch #02 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit            | \$ 142.00   | Pacific Steel Branch #02 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 216.00   | Pepsicola Bottling Compan - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 93.00    | Pepsicola Bottling Compan - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water              | \$ 24.00    | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste        | \$ 125.00   | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1        | \$ 172.60   | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit            | \$ 1,042.00 | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit            | \$ 96.00    | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit            | \$ 1,240.75 | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit            | \$ 80.91    | Ratco Llc - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater         | \$ 95.25    | Reliable Tent & Tipi - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering        | \$ 50.96    | The Rubber Stamp Shop, - PCard    |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                         |
|------------|---------|------------------|----------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 46.50    | The Rubber Stamp Shop, In - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General        | \$ 25.00    | Montana Secretary State - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 63.76    | Sherwin Williams 701710 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 63.79    | Sherwin Williams 703203 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 109.96   | Sherwin Williams 703203 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 43.52    | Sherwin-Williams703429 - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 9.73     | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 9.74     | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 53.98    | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 54.99    | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 20.99    | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 23.52    | Sipton'S Big R East - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 279.93   | Sipton'S Big R Heights - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 2.98     | Sipton'S Big R Heights - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 200.00   | Sipton'S Big R Heights - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 56.65    | Sipton'S Big R Service - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 508.97   | Sipton'S Big R Service - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 299.56   | Sipton'S Big R Service - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 83.97    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 21.99    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 87.49    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 47.98    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 146.98   | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ (30.00)  | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 29.99    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering    | \$ 87.98    | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 574.99   | Sipton'S Big R West - PCard       |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 130.95   | Six Robblees Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 123.00   | Six Robblees Billings - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 58.02    | Six Robblees No 6 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 149.00   | Skillpath / National - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 1,645.00 | Skillpath / National - PCard      |

| Check Date | Check # | Name             | Fund Name      | Amount      | Item Desc                        |
|------------|---------|------------------|----------------|-------------|----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 993.45   | State Chemic*State Che - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities     | \$ 311.91   | State Chemic*State Che - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 940.39   | Sundown Security - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 299.04   | Tractor Supply Co #5509 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 11.99    | Tractor-Supply-Co #0303 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 14.97    | Tractor-Supply-Co #0303 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 105.97   | Tractor-Supply-Co #0303 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 24.99    | Tractor-Supply-Co #0303 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 183.85   | Tractor-Supply-Co #0303 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 70.00    | Triangle Communications - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 10.46    | Carquest 3104 - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 1,050.00 | Western Ranch Supply - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 700.00   | Western Ranch Supply - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 32.00    | Western Ranch Supply - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 181.00   | Wilbur Ellis Billings - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 294.47   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 1,360.32 | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 2,640.06 | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 223.25   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 19.00    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater     | \$ 223.68   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 24.61    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 214.14   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 19.00    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 43.76    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 19.58    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 186.10   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 20.28    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 187.64   | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 46.45    | Yellowstone Valley Elect - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | PD Program     | \$ 238.62   | Budget Rent A Car - PCard        |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 90.42    | Frontier Fence - PCard           |

| Check Date | Check # | Name             | Fund Name     | Amount    | Item Desc                         |
|------------|---------|------------------|---------------|-----------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 264.00 | Societyforhumanresource - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 432.50 | Pzg**Mt Historical Soc - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Facilities    | \$ 40.00  | Western Flag And Banner - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 166.59 | Perkin Elmer - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 762.10 | Balco Uniform Co Inc - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 37.43  | Gateway Fees - PCard              |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 59.99  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 35.96  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 58.48  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 58.47  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 359.98 | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 19.98  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 19.49  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 19.49  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 18.69  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 61.90  | Harbor Freight Tools 207 - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 360.00 | Carpetone - PCard                 |
| 10/07/2024 | ACH     | U.S. Bank PCards | P.W. Admin    | \$ 32.99  | Billingsgazettethriftynck - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | CDBG          | \$ 14.99  | Billingsgazettethriftynck - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 35.99  | Billingsgazettethriftynck - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 294.59 | Myron Corp - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 535.07 | Myron Corp - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 29.97  | Domino'S 7003 - PCard             |
| 10/07/2024 | ACH     | U.S. Bank PCards | General       | \$ 190.55 | Fsp*State Bar Of Montana - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 35.09  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint   | \$ 24.27  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 16.99  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 15.98  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit       | \$ 49.96  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 39.98  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 17.96  | Kings Ace Hdwe - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 17.96  | Kings Ace Hdwe - PCard            |

| Check Date | Check # | Name             | Fund Name      | Amount    | Item Desc                |
|------------|---------|------------------|----------------|-----------|--------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 16.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 36.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 24.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parks Maint    | \$ 15.29  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 12.53  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 36.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 93.55  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library        | \$ 117.55 | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 33.98  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 11.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 29.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 14.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 24.69  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 38.98  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 20.06  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 34.18  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 16.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 21.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 216.91 | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 4.99   | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 39.98  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Street/Traffic | \$ 80.03  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport        | \$ 2.59   | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 147.54 | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Transit        | \$ 11.69  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1    | \$ 118.56 | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 383.90 | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 50.24  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water          | \$ 19.99  | Kings Ace Hdwe - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety  | \$ 14.99  | Scheels Billings - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 268.87 | Kleen Rite Corp - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste    | \$ 31.06  | Kleen Rite Corp - PCard  |

| Check Date | Check # | Name             | Fund Name     | Amount      | Item Desc                         |
|------------|---------|------------------|---------------|-------------|-----------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards | Building      | \$ 642.95   | Delta Air 0062267326834 - PCard   |
| 10/07/2024 | ACH     | U.S. Bank PCards | Solid Waste   | \$ 4,804.82 | Npc*New Pig Corp - PCard          |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 533.95   | Cdw Govt #Aa39R8Y - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 533.95   | Cdw Govt #Aa39R8Y - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Wastewater    | \$ 914.84   | Cdw Govt #Aa3K43X - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 195.00   | Montana Library Associ - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 123.00   | Iaai - PCard                      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 123.00   | Iaai - PCard                      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 796.00   | Medical Priority Consu - PCard    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 248.00   | Zoomontana Pos - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 1,500.00 | Security View Llc - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 1,500.00 | Security View Llc - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 8.79     | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Parking       | \$ 40.77    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 24.38    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 99.99    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 3.29     | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 79.60    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 79.96    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 49.99    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Engineering   | \$ 77.34    | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 109.01   | Costco Whse #1644 - PCard         |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 18.69    | Www Costco Com - PCard            |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ (14.14)  | National Emergency Train - PCard  |
| 10/07/2024 | ACH     | U.S. Bank PCards | Court Grants  | \$ 60.00    | Holiday Stations 0731 - PCard     |
| 10/07/2024 | ACH     | U.S. Bank PCards | Water         | \$ 88.92    | Billings Hardware & Servi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 429.97   | Billings Hardware & Servi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Library       | \$ 77.74    | Billings Hardware & Servi - PCard |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 131.56   | Curtis - PCard                    |
| 10/07/2024 | ACH     | U.S. Bank PCards | Airport       | \$ 887.21   | United 0162416280343 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Public Safety | \$ 40.00    | United 0164429799897 - PCard      |
| 10/07/2024 | ACH     | U.S. Bank PCards | Park Dist 1   | \$ 247.00   | Big Sky Irrigation Inc - PCard    |



| Check Date | Check # | Name                      | Fund Name          | Amount       | Item Desc                                       |
|------------|---------|---------------------------|--------------------|--------------|-------------------------------------------------|
| 10/07/2024 | ACH     | U.S. Bank PCards          | Planning           | \$ 1,094.86  | Insight Public Sector - PCard                   |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Facilities         | \$ 135.00    | Reliable Automation Syste - PCard               |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Transit            | \$ 1,100.00  | Community Transportation - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Public Safety      | \$ 110.00    | Big Sky Communications 1 - PCard                |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Water              | \$ 24.60     | Kings Ace Hdwe - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Water              | \$ 19.99     | Kings Ace Hdwe - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Park Dist 1        | \$ 19.78     | Kings Ace Hdwe - PCard                          |
| 10/07/2024 | ACH     | U.S. Bank PCards          | Park Dist 1        | \$ 54.20     | Kings Ace Hdwe - PCard                          |
| 10/07/2024 | 874686  | Advanced Engin and Enviro | Water              | \$ 1,172.00  | WO 2245 Willett/Christensen Pump Station Improv |
| 10/07/2024 | 874686  | Advanced Engin and Enviro | Water              | \$ 12,178.75 | WO 2396 WTP Intake #2 Catwalk Reno              |
| 10/07/2024 | 874691  | Askin Construction        | SID Const          | \$ 8,855.55  | SID 14-21..Cypress Point                        |
| 10/07/2024 | 874693  | Bargreen Ellingson        | General            | \$ 10,800.00 | CMA dishmachines for community senior center    |
| 10/07/2024 | 874694  | Bcs Scrip                 | City Ins Fund      | \$ 11,700.00 | 3rd Quarter Wellness 2024 Gift Cards            |
| 10/07/2024 | 874695  | Berven Industries         | Airport            | \$ 2,737.49  | De-Ice Pellets for Air Carrier Ramp             |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 559213757, SANE 2024079                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 600.00    | 559308762, SANE 2023993                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 558821729, SANE 2024071                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 558760867, SANE 2024069                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 600.00    | 559611491, SANE 2023078                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 558786441, SANE 2024070                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 559067150, SANE 2024078                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 185.00    | 559470688, LBD #24-56186                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 185.00    | 559430672, LBD #24-54940                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 185.00    | 559482229, LBD #24-55718                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 176.00    | 546961954, LBD #21-62909                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 176.00    | 546980922, LBD #21-63374                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 185.00    | 558542136, LBD #24-36582                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 176.00    | 546941234, LBD #21-62179                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 176.00    | 546908723, LBD #21-61617                        |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 630.00    | 558618078, SANE 2024064                         |
| 10/07/2024 | 874697  | Billings Clinic           | Public Safety      | \$ 600.00    | 558554415, SANE 2024052                         |
| 10/07/2024 | 874698  | Billings Mustangs         | Ballpark Donations | \$ 17,302.60 | BALB Dehler Park use; total cost of 46 games    |

| Check Date | Check # | Name                                   | Fund Name      | Amount       | Item Desc                                        |
|------------|---------|----------------------------------------|----------------|--------------|--------------------------------------------------|
| 10/07/2024 | 874711  | Civicplus                              | IT Resources   | \$ 4,317.60  | Archive Social upgrade premium plan              |
| 10/07/2024 | 874711  | Civicplus                              | Airport        | \$ 434.02    | Quarterly Civic Send Airport                     |
| 10/07/2024 | 874711  | Civicplus                              | IT Resources   | \$ 118.69    | SSL Certificate Quarterly Fee Renewal -IT        |
| 10/07/2024 | 874711  | Civicplus                              | IT Resources   | \$ 434.02    | Quarterly CivicSend IT                           |
| 10/07/2024 | 874711  | Civicplus                              | IT Resources   | \$ 9,251.02  | Quarterly Hosting & Support Fees                 |
| 10/07/2024 | 874712  | Community Solutions Inc                | Court Grants   | \$ 2,820.00  | 24 Sept CSI EtG                                  |
| 10/07/2024 | 874712  | Community Solutions Inc                | Court Grants   | \$ 1,650.00  | 24 Sept. CSI EtG                                 |
| 10/07/2024 | 874713  | Cop Construction Co                    | Solid Waste    | \$ 15,054.62 | WO 20-46 Landfill Compost Facility               |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Park Dist 1    | \$ 26.80     | WATER CHARGES FOR ARROWHEAD - 13137              |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Park Dist 1    | \$ 1,936.28  | water charges for Primrose 06100                 |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Park Dist 1    | \$ 1,344.98  | WATER CHARGES FOR ARROWHEAD - 13138              |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 2,140.43  | WATER CHARGES FOR UINTA- 17140                   |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 1,405.92  | WATER CHARGES FOR FRANCES'S- 16219               |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 2,553.60  | WATER CHARGES FOR TWIN OAKS- 17196               |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Park Dist 1    | \$ 3,181.22  | WATER CHARGES FOR HAWTHORNE - 08163              |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 54.59     | WATER CHARGES FOR WALDON GROVE- 30388            |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Park Dist 1    | \$ 366.43    | water charges for Clevenger - 01019              |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 728.89    | WATER CHARGES FOR ROLLING HILLS- 09174           |
| 10/07/2024 | 874717  | County Water District Of Blngs Heights | Parks Maint    | \$ 538.95    | WATER CHARGES FOR LUTHERAN- 10112                |
| 10/07/2024 | 874721  | Dakota Supply Group                    | Water          | \$ 75,571.58 | PBD034 Briar Wood Water Main                     |
| 10/07/2024 | 874731  | Earth Movers Excavation                | Storm Sewer    | \$ 5,872.48  | WO2350 Gabel Rd Hogan Slough Culvert Replac      |
| 10/07/2024 | 874731  | Earth Movers Excavation                | Gas Tax        | \$ -         | WO2350 Gabel Rd Hogan Slough Culvert Replac      |
| 10/07/2024 | 874737  | First Light Technologies               | Street/Traffic | \$ 18,307.60 | street lights for sca                            |
| 10/07/2024 | 874739  | Fisher Sand & Gravel                   | Street/Traffic | \$ 7,285.12  | asphalt                                          |
| 10/07/2024 | 874739  | Fisher Sand & Gravel                   | Street/Traffic | \$ 11,763.20 | asphalt                                          |
| 10/07/2024 | 874745  | Greystone Construction                 | St Maint Dist  | \$ 8,383.08  | WO 23-45 Street/Traffic Remote Salt Storage Bldg |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 195.79    | C251380723:01                                    |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 329.76    | C251382128:01                                    |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 620.46    | C251382225:01                                    |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 219.84    | C251382443:01                                    |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 360.96    | C251380459:01                                    |
| 10/07/2024 | 874752  | I-State Truck                          | Fleet          | \$ 181.24    | C251382443:01                                    |

| Check Date | Check # | Name           | Fund Name        | Amount      | Item Desc       |
|------------|---------|----------------|------------------|-------------|-----------------|
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 26.78    | C251380633.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 64.89    | C251380669.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 60.14    | C251380509.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 60.67    | C251380395.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 43.04    | C251380669.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 46.30    | C251381014.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 30.00    | C251381021.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 333.38   | C251380811.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 362.36   | C251381021.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 4.97     | C251380982.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 4.97     | C251380977.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 95.00    | C251380811.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 78.39    | C251380765.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 391.58   | C251380731.01   |
| 10/07/2024 | 874752  | I-State Truck  | Fleet            | \$ 195.75   | C251382514:01   |
| 10/07/2024 | 874753  | Iaff           | Payroll Clearing | \$ 5,596.92 | Payroll Summary |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 2.46     | 83742069        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 93.18    | 83742069        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 240.81   | 83742069        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 145.30   | 83742069        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 0.43     | 83777111        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 16.19    | 83777111        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 0.12     | 83742068        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 10.79    | 83742068        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 0.41     | 83777110        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 25.64    | 83777110        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 0.14     | 83744650        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 68.44    | 83744650        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 68.31    | 83744650        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 10.02    | 83744650        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 0.25     | 83777115        |
| 10/07/2024 | 874756  | Ingram Library | Library          | \$ 11.20    | 83777115        |

| Check Date | Check # | Name           | Fund Name | Amount      | Item Desc |
|------------|---------|----------------|-----------|-------------|-----------|
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.01     | 83744649  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 5.87     | 83744649  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.66     | 83777114  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 17.69    | 83777114  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.02     | 83744651  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 16.19    | 83744651  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.32     | 8380286   |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 17.10    | 8380286   |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 9.74     | 8380286   |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.26     | 83744652  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 313.61   | 83744652  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.48     | 83802087  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 34.97    | 83802087  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 2.45     | 83744648  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 273.95   | 83744648  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 476.68   | 83744648  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 1,497.21 | 83744648  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.63     | 83777113  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 20.65    | 83777113  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 11.20    | 83777113  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.42     | 83742070  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 68.95    | 83742070  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 0.62     | 83777112  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 15.34    | 83777112  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 19.13    | 83777112  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ (17.70)  | 79272152  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 24.75    | 83744656  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ (21.27)  | 79550544  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ (17.19)  | 83420630  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 8.44     | 83744655  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ (5.97)   | 79807682  |
| 10/07/2024 | 874756  | Ingram Library | Library   | \$ 17.69    | 83744654  |

| Check Date | Check # | Name                    | Fund Name        | Amount        | Item Desc                                       |
|------------|---------|-------------------------|------------------|---------------|-------------------------------------------------|
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 2.20       | 38302088                                        |
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 114.00     | 38302088                                        |
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 0.12       | 83744653                                        |
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 17.10      | 83744653                                        |
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 68.34      | 83744653                                        |
| 10/07/2024 | 874756  | Ingram Library          | Library          | \$ 20.61      | 83744653                                        |
| 10/07/2024 | 874757  | Innocorp                | PD Program       | \$ 8,900.00   | Fatal vision alcohol and THC program kits       |
| 10/07/2024 | 874758  | Insight Public Sector   | General          | \$ (1,893.70) | Credit for Legal Surface Pro, defective         |
| 10/07/2024 | 874758  | Insight Public Sector   | Stillwater Const | \$ 1,290.18   | Monitors&Wall mounts -City council, stillwater  |
| 10/07/2024 | 874758  | Insight Public Sector   | Stillwater Const | \$ 4,090.35   | Monitors&Wall mounts -City council, stillwater  |
| 10/07/2024 | 874762  | K2 Civil                | Park Dist 1      | \$ 9,182.42   | Change order #3 to increase po amnt 9920-1%tax  |
| 10/07/2024 | 874762  | K2 Civil                | Park Dist 1      | \$ 290.44     | Change order #3 to increase po amnt 9920-1%tax  |
| 10/07/2024 | 874762  | K2 Civil                | Park Dist 1      | \$ 94.43      | Change order #3 to increase po amnt 9920-1%tax  |
| 10/07/2024 | 874762  | K2 Civil                | Park Dist 1      | \$ 253.51     | Change order #3 to increase po amnt 9920-1%tax  |
| 10/07/2024 | 874762  | K2 Civil                | Park Dist 1      | \$ 21,408.75  | CONSTRUCT LANDON'S INCLUSIVE PLAYGROUND         |
| 10/07/2024 | 874779  | Montana CSED            | Payroll Clearing | \$ 5,806.02   | Payroll Summary                                 |
| 10/07/2024 | 874780  | MT Dakota Utilities CNG | Solid Waste      | \$ 2,855.06   | 9192024                                         |
| 10/07/2024 | 874780  | MT Dakota Utilities CNG | Solid Waste      | \$ 5.60       | 9192024                                         |
| 10/07/2024 | 874782  | MFPE                    | Payroll Clearing | \$ 3,128.46   | Payroll Summary                                 |
| 10/07/2024 | 874783  | MMIA                    | Property Ins     | \$ 62,693.52  | September 2024 Liability Self Insurance Payment |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 293.55     | 100633BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 195.00     | 102092BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 95.56      | 102180BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 284.92     | 102468BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Transit          | \$ 214.30     | 102621BL_Unit#1827_Brake Drums Rear             |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Transit          | \$ 88.00      | 102696BL_Shipping                               |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Transit          | \$ 1,780.00   | 102754BL_Brakes- Rear Drums & Shoes             |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 730.01     | 100494BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 213.69     | 102092BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Transit          | \$ 461.90     | 102119BL_Fan Support Assembly                   |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 176.28     | 102180BL                                        |
| 10/07/2024 | 874784  | MT Peterbilt LLC        | Fleet            | \$ 65.00      | 102468BL                                        |

| Check Date | Check # | Name                | Fund Name        | Amount      | Item Desc                           |
|------------|---------|---------------------|------------------|-------------|-------------------------------------|
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 426.36   | 102626BL_Water Pump                 |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 161.25   | 102684BL_Pulley- AC                 |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 280.00   | 102754BL_Cores                      |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 569.70   | 100904BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 162.80   | 102607BL_Tensioner, Belt            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 1,385.70 | 102696BL_Support Fan                |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 162.80   | 102750BLTensioner                   |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 293.55   | 100633BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 426.36   | 102607BL_Water Pump Kit             |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 322.50   | 102685BL_AC Pulley                  |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Transit          | \$ 392.48   | 102754BL_Brakes- Rear Drums & Shoes |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 210.42   | 100768BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 88.00    | 100726BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 78.67    | 100913BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 573.25   | 100726BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 1,262.78 | 100916BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ (398.40) | CM100718BL                          |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 221.07   | 100620BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 186.32   | 100314BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 398.40   | 100718BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 83.58    | 100359BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 3,988.35 | 100128BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 85.00    | 100128BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 83.58    | 100235BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 5.42     | 100144BL                            |
| 10/07/2024 | 874784  | MT Peterbilt LLC    | Fleet            | \$ 8.44     | 100235BL                            |
| 10/07/2024 | 874786  | MSFA                | Payroll Clearing | \$ 5,640.74 | Payroll Summary                     |
| 10/07/2024 | 874790  | MPPA                | Payroll Clearing | \$ 4,128.67 | Payroll Summary                     |
| 10/07/2024 | 874799  | NorthWestern Energy | Water            | \$ 1,522.53 | 0100478-7                           |
| 10/07/2024 | 874799  | NorthWestern Energy | Engineering      | \$ 20.32    | September parking lot lights        |
| 10/07/2024 | 874799  | NorthWestern Energy | Public Safety    | \$ 826.39   | 0712537-0                           |
| 10/07/2024 | 874799  | NorthWestern Energy | Parking          | \$ 345.57   | 0720829-1                           |

| Check Date | Check # | Name                | Fund Name      | Amount       | Item Desc                             |
|------------|---------|---------------------|----------------|--------------|---------------------------------------|
| 10/07/2024 | 874799  | NorthWestern Energy | Transit        | \$ 27.90     | 0712764-0                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 195.04    | 0712683-2                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Public Safety  | \$ 441.90    | 0720840-8                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Water          | \$ 3,440.34  | 0722252-4                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Water          | \$ 6,948.17  | 0723043-6                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 79.03     | 0712539-6                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Wastewater     | \$ 2,619.03  | 2132749-9                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 17.81     | 3020837-5                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Public Safety  | \$ 246.22    | 1984150-1                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Public Safety  | \$ 780.60    | 1984155-0                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Parking        | \$ 1,449.58  | 1569636-2                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 586.21    | 1141284-8                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 916.51    | 1160780-1                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 34.50     | 0920801-8                             |
| 10/07/2024 | 874799  | NorthWestern Energy | Park Dist 1    | \$ 6.00      | 0831702-6                             |
| 10/07/2024 | 874801  | Pace                | Storm Sewer    | \$ 14,465.52 | CCTV inspections of storm systems     |
| 10/07/2024 | 874806  | Pioneer Technical   | Solid Waste    | \$ 5,530.02  | Landfill Slope Stability Improvements |
| 10/07/2024 | 874809  | Prorover            | General        | \$ 5,400.00  | Invoice 9/24-9/30/2024                |
| 10/07/2024 | 874810  | Public Utilities    | Public Safety  | \$ 229.73    | 3058345                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 5,104.90  | 3058560                               |
| 10/07/2024 | 874810  | Public Utilities    | Park Dist 1    | \$ 275.77    | 3068144                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 4,243.45  | 3064069                               |
| 10/07/2024 | 874810  | Public Utilities    | Wastewater     | \$ 30.66     | 3075442                               |
| 10/07/2024 | 874810  | Public Utilities    | Public Safety  | \$ 208.49    | 3085968                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 4,894.32  | 3064449                               |
| 10/07/2024 | 874810  | Public Utilities    | Facilities     | \$ 2,925.60  | 3090329                               |
| 10/07/2024 | 874810  | Public Utilities    | Parks Maint    | \$ 66.47     | 3109460                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 38.98     | 3073579                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 5,749.39  | 3075775                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 578.29    | 3075422                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 1,056.20  | 3073598                               |
| 10/07/2024 | 874810  | Public Utilities    | Street/Traffic | \$ 509.38    | 3075421                               |

| Check Date | Check # | Name                           | Fund Name        | Amount       | Item Desc                                       |
|------------|---------|--------------------------------|------------------|--------------|-------------------------------------------------|
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 2,054.64  | 3083177                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 3,873.34  | 3079239                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 1,720.42  | 3085204                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 532.81    | 3087054                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 714.68    | 3086968                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 2,935.32  | 3090825                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 25.53     | 3091174                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 2,150.44  | 3090876                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 4,147.42  | 3098792                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 4,182.77  | 3094347                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 5,117.66  | 3102621                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 1,486.59  | 3108265                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 32.49     | 3108245                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 229.72    | 3113989                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 475.65    | 3110138                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 598.35    | 3110134                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 2,526.92  | 3110133                                         |
| 10/07/2024 | 874810  | Public Utilities               | Street/Traffic   | \$ 185.05    | 3114048                                         |
| 10/07/2024 | 874811  | Reliable Mechanical & Controls | Facilities       | \$ 4,999.50  | Monthly Mntnce Repair at the Stillwater Sep 24  |
| 10/07/2024 | 874812  | Rinker Materials               | Street/Traffic   | \$ 12,449.52 | Reinforced concrete pipe culvert materials      |
| 10/07/2024 | 874816  | Sanderson Stewart              | Gas Tax          | \$ -         | WO0912 Inner Belt Loop- NW Blngs Connector      |
| 10/07/2024 | 874816  | Sanderson Stewart              | Water            | \$ 473.00    | WO 24-18 Central Avenue Water Extension         |
| 10/07/2024 | 874816  | Sanderson Stewart              | Trl Donate       | \$ 6,492.00  | WO 21-38 Skyline Trail (Marathon Loop)          |
| 10/07/2024 | 874816  | Sanderson Stewart              | Arterial Streets | \$ 9,647.50  | WO0912 Inner Belt Loop- NW Blngs Connector      |
| 10/07/2024 | 874817  | Selbys                         | Planning         | \$ 714.00    | Qty. 6 Building Bluebeam                        |
| 10/07/2024 | 874817  | Selbys                         | Wastewater       | \$ 119.00    | Qty. 14 Bluebeam renewals PW                    |
| 10/07/2024 | 874817  | Selbys                         | Engineering      | \$ 1,547.00  | Qty. 14 Bluebeam renewals PW                    |
| 10/07/2024 | 874817  | Selbys                         | IT Resources     | \$ 119.00    | Qty. 1 Bluebeam -Michelle -GIS                  |
| 10/07/2024 | 874817  | Selbys                         | Planning         | \$ 1,071.00  | Qty. Bluebeam Revu -Planning                    |
| 10/07/2024 | 874817  | Selbys                         | Public Safety    | \$ 357.00    | Qty. 3 Bluebeam renewals                        |
| 10/07/2024 | 874818  | SHI International Corp         | IT Resources     | \$ 9,099.20  | MS Server Sftwre Assurance 11/1/2024-10/31/2027 |
| 10/07/2024 | 874818  | SHI International Corp         | Public Safety    | \$ 121.05    | Wasabi Overage -Evidence cloud storage          |



| Check Date | Check # | Name                      | Fund Name     | Amount        | Item Desc                                     |
|------------|---------|---------------------------|---------------|---------------|-----------------------------------------------|
| 10/07/2024 | 874818  | SHI International Corp    | Planning      | \$ 48.26      | Annual renewal Visio Plan 1G -Building        |
| 10/07/2024 | 874818  | SHI International Corp    | Public Safety | \$ 286.00     | August Wasabi Overage -Evidence Storage       |
| 10/07/2024 | 874818  | SHI International Corp    | IT Resources  | \$ 1,197.40   | Azure P1 Plan renewal 10/1/2024-9/30/2025     |
| 10/07/2024 | 874819  | SIGNAL 88 FRANCHISE GROUP | Library       | \$ 19,207.31  | 3766355 Security Guard Service September 2024 |
| 10/07/2024 | 874825  | Steiner Thuesen PLLC      | Park Dist 1   | \$ 7,274.62   | REPLACE THE TENNIS COURTS AT PIONEER PARK     |
| 10/07/2024 | 874825  | Steiner Thuesen PLLC      | Park Dist 1   | \$ 566.48     | REPLACE THE TENNIS COURTS AT PIONEER PARK     |
| 10/07/2024 | 874825  | Steiner Thuesen PLLC      | Park Dist 1   | \$ 2,138.20   | design svcs for north improv to coulson park  |
| 10/07/2024 | 874825  | Steiner Thuesen PLLC      | Park Dist 1   | \$ 510.00     | WO2332 Gorham park Irrigation System Replace  |
| 10/07/2024 | 874825  | Steiner Thuesen PLLC      | Park Dist 1   | \$ 4,191.08   | Sep 24 invoice improvement to Coulson Park    |
| 10/07/2024 | 874830  | Tel Net Systems           | Transit       | \$ 104,402.47 | MET Transit Video Surveillance Upgrade        |
| 10/07/2024 | 874831  | Terracon Consultants      | Engineering   | \$ 3,263.50   | WO2344 Heights Storm Water Project Mate       |
| 10/07/2024 | 874833  | Underriner Motors         | Transit       | \$ 38,852.00  | 2024 Hyundai Santa Fe                         |
| 10/07/2024 | 874840  | VertexOne Software        | Water         | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Water         | \$ 82,664.06  | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Water         | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Water         | \$ 5,902.12   | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Wastewater    | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Wastewater    | \$ 2,318.69   | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Solid Waste   | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Solid Waste   | \$ 2,318.69   | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Solid Waste   | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Solid Waste   | \$ 33,305.28  | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Wastewater    | \$ -          | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874840  | VertexOne Software        | Wastewater    | \$ 33,305.26  | Utility Billing Software Solution, TRPREP     |
| 10/07/2024 | 874843  | Warren Transport          | St Maint Dist | \$ 28,176.30  | WO2433 Babcock BLVD & Claim Jumper Ln Improv  |
| 10/07/2024 | 874849  | YVAS                      | Public Safety | \$ 27,288.32  | contract 9-2024                               |

**City Council Regular**

**Date:** 11/12/2024  
**Title:** Payment of Claims for week of October 14th, 2024  
**Presented by:** Erin Watterud  
**Department:** Finance  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends Council approve the Payment of Claims

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

Claims in the amount of \$5,081,771.85 have been reviewed and are presented for City Council payment approval. A complete listing of the claims for the week are available in the Finance Department. Payment Approval Process Every invoice for payment is entered into the City's accounting system and the backup documentation is scanned in and attached (physical invoices, additional e-mails explaining payments, bids, contracts, etc.). Each invoice goes through a multi-step approval process depending upon the amount of the payment. First, invoices are entered by the department requesting the payment and the department director or designee must perform an initial review and approval of the purchase. The number of approvals within the department can vary based upon the size of the department, but no less than one approver within each department must verify the payment. Second, all payments, regardless of size, must be approved by the Purchasing Agent or designee. The Purchasing Agent will review the payment to ensure purchasing procedures are followed and appropriate documentation is attached. If the payment is greater than \$1,000, then it must be approved by the Finance Director or designee. If that payment is greater than \$10,000, then it must be approved by the City Administrator or Assistant City Administrator. Once all approvals are completed, the payment is able to be made and the Accounts Payable Clerk can print the check. After all checks are printed, a list of all checks in excess of \$2,500 is generated and placed on the next City Council meeting for review.

**ALTERNATIVES**

No other alternatives were analyzed.

**FISCAL EFFECTS**

Claims have a varying impact on department budgets, but are submitted by the departments and reviewed by Finance staff before being sent to the Council.

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**Attachments**

CouncilMemo wk of 10142024

| Check Date | Check # | Name                           | Fund Name        | Amount          | Item Desc                                                 |
|------------|---------|--------------------------------|------------------|-----------------|-----------------------------------------------------------|
| 10/14/2024 | 874851  | A+ Electric Motor              | Water            | \$ 2,650.00     | On Site testing & Vibration Analysis                      |
| 10/14/2024 | 874852  | Ace Electric                   | CDBG             | \$ 105.00       | Moving Expense; Disconnect office furniture 6th Floor     |
| 10/14/2024 | 874852  | Ace Electric                   | Wastewater       | \$ 144.37       | 2024 3rd Quarter Maint                                    |
| 10/14/2024 | 874852  | Ace Electric                   | Water            | \$ 433.13       | 2024 3rd Quarter Maint                                    |
| 10/14/2024 | 874852  | Ace Electric                   | Water            | \$ 22,450.00    | Demo/Install VFD Cabinet, breaker                         |
| 10/14/2024 | 874853  | Acom                           | Airport          | \$ 23,790.00    | Exterior Terminal Building Painting Repair Project        |
| 10/14/2024 | 874855  | AD Creative Group              | Airport          | \$ 3,300.00     | Invoice #969. Fall/Winter Various Advertising             |
| 10/14/2024 | 874855  | AD Creative Group              | Airport          | \$ 947.31       | Invoice #970. Taylor's Choice Airport Sign                |
| 10/14/2024 | 874859  | Arthur J Gallagher Risk Mngmnt | City Ins Fund    | \$ 7,367.00     | Inv. 5311218 Fiduciary Liability                          |
| 10/14/2024 | 874860  | Askin Construction             | Tax Incrmnt S    | \$ 119,230.06   | Retainage Release FINAL                                   |
| 10/14/2024 | 874861  | Asphalt Plus                   | Airport          | \$ 461,567.20   | Aviation Place Road Rehabilitation Project- Fed Share     |
| 10/14/2024 | 874861  | Asphalt Plus                   | Airport          | \$ 51,285.24    | Aviation Place Road Rehabilitation Project- Loc Share     |
| 10/14/2024 | 874869  | Billings Community Cable       | General          | \$ 53,732.00    | October 2024 Quarterly Disbursement for Channel 7         |
| 10/14/2024 | 874870  | Billings Depot                 | Engineering      | \$ 46,311.66    | Depot Rent September October November                     |
| 10/14/2024 | 874875  | Breuckman                      | Park Prgrms      | \$ 10,000.00    | Sculptures placed along Skyline Trail                     |
| 10/14/2024 | 874886  | Civicplus                      | Library          | \$ 5,777.14     | 19594 annual renewal                                      |
| 10/14/2024 | 874888  | Colstrip Electric              | Park Dist 1      | \$ 3,068.34     | electrical for grandview irrigation - 39315               |
| 10/14/2024 | 874888  | Colstrip Electric              | Park Dist 1      | \$ 2,541.08     | new power service install at clevenger - 39318            |
| 10/14/2024 | 874888  | Colstrip Electric              | Park Dist 1      | \$ 803.78       | repairs to oven/stove in kitchen at BCC - 39317           |
| 10/14/2024 | 874888  | Colstrip Electric              | Park Dist 1      | \$ 105.00       | wiring repairs at dehler - 39316                          |
| 10/14/2024 | 874892  | Cushing Terrell                | Facilities       | \$ 1,675.22     | Engin. design svcs rooftop unit replace at BOCAAdminBarn  |
| 10/14/2024 | 874892  | Cushing Terrell                | St Maint Dist    | \$ 2,462.89     | WO 23-45 Street/Traffic Remote Salt Storage Bldg          |
| 10/14/2024 | 874895  | Dakota Supply Group            | Water            | \$ 552.60       | 4" X 15" CI-FC REPAIR CLAMP - F1-514 X 15-SH              |
| 10/14/2024 | 874895  | Dakota Supply Group            | Water            | \$ 1,705.14     | 6" X 15" C1 FC REPAIR CLAMP - F1-724 X 15 SH              |
| 10/14/2024 | 874895  | Dakota Supply Group            | Water            | \$ 236.74       | 8" PV- LOK CLAMP RESTRAINT P/N: 368800                    |
| 10/14/2024 | 874895  | Dakota Supply Group            | Water            | \$ 454.15       | CURB BOX 3/4" - 1 - 1/2" TAP - 7' BURY (56147)            |
| 10/14/2024 | 874897  | Dick Anderson Construction     | Stillwater Const | \$ 526,674.96   | City of Billings Law and Justice Center/City Hall Remodel |
| 10/14/2024 | 874897  | Dick Anderson Construction     | Stillwater Const | \$ 14,302.55    | City of Billings Law and Justice Center/City Hall Remodel |
| 10/14/2024 | 874897  | Dick Anderson Construction     | Stillwater Const | \$ 432,796.31   | City of Billings Law and Justice Center/City Hall Remodel |
| 10/14/2024 | 874897  | Dick Anderson Construction     | Water            | \$ 1,581,502.61 | WO 19-42 West End WTP Project - Construction; Pmt 9       |
| 10/14/2024 | 874900  | Dorsey & Whitney               | SID Const        | \$ 8,304.00     | Legal Services thru 08/31/2024                            |
| 10/14/2024 | 874901  | DOWL                           | Planning         | \$ 25,749.60    | Professional Services from Aug 25, 2024- Sept 28, 2024    |
| 10/14/2024 | 874901  | DOWL                           | Water            | \$ 20,053.75    | WO 23-01 23 Water and Sewer Main Replacement- Water       |

| Check Date | Check # | Name                          | Fund Name        | Amount       | Item Desc                                                |
|------------|---------|-------------------------------|------------------|--------------|----------------------------------------------------------|
| 10/14/2024 | 874901  | DOWL                          | Water            | \$ 16,155.35 | WO24-01 Contract 1: 2024 Water Main Replacement          |
| 10/14/2024 | 874903  | Downtown Billings Partnership | Tax Incrmnt N27  | \$ 75,000.00 | Battle of the Plans FY25 budget                          |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 850.00    | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 37,044.36 | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 73,051.82 | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 1,242.50  | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 1,897.50  | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | City Ins Fund    | \$ 6,362.16  | November 1, 2024 Statement                               |
| 10/14/2024 | 874904  | EBMS                          | Payroll Clearing | \$ 13,115.18 | November 1, 2024 Statement                               |
| 10/14/2024 | 874907  | Empire Garage Owner's         | Parking          | \$ 7,555.69  | COB SEPTEMBER 24 EGOA ASSESSMENT                         |
| 10/14/2024 | 874910  | Executive Cleaning            | Library          | \$ 1,590.00  | 78884                                                    |
| 10/14/2024 | 874910  | Executive Cleaning            | Library          | \$ 1,698.00  | 78922                                                    |
| 10/14/2024 | 874910  | Executive Cleaning            | Library          | \$ 1,698.00  | 79029                                                    |
| 10/14/2024 | 874911  | Fabricon                      | Tax Incrmnt N27  | \$ 27,887.30 | fab and install 5 membrane panels on Skypoint            |
| 10/14/2024 | 874911  | Fabricon                      | Tax Incrmnt N27  | \$ 840.28    | fab and install 5 membrane panels on Skypoint            |
| 10/14/2024 | ACH     | Finishing Touch Exteriors     | Public Safety    | \$ 1,121.91  | St 4 Gutters - install gutters and down spout            |
| 10/14/2024 | ACH     | Finishing Touch Exteriors     | Public Safety    | \$ 11,208.72 | St 6 Gutters - Install gutters and commercial downspouts |
| 10/14/2024 | 874912  | Fisher Sand & Gravel          | Street/Traffic   | \$ 4,240.64  | asphalt                                                  |
| 10/14/2024 | 874912  | Fisher Sand & Gravel          | Street/Traffic   | \$ 332.16    | asphalt                                                  |
| 10/14/2024 | 874912  | Fisher Sand & Gravel          | Street/Traffic   | \$ 13,079.04 | asphalt                                                  |
| 10/14/2024 | 874912  | Fisher Sand & Gravel          | Street/Traffic   | \$ 6,311.68  | asphalt                                                  |
| 10/14/2024 | 874912  | Fisher Sand & Gravel          | Street/Traffic   | \$ 2,842.24  | asphalt                                                  |
| 10/14/2024 | 874915  | Granite Peak Pump             | Park Dist 1      | \$ 722.36    | pioneer pump repair - 24207                              |
| 10/14/2024 | 874915  | Granite Peak Pump             | Park Dist 1      | \$ 2,735.29  | pump repairs at Poly Vista - 24211                       |
| 10/14/2024 | 874915  | Granite Peak Pump             | Park Dist 1      | \$ 1,269.12  | pump repairs north & castlerock parks - 24210            |
| 10/14/2024 | 874918  | Hach Company                  | Wastewater       | \$ 8,409.25  | replacement headworks AS950 sampler cont                 |
| 10/14/2024 | 874920  | Hawkins                       | Water            | \$ 31,876.07 | Coagulant for process                                    |
| 10/14/2024 | ACH     | HDR                           | Wastewater       | \$ 14,770.04 | WO 20-44 WRF Nutrient Recovery Improvements Project      |
| 10/14/2024 | ACH     | HDR                           | Water            | \$ 75,586.58 | WO 19-12 West End Reservoir                              |
| 10/14/2024 | 874922  | High Point Networks           | Airport          | \$ 2,034.00  | Invoice #258363. Monthly WIFI Management Fees            |
| 10/14/2024 | 874922  | High Point Networks           | IT Resources     | \$ 4,940.00  | Tier 2 Block of Hours                                    |
| 10/14/2024 | 874922  | High Point Networks           | Library          | \$ 294.00    | 258329 Firewall monthly service                          |
| 10/14/2024 | 874921  | High Point Networks           | Library          | \$ 6,025.00  | 258740 Switches per the TRP                              |

| Check Date | Check # | Name                       | Fund Name        | Amount       | Item Desc                                       |
|------------|---------|----------------------------|------------------|--------------|-------------------------------------------------|
| 10/14/2024 | 874926  | InfoSend                   | P.W. Admin       | \$ 10,728.43 | InfoSend 268654                                 |
| 10/14/2024 | 874926  | InfoSend                   | P.W. Admin       | \$ 7,244.84  | InfoSend 268654                                 |
| 10/14/2024 | 874926  | InfoSend                   | P.W. Admin       | \$ 114.21    | Shipping...overnight samples                    |
| 10/14/2024 | 874926  | InfoSend                   | P.W. Admin       | \$ 78.24     | Statements 07/02/2024                           |
| 10/14/2024 | 874926  | InfoSend                   | P.W. Admin       | \$ 292.32    | Statements 07/02/2024                           |
| 10/14/2024 | 874926  | InfoSend                   | Solid Waste      | \$ 239.20    | Infosend 269782                                 |
| 10/14/2024 | 874926  | InfoSend                   | Wastewater       | \$ 239.20    | Infosend 269782                                 |
| 10/14/2024 | 874926  | InfoSend                   | Water            | \$ 561.60    | Infosend 269782                                 |
| 10/14/2024 | 874928  | Invoice Cloud              | Building         | \$ 19.72     | MAR Biller Portal service 09/01/24-09/30        |
| 10/14/2024 | 874928  | Invoice Cloud              | City Ins Fund    | \$ 17.26     | MAR Biller Portal service 09/01/24-09/30        |
| 10/14/2024 | 874928  | Invoice Cloud              | Parking          | \$ 17.26     | MAR Biller Portal service 09/01/24-09/30        |
| 10/14/2024 | 874928  | Invoice Cloud              | Solid Waste      | \$ 4,873.10  | Biller Portal Access fees. 09/01/24-09/         |
| 10/14/2024 | 874928  | Invoice Cloud              | Solid Waste      | \$ 438.88    | MAR Biller Portal service 09/01/24-09/30        |
| 10/14/2024 | 874928  | Invoice Cloud              | Wastewater       | \$ 7,309.65  | Biller Portal Access fees. 09/01/24-09/         |
| 10/14/2024 | 874928  | Invoice Cloud              | Water            | \$ 9,967.70  | Biller Portal Access fees. 09/01/24-09/         |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Gas Tax          | \$ 281.02    | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Light Maint      | \$ 281.02    | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Storm Sewer      | \$ 676.37    | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Street/Traffic   | \$ 1,051.06  | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Wastewater       | \$ 2,299.12  | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | ACH     | Jacobs Engineering Group   | Water            | \$ 2,299.11  | Asset Management Program Project; Pmt 51        |
| 10/14/2024 | 874929  | Jane Waggoner Deschner     | Library          | \$ 918.75    | Ads 4/2024 - 10/2024                            |
| 10/14/2024 | 874929  | Jane Waggoner Deschner     | Library          | \$ 2,537.50  | News letter 4/2024 - 10/2024                    |
| 10/14/2024 | 874930  | Jo-Ann Stores              | Library          | \$ 5,500.00  | Creative Bug online subscription                |
| 10/14/2024 | 874931  | Johnson Laffen Galloway    | Stillwater Const | \$ 2,784.65  | Phase 1 Stillwater Bldg. - construction         |
| 10/14/2024 | 874932  | K2 Civil                   | Park Dist 1      | \$ 19,022.25 | retainage release                               |
| 10/14/2024 | 874933  | Klimate Heating, Cooling   | Water            | \$ 3,918.00  | Furnace Replacement for Chapple Pump Sta        |
| 10/14/2024 | 874934  | Knife River                | Gas Tax          | \$ 17,994.01 | Retainage Release FINAL                         |
| 10/14/2024 | 874934  | Knife River                | Sidewalk Const   | \$ 5,244.19  | Retainage Release FINAL                         |
| 10/14/2024 | 874939  | L N Curtis and Sons        | Public Safety    | \$ 9,080.00  | 1.75 X 50 COUPLED 1.5 HN YELLOW                 |
| 10/14/2024 | 874939  | L N Curtis and Sons        | Public Safety    | \$ 3,542.00  | NP17X50Y15N, ALL AMERICAN 1.75" X 50-FT COUPLED |
| 10/14/2024 | 874939  | L N Curtis and Sons        | Public Safety    | \$ 326.00    | TRANSPORTATION                                  |
| 10/14/2024 | 874945  | Mailing Technical Services | Central Services | \$ 5,740.45  | Postage for September, 2024                     |

| Check Date | Check # | Name                       | Fund Name        | Amount       | Item Desc                                                   |
|------------|---------|----------------------------|------------------|--------------|-------------------------------------------------------------|
| 10/14/2024 | 874945  | Mailing Technical Services | General          | \$ 680.45    | Postage for September, 2024                                 |
| 10/14/2024 | 874945  | Mailing Technical Services | Parking          | \$ 1,187.50  | Postage for September, 2024                                 |
| 10/14/2024 | 874946  | Marketing Specialties      | Stillwater Const | \$ 2,960.10  | Tank gauge & overfill valve on generator tank at Stillwater |
| 10/14/2024 | 874947  | Matthew Roberts Concrete   | Gas Tax          | \$ 7,600.00  | WO 24-05 Wicks/Saint Andrew's Replace Si                    |
| 10/14/2024 | 874950  | Meadow Green Sales         | Airport          | \$ 2,923.50  | 5737_Grass Catcher_Walker Mower                             |
| 10/14/2024 | 874950  | Meadow Green Sales         | Airport          | \$ 146.00    | 5821_Walker Mower                                           |
| 10/14/2024 | 874950  | Meadow Green Sales         | Airport          | \$ 9.50      | 6809_Shr Pin W/Cotter_Walker Mower                          |
| 10/14/2024 | 874957  | Morrison Maierle           | Airport          | \$ 19,889.35 | Aviation Place Road Rehabilitation - Federal Share          |
| 10/14/2024 | 874957  | Morrison Maierle           | Airport          | \$ 2,209.93  | Aviation Place Road Rehabilitation - Local Share            |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Airport          | \$ 4,662.30  | Aviation Place Road Rehabilitation Project - Fed Share      |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Airport          | \$ 518.03    | Aviation Place Road Rehabilitation Project - Local Share    |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Arterial Streets | \$ -         | WO 09-12 Inner Belt Loop Northwest Billings Connector       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Gas Tax          | \$ 181.76    | Retainage Release FINAL                                     |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Gas Tax          | \$ 793.24    | WO 09-12 Inner Belt Loop Northwest Billings Connector       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Gas Tax          | \$ -         | WO 22-22 & WO 24-10 2024 Annual Street Reconstruction       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Park Dist 1      | \$ -         | reconstruction of the north parking lot at Castlerock park  |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Park Dist 1      | \$ -         | reconstruction of the north parking lot at Castlerock park  |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Park Dist 1      | \$ -         | reconstruction of the north parking lot at Castlerock park  |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Park Dist 1      | \$ -         | reconstruction of the north parking lot at Castlerock park  |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Park Dist 1      | \$ 192.16    | ret release on K2 Castlerock-correction                     |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Sidewalk Const   | \$ 52.97     | Retainage Release FINAL                                     |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Sidewalk Const   | \$ 231.24    | WO 22-22 & WO 24-10 2024 Annual Street Reconstruction       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | St Maint Dist    | \$ 1,762.94  | WO 22-22 & WO 24-10 2024 Annual Street Reconstruction       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | St Maint Dist    | \$ 1,040.65  | WO 22-22 & WO 24-10 2024 Annual Street Reconstruction       |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Stillwater Const | \$ 5,319.95  | City of Billings Law and Justice Center/City Hall Remodel   |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Stillwater Const | \$ 144.47    | City of Billings Law and Justice Center/City Hall Remodel   |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Stillwater Const | \$ 4,371.68  | City of Billings Law and Justice Center/City Hall Remodel   |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Stillwater Const | \$ 82.22     | Verkada access control and camera system Stillwater         |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Tax Incrmnt N27  | \$ 281.68    | business tax on Fabriceon-Skypoint panels                   |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Tax Incrmnt N27  | \$ 8.49      | business tax on Fabriceon-Skypoint panels                   |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Tax Incrmnt S    | \$ 1,204.33  | Retainage Release FINAL                                     |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Trl Donate       | \$ 618.85    | WO 21-38 Warren Trans_Weave Const Contract                  |
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2        | Water            | \$ 15,974.77 | WO 19-42 West End WTP Construction; Pmt 9                   |

| Check Date | Check # | Name                | Fund Name      | Amount       | Item Desc                                        |
|------------|---------|---------------------|----------------|--------------|--------------------------------------------------|
| 10/14/2024 | 874958  | MT Dept of Rev-CGR2 | Water          | \$ 63.95     | WO 24-27 2024 Water Service Repairs; Pmt 6       |
| 10/14/2024 | 874962  | Norco               | Fleet          | \$ 134.85    | 41543475                                         |
| 10/14/2024 | 874962  | Norco               | Solid Waste    | \$ 84.60     | cylinder tank rental                             |
| 10/14/2024 | 874962  | Norco               | Solid Waste    | \$ 104.40    | cylinder tank rental                             |
| 10/14/2024 | 874962  | Norco               | Street/Traffic | \$ 99.30     | cylinder tank rental                             |
| 10/14/2024 | 874962  | Norco               | Wastewater     | \$ 3,586.44  | gas detection sensors and calibration ga         |
| 10/14/2024 | 874962  | Norco               | Wastewater     | \$ 200.00    | gas detection sensors and calibration ga         |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 13.46     | 0712534-7. Gate 16 Light. September 2024         |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 144.25    | 0712535-4. Employee Parking. September 2024      |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 19.43     | 0712791-3. Gate 16. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 16.93     | 0712795-4. Gate 17. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 17.21     | 0712797-0. Gate 9. September 2024                |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 11.15     | 0712805-1. IP-10. September 2024                 |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 7.91      | 0712813-5. Burn Pit. September 2027              |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 19.60     | 0719759-3. Gate 12. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 65.98     | 0719760-1. Gate 14. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 19.60     | 0719761-9. Gate 15. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 17.95     | 0719762-7. Gate 13. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 17.81     | 0720296-3. Gate 29. September 2024               |
| 10/14/2024 | 874963  | NorthWestern Energy | Airport        | \$ 20.11     | 2114868-9. Runway Weather System. September 2024 |
| 10/14/2024 | 874963  | NorthWestern Energy | Building       | \$ 15.92     | 1569631-3                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | CDBG           | \$ 26.23     | 1709 Saint Johns Ave / Account #4150071-1        |
| 10/14/2024 | 874963  | NorthWestern Energy | Facilities     | \$ 13.97     | 3866815-8                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Facilities     | \$ 312.70    | 3922089-2                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Library        | \$ 12,219.03 | 3039007-4 Library electricity Oct 2024           |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 1,013.95  | 0712538-8                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 1,256.94  | 0720841-6                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 6.14      | 0722253-2                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 189.68    | 0722256-5                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 8.70      | 0722258-1                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 13.03     | 0722259-9                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 8.96      | 0722272-2                                        |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1    | \$ 60.20     | 0722273-0                                        |

| Check Date | Check # | Name                | Fund Name   | Amount    | Item Desc |
|------------|---------|---------------------|-------------|-----------|-----------|
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 9.51   | 0722274-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 90.25  | 0722275-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 29.88  | 0722277-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 30.45  | 0722278-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 13.46  | 0722279-7 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.14   | 0722280-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.14   | 0722281-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.14   | 0722283-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.14   | 0722284-7 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 13.46  | 0722808-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 9.69   | 0722852-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 8.70   | 0722862-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 117.05 | 0722901-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.89   | 0722976-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 167.84 | 0722995-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 80.41  | 0723005-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.14   | 0723025-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 7.86   | 0723039-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.00   | 0723046-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 23.27  | 0723049-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 20.39  | 0723064-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 20.39  | 0723065-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 4.13   | 0723391-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 100.65 | 0723884-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 20.39  | 0723887-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 129.92 | 0793134-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 66.41  | 0813489-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 27.86  | 0978917-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 12.35  | 0999807-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 20.32  | 1156527-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.44   | 1230066-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ -      | 1409394-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.00   | 1588262-4 |



| Check Date | Check # | Name                | Fund Name   | Amount    | Item Desc |
|------------|---------|---------------------|-------------|-----------|-----------|
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 11.02  | 1635289-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 9.09   | 1692666-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 16.08  | 1849408-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.89   | 1902257-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 21.92  | 1904944-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 37.41  | 1941243-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.00   | 3178260-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 7.91   | 3241436-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 6.00   | 3477233-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 11.60  | 3771457-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 106.26 | 3999603-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ -      | 4086220-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 44.24  | 4148708-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Park Dist 1 | \$ 253.28 | 4204010-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parking     | \$ 177.43 | 3835890-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 5.98   | 0722272-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723384-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 8.25   | 0723385-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 8.25   | 0723386-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 8.25   | 0723387-7 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 8.25   | 0723388-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 2.76   | 0723391-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 0.81   | 0723392-7 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 7.03   | 0723393-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723394-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723395-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723396-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723397-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723398-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.14   | 0723835-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 8.70   | 0723836-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.30   | 0723840-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint | \$ 6.75   | 0723883-5 |

| Check Date | Check # | Name                | Fund Name      | Amount      | Item Desc |
|------------|---------|---------------------|----------------|-------------|-----------|
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.93     | 0723885-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 7.34     | 0881455-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.68     | 0971824-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 47.80    | 1045813-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.81     | 1265177-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.82     | 1312707-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.82     | 1396192-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.81     | 1425364-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 143.66   | 1513796-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 176.01   | 1513800-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 9.10     | 1513802-7 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 8.08     | 1513804-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 6.89     | 1514388-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 7.03     | 1564209-3 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 0.94     | 2041362-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 11.07    | 3707234-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 24.93    | 3707235-2 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 31.61    | 3707236-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Parks Maint    | \$ 41.61    | 4103439-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Public Safety  | \$ 9.83     | 0712532-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Public Safety  | \$ 1,942.42 | 1183483-5 |
| 10/14/2024 | 874963  | NorthWestern Energy | Public Safety  | \$ 419.35   | 4045328-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Radio          | \$ 217.15   | 1006915-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 10.12    | 0855404-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 2.70     | 1045820-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 28.74    | 1738989-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 1.87     | 1797828-9 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 7.03     | 2047000-1 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 7.91     | 2047007-6 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 8.37     | 2047010-0 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 7.78     | 2047011-8 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 7.63     | 2047013-4 |
| 10/14/2024 | 874963  | NorthWestern Energy | Street/Traffic | \$ 7.78     | 2047017-5 |

| Check Date | Check # | Name                 | Fund Name        | Amount       | Item Desc                                                 |
|------------|---------|----------------------|------------------|--------------|-----------------------------------------------------------|
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 7.91      | 2047018-3                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 7.78      | 2047019-1                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 2.94      | 3088038-9                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 0.93      | 3590004-2                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 26.37     | 3648861-7                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 17.07     | 3660075-7                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Street/Traffic   | \$ 10.80     | 4203757-2                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Wastewater       | \$ 107.74    | 0723383-6                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Wastewater       | \$ 378.39    | 0723878-5                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Wastewater       | \$ 11.75     | 1704025-4                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Wastewater       | \$ 64.46     | 1704030-4                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Water            | \$ 10.35     | 0722249-0                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Water            | \$ 5,764.81  | 0722270-6                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Water            | \$ 62.93     | 1160807-2                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Water            | \$ 30.73     | 1346673-5                                                 |
| 10/14/2024 | 874963  | NorthWestern Energy  | Water            | \$ 10.43     | 1867265-9                                                 |
| 10/14/2024 | 874966  | Olympic Sales        | Fleet            | \$ 914.46    | 14930                                                     |
| 10/14/2024 | 874966  | Olympic Sales        | Fleet            | \$ 156.76    | 14930                                                     |
| 10/14/2024 | 874966  | Olympic Sales        | Fleet            | \$ 2,684.98  | 14930                                                     |
| 10/14/2024 | 874967  | Oshkosh AeroTech     | Airport          | \$ 17,335.00 | Spare Ground Power Unit for Jetbridges In Case One Fails  |
| 10/14/2024 | 874970  | Pine Cove Consulting | Public Safety    | \$ 1,160.30  | 22500C- Verkada access control on 1 additional door       |
| 10/14/2024 | 874970  | Pine Cove Consulting | Public Safety    | \$ 1,160.29  | 22500C- Verkada access control on 1 additional door       |
| 10/14/2024 | 874970  | Pine Cove Consulting | Stillwater Const | \$ 8,139.98  | Verkada access control and camera system Stillwater       |
| 10/14/2024 | 874971  | Pride of Montana     | Facilities       | \$ 2,499.22  | General cleaning of the Stillwater Building for Aug 2024  |
| 10/14/2024 | 874971  | Pride of Montana     | Facilities       | \$ 2,427.80  | General cleaning of the Stillwater Building for Sept 2024 |
| 10/14/2024 | 874972  | Public Utilities     | Facilities       | \$ 2,925.60  | 3090329                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Park Dist 1      | \$ 275.77    | 3068144                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Park Dist 1      | \$ 2,629.89  | 3110120                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Parks Maint      | \$ 23,161.69 | 3059048                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Parks Maint      | \$ 118.90    | 3061212                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Parks Maint      | \$ 7,355.78  | 3063384                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Parks Maint      | \$ 3,560.29  | 3063385                                                   |
| 10/14/2024 | 874972  | Public Utilities     | Parks Maint      | \$ 654.91    | 3064055                                                   |

| Check Date | Check # | Name             | Fund Name   | Amount       | Item Desc |
|------------|---------|------------------|-------------|--------------|-----------|
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 5,831.63  | 3067458   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 2,155.99  | 3069969   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 2,763.89  | 3072961   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 881.71    | 3072990   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 43.79     | 3073704   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 191.28    | 3074748   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 8,360.32  | 3074750   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 511.94    | 3074751   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 690.28    | 3075407   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 1,204.29  | 3075860   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 2,195.89  | 3078687   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 1,883.30  | 3081602   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 814.34    | 3084220   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 7,230.09  | 3086389   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 12,313.99 | 3086390   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 26,192.23 | 3086391   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 4,788.93  | 3086392   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 120.87    | 3086393   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 147.88    | 3086929   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 35.05     | 3087030   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 7,212.66  | 3090572   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 1,241.04  | 3095935   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 1,867.60  | 3098115   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 11,421.72 | 3098116   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 3,069.67  | 3098117   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 316.71    | 3098999   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 5,319.26  | 3107297   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 4,781.59  | 3107305   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 82.56     | 3107704   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 6,426.66  | 3108190   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 18,445.73 | 3109457   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 610.24    | 3109458   |
| 10/14/2024 | 874972  | Public Utilities | Parks Maint | \$ 66.47     | 3109460   |

| Check Date | Check # | Name                  | Fund Name        | Amount       | Item Desc                                             |
|------------|---------|-----------------------|------------------|--------------|-------------------------------------------------------|
| 10/14/2024 | 874972  | Public Utilities      | Parks Maint      | \$ 227.38    | 3113693                                               |
| 10/14/2024 | 874972  | Public Utilities      | Parks Maint      | \$ 10,823.66 | 3113702                                               |
| 10/14/2024 | 874972  | Public Utilities      | Street/Traffic   | \$ 16.66     | 3096789                                               |
| 10/14/2024 | ACH     | RDO Equipment         | Solid Waste      | \$ 2,187.09  | inv#P3576112filters                                   |
| 10/14/2024 | ACH     | RDO Equipment         | Solid Waste      | \$ 477.50    | inv#P3588112cutting edge/bolts                        |
| 10/14/2024 | ACH     | RDO Equipment         | Wastewater       | \$ 40.72     | P3559812- STAND                                       |
| 10/14/2024 | ACH     | RDO Equipment         | Wastewater       | \$ 30.26     | P3568512- ELECTRICAL CAP, CONNECTOR                   |
| 10/14/2024 | ACH     | RDO Equipment         | Wastewater       | \$ 40.72     | P3568612- STAND                                       |
| 10/14/2024 | ACH     | RDO Equipment         | Wastewater       | \$ 609.20    | W4444112- DIAGNOSTIC AND REPAIR                       |
| 10/14/2024 | ACH     | RDO Equipment         | Water            | \$ 40.72     | P3559812- STAND                                       |
| 10/14/2024 | ACH     | RDO Equipment         | Water            | \$ 30.26     | P3568512- ELECTRICAL CAP, CONNECTOR                   |
| 10/14/2024 | ACH     | RDO Equipment         | Water            | \$ 40.72     | P3568612- STAND                                       |
| 10/14/2024 | ACH     | RDO Equipment         | Water            | \$ 609.20    | W4444112- DIAGNOSTIC AND REPAIR                       |
| 10/14/2024 | 874978  | Riverside Contracting | Arterial Streets | \$ -         | Inner Belt Loop Northwest Billings Connector          |
| 10/14/2024 | 874978  | Riverside Contracting | Gas Tax          | \$ 78,530.58 | WO 09-12 Inner Belt Loop Northwest Billings Connector |
| 10/14/2024 | 874985  | SHI International     | IT Resources     | \$ 10,802.18 | Veam14 Server Licenses for Local backups              |
| 10/14/2024 | 874985  | SHI International     | IT Resources     | \$ 18,700.00 | O365 backup, one year renewal                         |
| 10/14/2024 | 874985  | SHI International     | IT Resources     | \$ 4,270.40  | O365 20 Email Only thru 9/2025                        |
| 10/14/2024 | 874986  | Simplicity CED        | Wastewater       | \$ 14,500.00 | WO 24-31 WRF Solids Process BLDG-Design Improv        |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 88.56     | 171713                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 18.59     | 171713                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 634.56    | 171713                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 184.02    | 172252                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 16.02     | 172252                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 21.94     | 172667                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 2,520.46  | 172667                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 252.76    | 172742                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 3,028.25  | 172742                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 30.24     | 172870                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 455.48    | 172870                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 23.80     | 172870                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 674.80    | 172996                                                |
| 10/14/2024 | 874988  | Solid Waste Systems   | Fleet            | \$ 3,943.86  | 172996                                                |

| Check Date | Check # | Name                           | Fund Name      | Amount        | Item Desc                                            |
|------------|---------|--------------------------------|----------------|---------------|------------------------------------------------------|
| 10/14/2024 | 874988  | Solid Waste Systems            | Fleet          | \$ 137.70     | 172996                                               |
| 10/14/2024 | 874988  | Solid Waste Systems            | Fleet          | \$ 3.12       | 173105                                               |
| 10/14/2024 | 874988  | Solid Waste Systems            | Fleet          | \$ 16.11      | 173105                                               |
| 10/14/2024 | 874989  | S Billings Urban Renewal       | Tax Incrmnt S  | \$ 44,000.00  | SBURA FY25 Operating agreement                       |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Airport        | \$ 360.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | City Ins Fund  | \$ 270.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Engineering    | \$ 190.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Fleet          | \$ 95.00      | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | General        | \$ 1,190.00   | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Park Dist 1    | \$ 190.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Street/Traffic | \$ 95.00      | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Transit        | \$ 95.00      | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Transit        | \$ 190.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Transit        | \$ 95.00      | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874993  | St Vincent Occupational Health | Water          | \$ 100.00     | Drug Testing/Nurse Visit/DOT Physicals/Hep B         |
| 10/14/2024 | 874997  | Sunset Excavation              | Water          | \$ 6,331.05   | WO 24-27 2024 Water Service Repairs                  |
| 10/14/2024 | 874999  | Sympro                         | General        | \$ 6,101.72   | Investment Maintenance and Support 12/15/24-11/14/25 |
| 10/14/2024 | 875002  | The Cincinnati Insurance Co    | Water          | \$ 10,123.00  | Policy # 1000744824....Builders Risk Ins             |
| 10/14/2024 | 875004  | The Sidwell Company            | IT Resources   | \$ 1,100.00   | SEP Succession Planning                              |
| 10/14/2024 | 875004  | The Sidwell Company            | IT Resources   | \$ 1,757.50   | Sep. Succession Planning                             |
| 10/14/2024 | 875006  | Thorn Run Partners             | General        | \$ 3,750.00   | Federal Lobbying Svcs 2 Year Contract                |
| 10/14/2024 | 875006  | Thorn Run Partners             | P.W. Admin     | \$ 3,750.00   | Federal Lobbying Svcs 2 Year Contract                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 4,962.87   | tires                                                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 4,548.81   | tires                                                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 1,217.50   | tire mount/rotation                                  |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 503.00     | nail hole repair on tire                             |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 519.26     | tires for 0039                                       |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ (4,962.87) | credit on tires                                      |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 4,410.00   | tires                                                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ (4,548.81) | credit on tires                                      |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 4,118.80   | tires                                                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 367.50     | Tier service and repair. Collections.                |
| 10/14/2024 | 875007  | Tire-Rama                      | Solid Waste    | \$ 397.50     | Tire mount, dismount, and rotation. Collections.     |

| Check Date | Check # | Name                          | Fund Name        | Amount        | Item Desc                                           |
|------------|---------|-------------------------------|------------------|---------------|-----------------------------------------------------|
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 3,089.00   | Tire purchase and repair. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 4,116.40   | Tire purchase and repair. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 4,360.50   | Tire purchase and repair. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 259.63     | Tire repair and purchase. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 3,300.40   | Tire repair and purchase. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 3,792.90   | Tire repair and purchase. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 4,323.00   | Tire repair and purchase. Collections.              |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 965.00     | Tire repair and service. Collections.               |
| 10/14/2024 | 875007  | Tire-Rama                     | Solid Waste      | \$ 617.50     | Tire rotation, dismount, mount. Collections.        |
| 10/14/2024 | 875007  | Tire-Rama                     | Street/Traffic   | \$ 25.00      | 105-19521                                           |
| 10/14/2024 | ACH     | Town & Country Supply         | Fleet            | \$ 6,115.30   | 442792                                              |
| 10/14/2024 | ACH     | Town & Country Supply         | Fleet            | \$ 13,706.43  | 442792                                              |
| 10/14/2024 | ACH     | Town & Country Supply         | Fleet            | \$ 5,454.10   | 442792                                              |
| 10/14/2024 | ACH     | Town & Country Supply         | Fleet            | \$ 6,853.74   | 442792                                              |
| 10/14/2024 | ACH     | Town & Country Supply         | Transit          | \$ 5,315.74   | 444495_Unleaded Fuel                                |
| 10/14/2024 | ACH     | Town & Country Supply         | Water            | \$ 9,847.08   | 442786- Belknap Diesel Fuel                         |
| 10/14/2024 | ACH     | Town & Country Supply         | Water            | \$ 12,036.60  | 442786- Belknap Unleaded Fuel                       |
| 10/14/2024 | ACH     | Tractor & Equipment           | Solid Waste      | \$ 1,302.77   | parts for unit 201                                  |
| 10/14/2024 | ACH     | Tractor & Equipment           | Solid Waste      | \$ 5,806.14   | parts for unit 265                                  |
| 10/14/2024 | ACH     | Tractor & Equipment           | Solid Waste      | \$ 1,073.50   | parts for unit 254                                  |
| 10/14/2024 | ACH     | Tractor & Equipment           | Solid Waste      | \$ 821.82     | parts for 730 truck rental                          |
| 10/14/2024 | ACH     | Tractor & Equipment           | Wastewater       | \$ 161.17     | BLCS0846094- MIRROR, BRACKET                        |
| 10/14/2024 | ACH     | Tractor & Equipment           | Water            | \$ 161.18     | BLCS0846094- MIRROR, BRACKET                        |
| 10/14/2024 | 875014  | Unemployment Ins Contr Bureau | Payroll Clearing | \$ 32,856.79  | Unemployment Insurance through September 30, 2024   |
| 10/14/2024 | 875019  | Vermont Systems               | Park Dist 1      | \$ 2,520.00   | Rectrac system optimization of services - 14270     |
| 10/14/2024 | 875022  | Warren Transport              | Gas Tax          | \$ -          | WO 22-22 & WO 24-10 2024 Annual Street Reconstructs |
| 10/14/2024 | 875022  | Warren Transport              | Sidewalk Const   | \$ 22,893.19  | WO 22-22 & WO 24-10 2024 Annual Street Reconstructs |
| 10/14/2024 | 875022  | Warren Transport              | St Maint Dist    | \$ 174,531.02 | WO 22-22 & WO 24-10 2024 Annual Street Reconstructs |
| 10/14/2024 | 875022  | Warren Transport              | St Maint Dist    | \$ 103,024.06 | WO 22-22 & WO 24-10 2024 Annual Street Reconstructs |
| 10/14/2024 | 875022  | Warren Transport              | Trl Donate       | \$ 61,266.01  | WO 21-38 Schedule II Skyline Trail (Marathan Loop)  |
| 10/14/2024 | 875024  | Western States Automation     | Water            | \$ 7,914.07   | Staples Vault actuator replacement                  |
| 10/14/2024 | 875025  | World Book                    | Library          | \$ 3,550.50   | ARI0003537                                          |

## City Council Regular

**Date:** 11/12/2024  
**Title:** Resolution Establishing Legislative Priorities for the 2025 Montana State Legislature's 69th Session  
**Presented by:** Jessica Fust, Building Official  
**Department:** City Hall Administration  
**Presentation:** No  
**Legal Review:** Not Applicable  
**Project Number:** N/A

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### RECOMMENDATION

The Legislative and Local Affairs Council Committee members and City Administration recommends the Council adopt the attached Resolution for the Montana State Legislature's 2025 Session.

### BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)

The 69th Montana State Legislature will convene January 2, 2025. It is important to identify legislative priorities to guide city administration, staff, local elected officials, and our lobbyists. The Resolution is intentionally broad to help guide city staff, elected officials and our lobbyists.

Included within our legislative priorities are our two closest legislative partners, the Montana League of Cities and Towns (MLCT) and the Yellowstone County Attorney's office. The MLCT is an incorporated, nonpartisan, nonprofit association of 127 Montana municipalities. The League's sole purpose is for cooperative improvement of municipal government in Montana. It acts as a clearinghouse through which the municipalities cooperate for their mutual benefit.

This Resolution adopts the following priorities for the 2025 Legislative Session:

- 1.. Public Safety
2. Housing
3. Economic Development
4. Infrastructure
5. Shift Tax Burden
6. MLCT/Self-Governing Powers

The Legislative and Local Affairs Council Committee has worked diligently on aligning the proposed resolution with the City's priorities to effectively advocate for the City's interests during the upcoming legislative session.

### ALTERNATIVES

City Council may:

- Approve; or,
- Not Approve

### FISCAL EFFECTS

Creating the legislative priorities and agenda has little direct cost. Success or failure of legislation throughout the 2025 session may have significant short and long term fiscal impacts.

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### Attachments

2024 Resolution Adopting Legislative Priorities  
MLCT Resolutions



## RESOLUTION 24-\_\_\_\_\_

### **A RESOLUTION ESTABLISHING LEGISLATIVE PRIORITIES FOR THE 2025 MONTANA STATE LEGISLATURE'S 69th SESSION**

**WHEREAS**, the 69th Montana State Legislature will begin January 2, 2025. It is important to identify legislative priorities to guide city administration, staff, local elected officials, and our lobbyist; and

**WHEREAS**, included within our legislative priorities are our closest legislative partners, the Montana League of Cities and Towns (MLCT), and the Yellowstone County attorney's office. The MLCT is an incorporated, nonpartisan, nonprofit association of 127 Montana municipalities. The League's sole purpose is the cooperative improvement of municipal government in Montana. It acts as a clearinghouse through which the municipalities cooperate for their mutual benefit. Billings has active board representation in the MLCT.

**NOW, THEREFORE, BE IT RESOLVED THAT THE BILLINGS, MONTANA  
CITY COUNCIL** adopts the following priorities for the 2025 Legislative Session:

1. Public Safety - Support legislation providing enhanced safety, health and security for Billings residents; fight drug abuse, domestic violence, human trafficking and associated crime; reduce vagrancy, homelessness and increase resources for mental health services.

This support includes the following proposed or potential legislation:

- a. Generally revise theft laws (Sen. Usher's SB 95)
- b. Youth Court Act revisions (Rep. Mercer's HB 614)
- c. Revise laws relating to dangerous drugs (Rep. Baum's HB 301)
- d. Support, in general, the Yellowstone County Attorney's and the Montana County Attorneys Association legislative priorities.
- e. Support legislation to expand the incarceration capacity at the state level.
- f. Support laws to increase possible charges and/or penalties when partner/family violence is committed in the presence of a minor.

- g. Support reforms and improvements to Montana's behavioral health and developmental disabilities service systems, including the priorities set by the Behavioral Health System for Future Generations (BHSFG) Commission.
  - h. Support additional revenue sources for City services, including Crisis Response Units and other Behavioral Health services.
- 2. Housing—Support legislation that promotes housing abundance, affordability, and promoting home ownership for citizens. Support, in general, the Governor's Housing Task Force recommendations, particularly:
  - a. R3—Identify, evaluate, and implement building code reforms to lower housing construction costs and timelines without compromising safety, especially for missing middle housing.
  - b. R14—Substantially increase state funding for the Housing Montana Fund (HMF)-Affordable Housing Revolving Loan Fund (AHRLF).
  - c. R16—Draft and introduce legislation to establish a State Housing Tax Credit program.
  - d. R17—Draft and introduce legislation to authorize an additional \$50 million in funding from the Coal Trust Tax Fund for the Coal Trust Multifamily Homes (CTMH) program and provide more flexible terms for loans made under the CTMH program.
  - e. R20—Address the challenges of obtaining affordable property and casualty insurance for homes. (Note: Includes a section on reducing Montana's higher 10-year statute of repose for construction defect litigation, likely a factor in minimal condo construction)
  - f. R21—Leverage state resources and expertise to decrease the costs of pro-housing reform implementation and draft legislation for an ongoing appropriation for planning grants to local and tribal governments for planning and zoning to increase housing supply.
- 3. Economic Development - Support legislation that facilitates private investment in Billings.

- a. Tax Increment Finance (TIF)—Support preservation of TIF as economic development tool, offering Billings' TIF resolution as a good governance model.
- 4. Infrastructure - Support legislation that increases investments in infrastructure critical to supporting our economy.
  - a. Support funding for conservation and facility improvements at the new Westend water treatment reservoirs.
- 5. Shift Tax Burden - Support legislation shifting the tax burden from Billings property owners to users of government services, where appropriate.
  - a. Support a Local Option Tax bill where 100% of revenue, minus operating costs, is used for property tax reduction.
- 6. MLCT/Self Governing Powers - Support, in general, the Montana League of Cities and Towns Legislative Resolutions.
  - a. Resolutions attached as Appendix 'A'

The Billings, Montana City Council hereby recognizes, concurs, and supports the priorities expressed herein.

PASSED, ADOPTED and APPROVED on this \_\_\_\_ day of October, 2024.

CITY OF BILLINGS

BY: \_\_\_\_\_

William A. Cole, Mayor

ATTEST:

BY: \_\_\_\_\_

Denise R. Bohlman, City Clerk

## **Resolution #2024-1**

### **GENERAL PRINCIPLES**

#### **BACKGROUND**

The cities and towns of Montana provide clean water, a sanitary environment, police and fire protection, transportation, and recreational opportunities for residents, businesses and visitors. Our unique, vibrant municipalities provide an inviting environment that fosters the primary basis for all sectors of the Montana economy. To provide quality, cost-effective municipal services to their residents, businesses and visitors, municipalities must wisely and efficiently use their limited financial resources.

Local governments are closest to the people, and as such, local processes, authority, and decision-making should be respected and supported by state and federal governments. Any attempt to undermine or weaken any municipality's process, authority, or decision-making is considered an attempt to undermine the strength of local government as a whole. We will support each other and openly communicate with each other to address challenges and pursue opportunities impacting cities and towns, knowing the success of one is the success of all. United we stand, divided we fall.

The Montana League of Cities and Towns is committed to preserving and promoting Montana municipalities, the services they provide, and the economies they support.

#### **ACTION**

For the 2025 Legislative Session, the League will stand by the following principles of fair, affordable, and effective local government:

1. Establish a fair, efficient, and effective property taxation system that does not disproportionately burden residential property owners, preserves the entitlement share payment and other existing sources of revenue to municipalities, and provides authority for municipalities to seek and develop new sources of revenue to fund essential local services.
2. Promote improvements to and diversification of the current local government finance structure, including but not limited to special districts and local option taxes, to develop supplements and alternatives to property tax revenue.
3. Encourage the maintenance of, expansion of, and improvements to federal and state grant, loan, and investment programs to fund infrastructure capital improvements to supplement the use of local funds.
4. Preserve the ability of local governments to place questions on the ballot, recognizing their understanding of the specific needs and preferences of their communities and allowing local voters to make local policy decisions with respect to their community. Uphold the local government's ability to pass mill levies by a majority vote to empower residents to prioritize local service levels and encourage, not discourage, voter engagement.
5. Advocate that new legal mandates imposed upon municipalities have an identified source of independent funding and are not an unfunded mandate imposed upon municipalities.

October 3, 2024

6. Modernize planning and development statutes, regulations, and policies that encourage the development of unique, vibrant, healthy, and safe communities through more efficient and cost-effective delivery of clean water, treatment and disposal of wastewater and solid waste, protection of municipal water rights, interconnectivity of transportation systems, housing, enhanced fire, police and public safety protection, recreation opportunities, and other municipal services.
7. Oppose any measure that limits or diminishes municipal authority as provided by the letter and spirit of the Local Government Article of the 1972 Montana Constitution.
8. Recognize the contribution of cities and towns to the history and culture of our state and a better understanding of the fact that all public policy should begin and end with those special places a majority of Montanans call home.
9. Strategically sponsor and support legislation or policies that maintain and strengthen local decision-making and authority and oppose legislation or policies that seek to undermine or weaken local decision-making and authority.
10. Support or sponsor legislation, policies, and funding that improve the ability of local governments to provide public access to their deliberations, decision-making, and records.

## **Resolution #2024-2**

### **PROPERTY TAX REFORM AND PROTECTION OF LOCAL SERVICES**

#### **BACKGROUND**

Municipalities in Montana must rely almost exclusively on property tax revenues to fund local services. About 56% of all property taxes collected statewide are directed to elementary, high school, and higher education, while the remaining 44% funds local governments, including cities, counties, and special districts. Some counties also receive oil and gas tax revenues, and some unincorporated communities and municipalities, with a population of less than 5,500 where the majority of local employment is related to businesses catering to the recreational and personal needs of tourist visitors, collect a resort sales tax. Other than those exceptions, local governments are limited to collecting property tax revenues.

Municipalities are only authorized to impose a general fund mill levy that is sufficient to generate the amount of property taxes actually assessed in the prior year plus one-half the average rate of inflation for the prior 3 years. Cities and towns cannot financially survive with this limitation on the mill levy. Expenses incurred by cities and towns are not limited to any similar cap.

Local governments use general fund property tax revenues mainly to fund essential firefighting, law enforcement, and other emergency services, administration, and parks and recreation. Local streets are paid for through state gas taxes, which do not have an adjustment rate and have fallen far behind the inflationary costs of transportation infrastructure. Water and wastewater service is typically paid for through user fees and assessments on residents that use those services, including the rate hikes that must be imposed to finance large, expensive system improvements necessary to meet state and national regulations. Many communities turn to voted mill levies to fill the gap between available revenues and growing service costs. However, with the few exceptions of resort tax communities, the daily local services Montanans depend on for working, living, and recreating are paid for through the same homeowner or renter, who has limited capacity to continue to pay more.

The state determines the tax rates for all property in Montana. Residential homeowners pay almost 60% of all property taxes collected statewide; two decades ago, they carried less than 40% of that burden. Over the past few decades, as the Legislature has reduced the tax rates on other classes of property, the property tax burden has increased on residential and commercial property owners and away from other classes of property. In 2023, although appraisals of residential properties increased dramatically compared to other classes of property the Legislature did not mitigate the class 4 residential tax rate as it had done in the past, resulting in a further tax shift to residential property owners.

In 2021, a ballot proposal to constitutionally freeze taxable valuation and property taxation on residential properties was approved for signature collection. A similar ballot issue was proposed in 2023. While the 2021 proposal ultimately failed and the 2023 proposal was ruled unconstitutional, they exemplify a growing discontent among Montanans with property taxes.

Meanwhile, income taxes on higher incomes of new Montana residents and corporations have resulted in billion-dollar state general fund surpluses.

Montanans expect high quality, consistent local services. They expect timely and competent response by firefighters and law enforcement and they expect clean drinking water. They expect their streets to be well-maintained and plowed and garbage to be collected and disposed of. They expect their children to be well-educated in a safe and secure building and parks available for play and recreation. They expect new development to pay for its own impacts to these services. These services are expensive, costs that continue to increase as the labor and material markets have tightened and inflation has soared.

### ACTION

1. Support legislation to provide relief to Montana residential property owners while preserving local government revenues and the ability of municipalities to provide the levels of services expected and demanded by local residents and visitors.
2. Support legislation to allow Montana municipalities, with the approval of their voters, the authority to enact a local option tax to help fund local infrastructure projects and other local services.
3. Support legislation to remove the restrictions on the mill levy authority currently imposed under Title 15, chapter 10, part 4, MCA.
4. Protect the local government entitlement share, but strategically sponsor and support legislation or policies that ensure the continuation or fair and equitable modernization of the entitlement share program and the application of increased growth factor adjustments.
5. Consider proposals for voted levies and special districts that provide increased transparency and voter turnout.
6. Protect tax increment financing as a locally driven tool and resource to help create projects that can stimulate redevelopment, housing, job creation, and increased taxable value to help direct local growth and finance infrastructure improvements.

### **MLCT will oppose bills that:**

1. Reduce the base budgets of any municipality or limit the ability of municipalities to increase local revenues to address local needs.
2. Impose restrictions on voted levies or special districts that reduce the effectiveness and availability of local services as expected by each community and its visitors.



## **Resolution #2024-3**

### **HOUSING**

#### **BACKGROUND**

Housing prices continue to outpace average incomes in Montana, making it difficult if not impossible for many Montanans to own or rent a suitable residence for themselves and their families. According to Zillow, an online real estate marketplace, July 2024 average home values in Montana continued to remain just under a half a million dollars. This is a 3.2% increase from July 2023, but a more drastic increase of 60% from July 2019. While the majority of home purchase prices are less than the list price, the average median list price is just over a half million dollars and continue to hover around peak levels. These values vary widely from community to community. As of July 2024, the current median home value in the city of Bozeman is \$755,339, Kalispell \$558,859, Helena \$469,604, Whitehall \$453,171, Big Timber \$422,204, Billings \$387,898, Dillon \$377,539, Roundup \$238,835, and Choteau \$271,058. These prices are outside the reach of most Montanans.

Rentals are similarly higher than Montanans are able to pay. The majority, nearly 69%, of the poorest Montanans (0-30% of average median income) must pay over 50% of their income on housing costs and utilities. This income category constitutes a quarter of all Montana renters. The majority of the next highest income level (31-50% of average median income) must pay over 30% of their income on housing related costs. Almost 20% of Montanans earning the average median income are similarly cost-burdened.

Exacerbating this inequity is a lack of units for those now seeking housing in Montana. Montana's population has grown by 52,000 people since 2020. in combination with this growth, tight labor markets, material costs, high land values, inflation, and lack of infrastructure capacity have all contributed to Montana's housing crisis, and many different actions at all levels of government will need to be taken to solve it.

During the 2023 Session, the League with a coalition of organizations supported passage of the Montana Land Use Planning Act, a comprehensive update and modernization of Montana's land use and planning laws. With the passage of that bill, the League was able to help create a more predictable and less costly process for residential development review and approval at the local level, while preserving local decision-making for community planning and zoning. The League will continue to work with municipalities, seek funding for, and propose revisions as necessary to successfully implement the new law.

Municipalities are committed to continuing to work with state and federal agencies, other local governments, the private sector, and the public to identify and implement solutions to the housing crisis. However, while cities and towns seek and implement ways to make housing development more affordable, they must retain their ability to make local decisions about the form, density, and impacts of land development based on community desires, needs, and capacity.

## ACTION

1. Identify, disseminate, and support ideas and tools that municipalities can implement to lower housing costs and boost housing supply to support available and affordable housing for all income levels, with particular emphasis on missing middle homeownership.
2. Support bills that strengthen and support community-generated choices for increasing the local supply of housing, while preserving local decision-making, protecting the public's right to know and participate, mitigating impacts to the environment, and ensuring the local government's ability to provide critical public services.
3. Increase coordination and collaboration between state and local governments to create more predictable and less costly processes for residential development.

## **Resolution #2024-4**

### **LAND USE AND ENVIRONMENTAL REGULATION**

#### **BACKGROUND**

Cities and towns work diligently to protect Montana's land and water resources through wise community development policies that emphasize centralized water and wastewater systems, efficient delivery of services to concentrated populations, and compliance with fair and affordable environmental standards. Despite this work, new development in Montana continues to sprawl outside municipal boundaries, threatening our legacy of open space and clean water. Cities and towns must retain their ability to make local decisions about the form, density, and impacts of land development based on community desires and needs. Municipalities are dedicated to working with state and federal agencies, counties, the private sector, and the public to establish land use policies and regulations that recognize property rights and the need to efficiently deliver services while preserving the natural assets of Montana.

#### **ACTION**

1. Encourage the use of community water, wastewater, and stormwater systems to protect environmental quality and assure that cities and towns are not obligated for a disproportionate share of the cost of complying with Nutrient Standards, MS4, TMDL, PFAS, lead service lines, and other state or federal regulatory requirements.
2. Support policies and statutory frameworks that protect municipal water rights and water quality, streamline the change of use process on and within municipal water systems, create a sustainable post-adjudication water court, and limit the use of exempt wells in urbanizing areas where water quantity and quality are of concern.
3. Promote environmentally responsible energy development and conservation through grants, loans, and technical assistance and education programs, and allow cities and towns authority under the energy and building codes to promote conservation.
4. Protect and expand the authority of cities and towns to use tax increment districts and locally approved tax abatements for opportunities as part of an effective local economic development strategy that reflects the needs and priorities of the local community.
4. Support and encourage the development, funding, and local authority over multi-modal transportation systems within municipalities, including streets, roads, transit, paths, bikeways, sidewalks, trails, and other infrastructure on state and local transportation routes that create a safer, more livable, and more economically vibrant urban environment.
5. Provide funding to assist communities implementing SB 382 (Chapter 500, Laws 2023).
6. The League supports bills that provide necessary fixes to the 2023 Montana Land Use Planning Act to ensure a more predictable and less costly process for residential development review and approval at the local level, while protecting the public's right to know and participate, the environment, local government's ability to provide public services, and local authority for land use decision-making.

October 3, 2024

**MLCT will oppose bills or policies that:**

1. Restrict the annexation, zoning, planning, and subdivision review authority of cities and towns or limit local community development decision-making.
2. Preempt local land use policy-making, including but not limited to specific development standards, parking requirements, density, and other important policies that reflect local circumstances and choices.
3. Limit the effectiveness of the options under the tax increment district statutes.

## **Resolution #2024-5**

### **INVEST IN LOCAL GOVERNMENT INFRASTRUCTURE**

#### **BACKGROUND**

Montana municipalities own and operate the vast majority of infrastructure in Montana – streets, drinking water treatment and distribution systems, wastewater treatment and discharge systems, stormwater collection systems, firefighting and law enforcement facilities, and parks and recreational facilities.

Montana has experienced significant growth over the past decade. Most Montanans welcome the economic opportunities connected to development, but Montana municipalities do not have the resources and support necessary to address the infrastructure needs and public health, safety, and general welfare of their residents, businesses, and visitors.

Healthy infrastructure is critical to the health of Montana's economy. For Montana to attract economic growth, the ability to provide quality essential services means the infrastructure must be in good condition and communities must be using modern technology. Montana's local governments must maintain the critical health and safety services that all Montanans need: clean water, good transportation systems, effective law enforcement and fire protection, accessible communication systems, and responsive emergency systems. We need to maintain and expand the systems we have and build new systems to serve the visitors and new residents coming to our communities. We cannot continue to rely on increased property taxes and assessments on long-term residents to support these services.

Infrastructure enables private businesses and individuals to produce goods and services more efficiently. Montana's cities, towns, and counties have millions in road, water, wastewater, and other outstanding infrastructure needs that can increase long-term business productivity in every corner of Montana.

The MLCT will continue to work with the Montana Infrastructure Coalition ("MIC") to establish infrastructure priorities on a multi-session approach. We will continue to work to change the structure of the way infrastructure financing occurs in Montana.

In 2017, the Legislature passed a \$.06 graduated increase in the state gas tax to temporarily shore up the highway account and increase the gas tax allocation for local road projects for the first time in over two decades. In 2019, the Legislature passed a comprehensive infrastructure bill funding local projects through one-time-only grants and loans as well as university buildings and other state projects. In 2021, the federal American Rescue Plan Act provided historic levels of infrastructure funding for Montana's water, sewer, storm water, water storage, bridges, roads, and other important systems that serve our residents and tourists. Nevertheless, the highway account will continue to fall short of the amount needed to match federal dollars and millions of dollars' worth of projects remain unfunded. Meanwhile, our infrastructure deficit continues to grow as municipalities fall further behind in deferred maintenance. In 2023, the Legislature passed several

one-time funding bills for municipal infrastructure out of the State's general fund surplus. Permanent funding for a local infrastructure grant or loan program or other financial support for local infrastructure is needed.

#### ACTION

##### **MLCT will support bills or policies that:**

1. Promote investment in local governmental infrastructure, including new or increased financing options, grant and loan programs, and other resources and support necessary to proactively plan for and address infrastructure, protect the public health, safety, and general welfare of municipal residents, businesses, and visitors, and stimulate the economy.
2. Streamline the process for obtaining federal and state infrastructure dollars through improvements to existing grant and loan programs.

##### **MLCT will oppose bills or policies that:**

1. Seek to diminish or eliminate any existing source of local infrastructure funding, including funding for existing grant or loan programs, existing gas taxes or allocations thereof, financing options, or other limits on constructing, maintaining, improving, or increasing local infrastructure facilities and capacity.

## **Resolution #2024-6**

### **COMPENSATION FOR RETIREMENT**

#### **BACKGROUND**

The public employee retirement system has suffered in the past from not being actuarially sound. The Legislature has discussed reducing the amortization of MPERA system at substantial cost to local governments and ending the defined benefit plan. In 2023, the Legislature ended the defined benefit plan for the smaller public pension systems. This decision has been discussed at length during the 2023-2024 interim, and the State Administration and Veteran's Affairs (SAVA) interim committee has voted to move a committee bill to reverse that decision. Cities and towns supported legislation in 2023 that ensured the actuarial soundness of the public employee retirement system, including a proposal to extend the current annual employer contribution increase of .1% annually through 2034. That bill did not pass, but the SAVA interim committee has voted to move a committee bill to extend the now expired annual .1% increase on the employer contribution through 2035.

Some public employee bargaining groups continue to advocate for including factors such as overtime, insurance premium payments, and other special benefits as part of the "total compensation" used in determining retirement benefits upon retirement. MPERA has recently required local governments to reimburse the retirement system for millions of dollars in estimated retirement contributions upon separation of services from the local government entity. Any of these types of policy changes increase the cost to the public employer for paying the employer portion of retirement withholding.

The League supports ensuring the actuarial soundness and fair and equitable modernization of the public employee retirement systems.

#### **ACTION**

1. Support proposals to reinstate the annual employer contribution increase of .1% annually through 2035.
2. Support proposals that provide additional funding to support employer contributions to retirement benefits.

#### **MLCT will oppose bills that:**

1. Oppose legislation that, other than set forth above, increases the local government contribution to any public employee retirement system, including but not limited to redirecting entitlement share, increasing local government employer contributions, requiring payment of estimated contributions upon local government restructuring, or

adding employee benefits and overtime as part of the compensation for purposes of determining retirement benefits.



## **Resolution #2024-7**

### **SUPPORT COMMUNITIES IMPACTED BY NATURAL RESOURCES INDUSTRIES**

#### **BACKGROUND**

Throughout our state the development of our natural resources has been a significant economic engine for all of Montana, providing thousands of good paying jobs with benefits and a valuable source of tax revenue. Many of our smaller rural communities are threatened with an uncertain future with the decline of these natural resource industries.

For decades, many Montana communities have relied heavily on our state's valuable natural resources industries. Mining, timber, coal, oil, and gas have all provided billions of dollars in state and local taxes while also providing economic stability across all corners of our state. There is not a city in our state that has not benefited from the development of these natural resources. The fluctuation in these industry sectors – both growth and decline – can have serious consequences on the economic and social stability of our municipalities.

#### **ACTION**

While the League recognizes that each impacted community, industry, and local impact is different and may require a varied approach, the League supports efforts to create and maintain legislation, policies, and programs that provide financial support, economic diversification, and other resources to:

1. Help create sustainable employment opportunities and protect local revenues in Montana cities and towns impacted by the growth or decline of natural resource development.

## **Resolution #2024-8**

### **SUPPORT FOR PUBLIC SAFETY SERVICES**

#### **BACKGROUND**

Montana cities and towns provide critical public safety services to the majority of Montana residents. Fire protection, emergency response, law enforcement, are important components of creating and maintaining thriving, prosperous communities. The League expresses its appreciation for the work of our local police officers, firefighters, emergency responders, and other public safety employees.

As municipal resources continue to be stretched across a variety of community needs, public safety services face growing shortfalls for adequate funding of personnel, equipment, and coverage. In addition, the need for public emergency medical services, including first-response and transport, is increasing and rapidly changing in a manner that places increased burden on already strained local fire departments.

#### **ACTION**

##### **MLCT will support legislation and policies that:**

1. Ensure adequate equipment, training, and funding for municipal emergency response, law enforcement, and fire protection services. In particular, the League supports an increase in training spots at the basic law enforcement academy. In the absence of such increase in training spots, the League will support bills that will allow local law enforcement to be certified to provide its own training or send recruits to other certified training facilities.
2. Ensure public safety services are funded at level to meet local community public safety expectations.
3. Assist and strengthen transparency, accessibility, and accountability in our communities, so long as the proposal includes the necessary funding or funding flexibility to enable municipalities to comply.
4. Allow a cost recovery model and billing options for emergency medical response services or that leverage existing federal funds for reimbursement of emergency medical response.

**MLCT will oppose legislation and policies that:**

1. Undermine the efficacy, responsiveness, or accountability of public safety systems or require municipalities to cut funding to other public services to comply with unfunded mandates imposed by the state.
2. Reduce or impede funding to address community impacts that may result from legalization of marijuana.

## **Resolution #2024-9**

### **SUPPORT FOR MILITARY OPERATIONS IN MONTANA**

#### **BACKGROUND**

Federal military operations in Montana are critical to our national defense and are also an important source of economic health in our communities. Military assets in the state include Fort Harrison, Limestone Training Range, Hayes Military Operations Area, Malmstrom Air Force Base, Powder River Training Range, the Advanced Research Lab at MSU, and various Montana Army and Air National Guard units. From defense contracts and mutual aid agreements to the revenue generated by servicing military personnel, Montana's military has tremendous statewide impact.

Malmstrom Air Force Base provides more than \$425 million in economic impetus to the State of Montana. Military construction and service contracts provide millions to local contractors, the base spends more than \$9.2 million for utilities, and Malmstrom services more than 7,000 miles of roads in Montana, which benefits Montana's commerce. In addition, the Montana National Guard provides more than \$185 million in economic impact to Montana, and there is currently over \$37 million invested in military-related construction projects across our state.

Malmstrom is slated to receive a major intercontinental ballistic missile (ICBM) upgrade called "Sentinel." Initial development is underway. The entire project will update all three ICBM bases, in the United States and is projected to cost over \$140 billion. The project will take 20 years to complete. When the system upgrades occur in Montana, it will have a significant economic impact on our state and its industries.

The Department of Defense (DoD) also seeks to partner with host communities and states to improve the lives of military personnel and their dependents. Community partnerships and grant programs (Defense Community Infrastructure Program) also present opportunities for Montana to support their military installations. The DoD also seeks to support its military personnel by housing, childcare, mental health, veterans, spousal employment, and professional license reciprocity or full credential acceptance.

Federal base realignment and closure activities and other cost-cutting measures put current military missions and assets in Montana and Montana's economic well-being at risk. In addition, Montana communities are missing strategic opportunities for defense industry growth statewide.

#### **ACTION**

The League will support efforts to protect existing military assets in Montana, including preserving training ranges, preventing encroachment, collaboratively addressing national cuts to any military assets in Montana, and developing opportunities for mission retention, growth, and defense industry opportunities.

## **Resolution 2024-10**

### **MEDICAID EXPANSION**

#### **BACKGROUND**

The availability and accessibility of healthcare services are essential for the well-being of our residents; and

Medicaid expansion has proven to be an effective means of increasing access to healthcare for low-income individuals and families; and

Medicaid expansion provides mental health services for homeless populations which are increasingly falling to local governments to provide for; and

Medicaid is critical to maintain hospitals in rural communities; and

Small businesses create and support strong local economies and small business in Montana rely on healthy employees who can access Medicaid; and

The economic benefits of Medicaid expansion, including job creation and increased economic activity, especially for small businesses, would positively impact our communities; and

A healthier population contributes to a more productive and thriving society.

#### **ACTION**

1. The League will support and advocate for the availability of Medicaid in Montana so that all eligible individuals in Montana have access to affordable healthcare.
2. The League will actively engage to raise awareness about the benefits of Medicaid expansion to the citizens and businesses of Montana's cities and towns.

**City Council Regular**

**Date:** 11/12/2024  
**Title:** Resolutions Relating to a Lease Purchase Financing and a Historic Tax Credit  
**Presented by:** Teri Walker  
**Department:** Finance  
**Presentation:** No  
**Legal Review:** No  
**Project Number:** N/A

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**RECOMMENDATION**

Staff recommends City Council approve the lease purchase financing and the historic tax credit (HTC) financing resolutions.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The City, in consultation with Brian Wishneff and Associates, has determined the new City Hall will qualify for the federal historic tax credit (HTC). City staff have negotiated with a historic tax credit investor, FIB Battin, LLC (the HTC Investor), the terms of a historic tax credit transaction with respect to the project, and have negotiated with First Interstate Bank (FIB), an affiliate of the HTC Investor, the terms of a long-term lease purchase financing for the new City Hall. The City will form a Montana limited liability company, designated Former Federal Building Manager, LLC (Company), of which the City shall be the sole member, and the City shall enter into an operating agreement with respect to the Company. The Company and the HTC Investor will form a Montana limited liability company, designated Former Federal Building Landlord, LLC (Landlord), of which the Company and the HTC Investor will be the sole members, and the City and the HTC Investor will enter into an operating agreement with respect to the Landlord.

The Company will serve as the managing member of the Landlord. The HTC Investor will make a capital contribution to the Landlord in one or more installments pursuant to the Landlord Operating Agreement. The agreements and documents are included in the resolutions.

The City will also enter into a lease purchase financing with FIB for the purpose of refinancing the Board of Investment lease financing and provide additional funds for the new City Hall project. The City will enter into a ground lease with FIB to which the City will lease the real property underlying the project to FIB. The City will lease the project and underlying real property back from FIB. The rental payments shall be payable only from current funds which are budgeted and appropriated for such purpose during the fiscal year.

Both resolutions must be approved if the City wants to do either transaction.

**ALTERNATIVES**

City Council may:

- Approve both resolutions for the lease purchase financing and the historic tax credit financing
- Not Approve both resolutions and not refinance the Board of Investment lease financing

**FISCAL EFFECTS**

The lease financing structure will allow for the City to borrow the needed construction funds to complete the new city hall project. The interest rate for the lease financing structure will be established prior to closing based upon the current FHLB 5/15 amortizing rate plus 200 basis points. As of 10/29/2024 that rate would be 6.252%. This structure will allow for prepayment as funds are available so the amount financed can be reduced. It is estimated that the total amount financed will be \$14 million for the project plus the legal and banking costs for the entire structure. The maximum amount authorized to be financed is \$14 million.

The historic tax credit structure will provide a gross estimated \$7.8 million to the transaction. After consultant and financing fees are paid and a portion of the transaction proceeds are held back for repayment to FIB in accordance

with IRS regulations, the net amount to the City is approximately \$5 million. The recommendation is to use the proceeds from this transaction to reduce the lease financed amount.

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### **Attachments**

Resolution Lease  
Master Lease  
Manager Operating  
Landlord Operating  
Ground Sublease  
Forbearance  
Development Agreement  
Contribution agreement  
Resolution HTC

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the “City”), hereby certify that the attached resolution is a true copy of a Resolution entitled: “RESOLUTION RELATING TO A LEASE PURCHASE FINANCING; APPROVING THE TERMS AND CONDITIONS OF THE FINANCING AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO” (the “Resolution”), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on November 12, 2024, and that the meeting was duly held by the City Council 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 Council Members voted in favor thereof: \_\_\_\_\_; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand and seal officially this 12th day of November, 2024.

(SEAL)

\_\_\_\_\_  
City Clerk



RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO A LEASE PURCHASE  
FINANCING; APPROVING THE TERMS AND CONDITIONS  
OF THE FINANCING AND AUTHORIZING THE EXECUTION  
OF DOCUMENTATION RELATING THERETO

BE IT RESOLVED by the City Council (the “Council”) of the City of Billings, Montana (the “City”), as follows:

Section 1. Recitals.

1.01. This Council has previously determined to purchase the former federal courthouse building located at 316 North 26<sup>th</sup> Street in the City, and to undertake renovations of and improvements to the former federal courthouse building to make it suitable for use as a new City Hall and related uses (the “Project”). Pursuant to Resolution No. 24-11191, adopted by the Council on March 25, 2024, the City entered into a lease purchase financing agreement under the Montana Board of Investment’s INTERCAP program for the purpose of providing interim financing for the Project (the “BOI Financing”).

1.02. Pursuant to Resolution No. 24-11207, adopted by the Council on June 24, 2024, City staff have negotiated with First Interstate Bank (“FIB”) the terms of a long-term lease purchase financing with respect to the Project in the amount of up to \$14,000,000 (the “Lease Purchase Financing”) and have negotiated with FIB Battin, LLC, an affiliate of FIB, the terms of a historic tax credit transaction. The terms of the historic tax credit transaction are presented to the Council by separate resolution substantially simultaneously herewith.

1.03. The City proposes to effectuate the Lease Purchase Financing by entering into a Ground Lease with FIB, substantially in the form attached hereto as Exhibit A (the “Ground Lease”), pursuant to which the City will lease the real property underlying the Project to FIB, and a Lease Purchase Agreement with FIB, substantially in the form attached hereto as Exhibit B (the “Lease Purchase Agreement”), pursuant to which the City will lease the Project and underlying real property back from FIB.

1.04. The rental payments payable by the City pursuant to the Lease Purchase Agreement (the “Rental Payments”) shall constitute current expenses of the City and shall not constitute or be construed to be debts of the City in contravention of any constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City, nor shall anything contained in the Ground Lease or Lease Purchase Agreement constitute a pledge of the City’s general tax revenues, funds or money. The Rental Payments shall be payable only from current funds which are budgeted and appropriated for such purpose during the fiscal year of the City for which such funds were budgeted and appropriated. The City has not pledged the full faith and credit or taxing power of the City to payment of amounts due under the Ground Lease or Lease Purchase Agreement.

Section 2. Approval of Lease Purchase Financing, Ground Lease and Lease Purchase Agreement. The City hereby approves the Lease Purchase Financing and the forms of the Ground Lease and the Lease Purchase Agreement, each in substantially the form attached hereto.

Each of the Mayor and the City Administrator is hereby authorized and directed to approve, execute and deliver to FIB the Ground Lease and the Lease Purchase Agreement, together with such modifications thereto as may be approved by such officers, which approval shall be conclusively evidenced by the execution thereof. Each of the Mayor, the City Administrator, the City Clerk and the City Finance Director is also authorized to enter into and deliver such other documents and certificates as may be necessary or desirable in connection therewith, in the opinion of Dorsey & Whitney LLP, as special counsel to the City, or as may be reasonably required by FIB. All actions taken to date by officers and staff of the City on behalf of the City in connection with the Lease Purchase Financing are hereby ratified and confirmed. The City hereby authorizes and directs City staff to proceed with prepayment in full of the BOI Financing with proceeds of the Lease Purchase Financing on the closing date of the Lease Purchase Financing, which is expected to be on or about November 20, 2024.

Section 3. Costs and Expenses. The City approves and authorizes payment of costs and expenses of entering into the Lease Purchase Financing, including out-of-pocket costs and expenses of FIB; fees and costs of counsel to the City and FIB; fees, costs and expenses of consultants and other third parties; recording and filing fees; title insurance premiums; and other costs and expenses as are reasonably related to the Lease Purchase Financing.

Section 4. Transcript Certification. The officers of the City are directed to furnish to Dorsey & Whitney LLP and to FIB certified copies of all proceedings and information in their official records relevant to the authorization of the Ground Lease and Lease Purchase Agreement, 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 enforceability of the Ground Lease and Lease Purchase Agreement, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the City as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

Section 5. Effective Date. This Resolution shall become effective upon passage and all provisions of ordinances, resolutions and other actions and proceedings of the City 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 City Council of the City of Billings, Montana, this 12th day of November, 2024.

---

Mayor

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

EXHIBIT A

FORM OF GROUND LEASE

---

**GROUND LEASE AGREEMENT**

between

**CITY OF BILLINGS, MONTANA**  
**as Ground Lessor**

and

**FIRST INTERSTATE BANK**  
**as Ground Lessee**

Dated as of [\_\_\_\_], 2024

## TABLE OF CONTENTS

|                                                                          | <u>Page</u> |
|--------------------------------------------------------------------------|-------------|
| ARTICLE I GROUND LEASE AND TERM.....                                     | 1           |
| Section 1.1.    Ground Lease and Term.....                               | 1           |
| ARTICLE II REPRESENTATIONS AND COVENANTS.....                            | 1           |
| Section 2.1.    Representations and Covenants of the City.....           | 1           |
| Section 2.2.    Representations and Covenants of the Bank.....           | 3           |
| ARTICLE III TERMINATION.....                                             | 3           |
| Section 3.1.    Termination Events.....                                  | 3           |
| Section 3.2.    Use of Sublease and/or Lease Rentals.....                | 4           |
| Section 3.3.    Reports.....                                             | 4           |
| Section 3.4.    Surrender of Project.....                                | 5           |
| ARTICLE IV USE OF PROJECT; ADDITIONAL COVENANTS.....                     | 5           |
| Section 4.1.    Use of Project.....                                      | 5           |
| Section 4.2.    Quiet Enjoyment.....                                     | 5           |
| Section 4.3.    Assignment.....                                          | 5           |
| Section 4.4.    Further Assurances.....                                  | 5           |
| Section 4.5.    Covenants Regarding Hazardous Materials.....             | 5           |
| ARTICLE V DEFAULT BY BANK; CITY REMEDIES.....                            | 6           |
| Section 5.1.    Default by Bank.....                                     | 6           |
| Section 5.2.    City Remedies.....                                       | 6           |
| ARTICLE VI MISCELLANEOUS.....                                            | 6           |
| Section 6.1.    Severability.....                                        | 6           |
| Section 6.2.    Binding Effect.....                                      | 6           |
| Section 6.3.    Counterparts; Electronic Execution and Counterparts..... | 6           |
| Section 6.4.    Applicable Law.....                                      | 6           |
| Section 6.5.    Recording.....                                           | 6           |
| Section 6.6.    Amendments, Changes and Modifications.....               | 7           |
| Section 6.7.    Captions.....                                            | 7           |
| Section 6.8.    No Additional Waiver Implied by One Waiver.....          | 7           |
| Section 6.9.    Agreement to Pay Attorneys' Fees and Expenses.....       | 7           |
| Section 6.10.    No Merger of Title.....                                 | 7           |
| Section 6.11.    Notices.....                                            | 7           |
| SIGNATURE PAGES.....                                                     | S-1         |
| EXHIBIT A    Legal Description of the Land.....                          | A-1         |

This **GROUND LEASE AGREEMENT** dated as of [\_\_\_\_], 2024 (this “Ground Lease”), is executed by **CITY OF BILLINGS, MONTANA**, a duly organized municipality of the State of Montana (the “City”), as ground lessor, and **FIRST INTERSTATE BANK**, a national banking corporation (the “Bank”), as ground lessee.

## **RECITALS**

WHEREAS, the City owns the real property legally described in Exhibit A, located in Yellowstone County, Montana (the “Land”);

WHEREAS, the City proposes to lease the Land to the Bank pursuant to this Ground Lease; and

WHEREAS, pursuant to a Lease-Purchase Agreement dated as of the date hereof, between the Bank, as lessor, and the City, as lessee (the “Lease”), the City will sublease the Land from the Bank and lease certain improvements thereon (as further described in the Lease, the “Improvements,” and together with the Land, the “Project”) from the Bank, with an option to purchase.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

## **ARTICLE I**

### **GROUND LEASE AND TERM**

. Subject to and upon the terms, conditions, covenants and undertaking hereinafter set forth, the City hereby leases the Land to the Bank, and the Bank hereby leases the Land from the City for the sum of ONE DOLLAR (\$1.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, for a term commencing on the date on which this Ground Lease is executed, and ending on [\_\_\_\_], 2044 (the “Expected Termination Date”), unless the term of this Ground Lease is terminated earlier in accordance with the provisions of Section 3.1.

## **ARTICLE II**

### **REPRESENTATIONS AND COVENANTS**

. The City represents to and covenants with the Bank that:

- (a) the City is a duly formed and validly existing municipality of the State of Montana (the “State”), governed by the Constitution and laws of the State;
- (b) the City is authorized under the Constitution and laws of the State to acquire, construct, operate and maintain the Improvements and lease the Land to the Bank;
- (c) the City has authority to execute and deliver this Ground Lease, to enter into the transactions contemplated hereby, and to perform all of its obligations hereunder;

- (d) the officers of the City executing and delivering this Ground Lease have been duly authorized to do so under the terms and provisions of a resolution of the governing body of the City, or by other appropriate official action;
- (e) in authorizing and executing this Ground Lease, the City has complied with all open meeting laws, all public bidding laws and all other State and federal laws applicable to this Ground Lease, the lease of the Land and the acquisition, construction, operation and maintenance of the Improvements;
- (f) the execution and delivery of this Ground Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Ground Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease, agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property, of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party;
- (g) the City has good and merchantable title to the Land, subject only to Permitted Encumbrances (as such term is defined in the Lease);
- (h) the Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance that would prohibit or materially interfere with the acquisition, construction, operation and maintenance of the Improvements on the Land, as contemplated by the Lease;
- (i) all taxes, assessments or impositions of any kind with respect to the Land (if any), except current taxes (if any), have been paid in full;
- (j) the purpose or intended use of the Improvements is a permitted, conditional, interim, or accessory use, and is not a prohibited use, under applicable zoning regulations or is otherwise permitted by law, resolution or other land use agreement or arrangement;
- (k) the Land complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations;
- (l) to the best of the knowledge of the City, (i) no Hazardous Materials (as defined in the Lease) have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Land, and (ii) no above ground or underground tanks have been located under, in or about the Land and subsequently removed or filled;
- (m) to the best of the knowledge of the City, the Land is not located in a flood hazard area;

- (n) the City has not made, done, executed or suffered, and will not make, do, execute or suffer, any act or thing whereby the City's interest in any property now or hereafter included in the Project will be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Ground Lease and the Lease; and
- (o) the City has duly executed and entered into the HTC Ground Lease and the Master Lease (each, as defined in the Lease).

. The Bank represents to and covenants with the City that the Bank has authority to execute and deliver this Ground Lease, to enter into the transaction contemplated hereby, and to perform all of its obligations hereunder; that the officers of the Bank executing and delivering this Ground Lease have been duly authorized to do so; and that the execution and delivery of this Ground Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Ground Lease by the Bank will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease, agreement or instrument to which the Bank is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the Bank or any of its property, of any court or governmental body.

### **ARTICLE III**

#### **TERMINATION**

. Subject to the other provisions of this Ground Lease, this Ground Lease shall terminate prior to the Expected Termination Date, upon the occurrence of any one of the following events:

- (a) payment by the City of all Rental Payments (as defined in the Lease) in the ordinary course, or prepayment by the City of the Lease pursuant to Sections 10.1 or 10.2 of the Lease;
- (b) termination of the Lease by the City by Nonappropriation (as defined in the Lease), and the receipt by the Bank of amounts from the sublease and/or lease of the Bank's leasehold interest in the Land and its interest in the Improvements sufficient to pay to the Bank an amount that will equal the outstanding Principal Portion (as defined in the Lease) of all Rental Payments unpaid under the Lease; or
- (c) termination of the Lease by the Bank upon the occurrence of an event of default by the City thereunder, and the receipt by the Bank of amounts from the sublease and/or lease of the Bank's leasehold interest in the Land and its interest in the Improvements sufficient to:
  - i. pay to the Bank an amount which will equal the outstanding Principal Portion (as defined in the Lease) of all Rental Payments unpaid under the Lease as of the last day of the Fiscal Year of the City in effect when the event of default occurs; and
  - (1) pay to the Bank an amount which will equal all Rental Payments due under the Lease through the end of the Fiscal Year of the City in effect when the event of default occurred and which remain unpaid by the City.

. The amounts referred to in Section 3.1, paragraphs (b) and (c), respectively, shall be known as the “Reimbursement Amount.” The Reimbursement Amount will be recovered by allowing the Bank first to retain from any sublease and/or lease rentals an amount equal to interest on the outstanding Reimbursement Amount at the rates per annum then applicable to the Lease. Any amounts of lease or sublease rentals distributed to the Bank after payment of interest shall be credited to the payment of the Reimbursement Amount.

Use of the Improvements by Bank or any subsidiary or affiliate of Bank, other than for the purpose of assuming control, making necessary changes in the Project, and the initial sublease and/or lease thereof, will be treated as the sublease and/or lease thereof on a monthly basis at the then-prevailing fair market value. In the event the Lease is terminated by the City by Nonappropriation, or terminated by the Bank upon the occurrence of an event of default by the City thereunder, the City may subsequently pay the Reimbursement Amount together with interest accrued thereon to the date of payment at the rates per annum then applicable to the Lease, in which case this Ground Lease shall be terminated.

- (a) all amounts received by Bank from any sublease and/or lease of the Project;
- (b) an analysis as to whether Bank has received the Reimbursement Amount and interest thereon, with all supporting calculations; and
- (c) the date, if any, in the next Fiscal Year of the City on which Bank expects to receive the Reimbursement Amount and interest thereon.

Such written report must be verified, at the expense of the City in the event the Lease is terminated by the Bank, but otherwise at the expense of the Bank, by a certified public accountant or firm of certified public accountants not within the regular employ of the Bank. In the event that on the last day of any Fiscal Year of the City the Bank has received the Reimbursement Amount and interest thereon, then all rentals with respect to any sublease and/or lease of the Project payable after the close of such Fiscal Year, as well as any rentals payable during such Fiscal Year in excess of the amounts Bank is entitled to receive pursuant to Section 4.2, shall be the property of the City. The City may, at its own expense, upon reasonable notice and at Bank’s offices during normal business hours, examine Bank’s records in so far as they relate to the Project and the Reimbursement Amount and interest thereon.

#### Section 1.2. Surrender of Project

. The Bank agrees that upon the termination of this Ground Lease it will surrender the Project to the City, in reasonable order and condition in light of the use to which the Project will be put, ordinary wear and tear excepted, and free and clear of all liens and encumbrances created by or arising under Bank or any assignee of Bank; provided, however, that in the event that the Project is subject to the rights of any sublessee and/or lessee of the Bank granted under any sublease and/or lease entered into in accordance with the terms of this Ground Lease after the termination of the Lease by the City by Nonappropriation or by the Bank upon the occurrence of an event of default by the City thereunder, the Bank agrees to assign and set over to the City the Bank’s entire interest in the Project granted under this Ground Lease, subject only to the rights of such sublessees and/or lessees under any such subleases or leases.



. Except in the event the Lease is terminated by the City by Nonappropriation or by the Bank upon the occurrence of an event of default by the City thereunder, in which case the Bank may possess and use the Project in accordance with the provisions of the Lease, the Bank shall use the Land solely for the purpose of subleasing it to the City pursuant to the Lease and for the acquisition, construction and operation, and the leasing of the Improvements to the City. The Bank will not use the Land or knowingly permit the Land to be used for any unlawful purpose.

. Subject to the terms of the Lease and the terms hereof, during the term of this Ground Lease, the City shall provide the Bank with the quiet use and enjoyment of the Land and the Bank shall peaceably and quietly have and hold and enjoy the Land, without suit, trouble or hindrance from the City.

. The Bank may assign this Ground Lease without the written consent of the City as provided in Section 11.1 of the Lease. If the Lease is terminated by the City by Nonappropriation or by the Bank upon the occurrence of an event of default by the City thereunder, the Bank may assign its interests in this Ground Lease and may use, sublease and/or lease the Project without the consent of the City.

Section 1.4. Further Assurances. The City shall, upon the reasonable request by the Bank, execute and deliver any and all documents and instruments required to effectuate the provisions hereof, provided that such further acts shall not adversely affect the rights or obligations of the City as contemplated hereby.

Section 1.5. Covenants Regarding Hazardous Materials. The City shall comply with its covenants regarding Hazardous Materials in the Lease and the provisions of the Lease containing such covenants are hereby incorporated into this Ground Lease by reference as if the same were fully set forth herein.

## **ARTICLE II**

### **DEFAULT BY BANK; CITY REMEDIES**

. It will be considered an “event of default” or a “default” hereunder if the Bank fails to (a) pay the consideration provided herein; (b) observe or perform any of the obligations of Bank otherwise provided herein; or (c) observe or perform any of its obligations under the Lease in accordance with the terms thereof.

. Upon the occurrence of an event of default by Bank hereunder which remains uncured for 30 days after receipt by the Bank of written notice from the City describing the event of default, the City may thereafter or at any time subsequently during the existence of such default, subject to its obligation to continue Rental Payments pursuant to the Lease and the rights of existing sublessees and/or lessees as provided in Section 3.4, (a) enter into and upon the Land and repossess the same, expelling and removing therefrom all persons and property, and (b) terminate this Ground Lease, holding Bank liable for damage for its default.

## **ARTICLE III**

### **MISCELLANEOUS**

. If any term or provision of this Ground Lease, or the application thereof to any person or circumstance, is to any extent deemed to be invalid or unenforceable, the remainder of this Ground Lease or the application of such term or provision to persons or circumstance other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Ground Lease will be valid and enforceable to the fullest extent permitted by law.

. This Ground Lease is binding upon, and inures to the benefit of, the parties hereto, and their respective successors and assigns.

. This Ground Lease may be executed in counterparts, each of which shall constitute one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be received, sent or stored by electronic means copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that electronic signatures shall be binding upon the parties.

. This Ground Lease will be interpreted and enforced in accordance with the laws of the State of Montana without regard to its conflicts of law provisions.

. The City shall record this Ground Lease or an abstract hereof in the real property records where the Land is located in the manner prescribed by law.

. This Ground Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the City and the Bank.

. The captions or headings in this Ground Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, article, section or clause of this Ground Lease.

. In the event any covenant hereunder should be breached by either party and thereafter waived by the other party, the parties agree that such waiver is limited to the particular breach so waived and not deemed to waive any other breach hereunder.

. In the event either party to this Ground Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefore pay to the non-defaulting party the reasonable fee of such attorneys and such other expenses so incurred by the non-defaulting party. For the avoidance of doubt Nonappropriation is not a default hereunder.

. There shall be no merger of this Ground Lease or the leasehold created by this Ground Lease with any other estate in the Land or any part thereof by reason of the fact that the same entity

may acquire or own or hold, directly or indirectly, (a) the Land or any part thereof or any interest therein or (b) the Improvements or any part thereof or any interest therein, and no such merger shall occur unless and until all persons having any interest in the Improvements or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

. All written notices to be given under this Ground Lease are to be delivered in accordance with Section 13.1 of the Lease to the addresses specified below.

|  |                 |  |                                                                                                                      |
|--|-----------------|--|----------------------------------------------------------------------------------------------------------------------|
|  | If to the City: |  | City of Billings, Montana<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attention: City Finance Director            |
|  |                 |  |                                                                                                                      |
|  | If to the Bank: |  | First Interstate Bank<br>P.O. Box 30918<br>Billings, Montana 59116<br>Attn: Andrew Gott, VP Commercial Group Manager |

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Ground Lease as of the date first above written.

**FIRST INTERSTATE BANK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_

Its: Mayor

By: \_\_\_\_\_

Its: City Administrator

[COUNTERPART SIGNATURE PAGE TO GROUND LEASE AGREEMENT]

**EXHIBIT A**  
**LEGAL DESCRIPTION OF THE LAND**

**Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Block 43, of the Original Town (now City) of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document No. 16312.**

EXHIBIT B

FORM OF LEASE PURCHASE AGREEMENT

After recording, return to:  
Dorsey & Whitney LLP  
125 Bank Street, Suite 600  
Missoula, Montana 59802

---

LEASE-PURCHASE AGREEMENT

between

FIRST INTERSTATE BANK  
as Lessor

and

CITY OF BILLINGS, MONTANA,  
as Lessee

Dated as of [\_\_\_\_], 2024

## TABLE OF CONTENTS

|                                                                                                                   | <u>Page</u> |
|-------------------------------------------------------------------------------------------------------------------|-------------|
| <b>ARTICLE I DEFINED TERMS.....</b>                                                                               | <b>1</b>    |
| Section 1.1.    Defined Terms.....                                                                                | 1           |
| <b>ARTICLE II REPRESENTATIONS AND COVENANTS.....</b>                                                              | <b>4</b>    |
| Section 2.1.    Representations and Covenants of the City.....                                                    | 4           |
| Section 2.2.    Representations and Covenants of the Bank.....                                                    | 6           |
| <b>ARTICLE III PAYMENT OF COSTS; ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS; LEASE AND SALE OF PROJECT.....</b> | <b>7</b>    |
| Section 3.1.    Payment of Costs; Disbursements.....                                                              | 7           |
| Section 3.2.    City to Act as Agent; Acquisition and Construction of Improvements.....                           | 7           |
| Section 3.3.    Sublease of Land; Lease of Improvements.....                                                      | 8           |
| Section 3.4.    Possession and Enjoyment.....                                                                     | 8           |
| Section 3.5.    Bank Access to Project.....                                                                       | 8           |
| Section 3.6.    Payment and Performance Bonds.....                                                                | 8           |
| Section 3.7.    City Liability.....                                                                               | 8           |
| Section 3.8.    Default in Contractor Performance.....                                                            | 8           |
| <b>ARTICLE IV LEASE TERM; TRANSFER OR SURRENDER OF PROJECT; NONAPPROPRIATION.....</b>                             | <b>9</b>    |
| Section 4.1.    Lease Term.....                                                                                   | 9           |
| Section 4.2.    Termination of Lease.....                                                                         | 9           |
| Section 4.3.    Transfer of Project to the City.....                                                              | 9           |
| Section 4.4.    Surrender of Project to the Bank.....                                                             | 9           |
| Section 4.5.    Termination by the City.....                                                                      | 9           |
| Section 4.6.    Effect of Nonappropriation.....                                                                   | 10          |
| <b>ARTICLE V RENTAL PAYMENTS.....</b>                                                                             | <b>10</b>   |
| Section 5.1.    Rental Payments.....                                                                              | 10          |
| Section 5.2.    Current Expense.....                                                                              | 11          |
| Section 5.3.    Interest Component.....                                                                           | 12          |
| Section 5.4.    Rental Payments to be Unconditional.....                                                          | 12          |
| <b>ARTICLE VI INSURANCE; CITY NEGLIGENCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS.....</b>      | <b>12</b>   |
| Section 6.1.    Liability Insurance.....                                                                          | 12          |
| Section 6.2.    Property Insurance.....                                                                           | 12          |
| Section 6.3.    Worker's Compensation Insurance.....                                                              | 12          |
| Section 6.4.    Requirements for All Insurance; Reporting.....                                                    | 13          |
| Section 6.5.    Risk of Loss; City Negligence.....                                                                | 13          |
| Section 6.6.    Damage, Destruction and Condemnation.....                                                         | 13          |
| Section 6.7.    Insufficiency of Net Proceeds.....                                                                | 13          |
| Section 6.8.    Cooperation of Bank.....                                                                          | 14          |



|                                                                                                                          |           |
|--------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>ARTICLE VII GENERAL MATTERS.....</b>                                                                                  | <b>14</b> |
| Section 7.1.    Use; Permits.....                                                                                        | 14        |
| Section 7.2.    Maintenance and Modification of Project by City.....                                                     | 14        |
| Section 7.3.    Taxes, Other Governmental Charges and Utility Charges; Compliance<br>with Governmental Requirements..... | 14        |
| Section 7.4.    Financial Information.....                                                                               | 15        |
| <b>ARTICLE VIII TITLE.....</b>                                                                                           | <b>15</b> |
| Section 8.1.    Title.....                                                                                               | 15        |
| Section 8.2.    Security Interest.....                                                                                   | 15        |
| Section 8.3.    Liens.....                                                                                               | 15        |
| Section 8.4.    Installation of Personal Property.....                                                                   | 16        |
| <b>ARTICLE IX WARRANTIES.....</b>                                                                                        | <b>16</b> |
| Section 9.1.    Maintenance of Project.....                                                                              | 16        |
| Section 9.2.    Contractor’s Warranties.....                                                                             | 16        |
| Section 9.3.    Patent Infringement.....                                                                                 | 16        |
| Section 9.4.    Disclaimer of Warranties.....                                                                            | 16        |
| <b>ARTICLE X OPTION TO PREPAY; DISCHARGE.....</b>                                                                        | <b>17</b> |
| Section 10.1.   Option to Prepay in Whole or in Part.....                                                                | 17        |
| Section 10.2.   Extraordinary Prepayment Option.....                                                                     | 17        |
| Section 10.3.   Exercise of Option to Prepay.....                                                                        | 18        |
| <b>ARTICLE XI ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING.....</b>                                                    | <b>18</b> |
| Section 11.1.   Delegation and Assignment by Bank.....                                                                   | 18        |
| Section 11.2.   Assignment and Subleasing by City.....                                                                   | 18        |
| Section 11.3.   Restriction on Mortgage or Sale of Project by City.....                                                  | 18        |
| <b>ARTICLE XII EVENTS OF DEFAULT AND REMEDIES.....</b>                                                                   | <b>18</b> |
| Section 12.1.   Events of Default Defined.....                                                                           | 18        |
| Section 12.2.   Remedies on Default.....                                                                                 | 19        |
| Section 12.3.   No Remedy Exclusive.....                                                                                 | 20        |
| Section 12.4.   Force Majeure.....                                                                                       | 20        |
| <b>ARTICLE XIII ADMINISTRATIVE PROVISIONS.....</b>                                                                       | <b>20</b> |
| Section 13.1.   Notices.....                                                                                             | 20        |
| Section 13.2.   Severability.....                                                                                        | 21        |
| Section 13.3.   Binding Effect.....                                                                                      | 21        |
| Section 13.4.   Counterparts.....                                                                                        | 21        |
| Section 13.5.   Applicable Law.....                                                                                      | 21        |
| Section 13.6.   Recording.....                                                                                           | 21        |
| Section 13.7.   Amendments, Changes and Modifications.....                                                               | 21        |
| Section 13.8.   Captions.....                                                                                            | 21        |
| Section 13.9.   No Additional Waiver Implied by One Waiver.....                                                          | 21        |
| Section 13.10.  Financing Statements; Further Assurances and Corrective Instruments..                                    | 21        |
| Section 13.11.  Agreement to Pay Attorneys’ Fees and Expenses.....                                                       | 22        |

|                                                                                      |         |
|--------------------------------------------------------------------------------------|---------|
| Section 13.12. No Rating, CUSIP Number or Securities Depository.....                 | 22      |
| Section 13.13. Patriot Act Notice.....                                               | 22      |
| Section 13.14. City’s Notice Filings Related to Lease for SEC Rule 15c2-12.....      | 22      |
| Section 13.15. Bank Origination Fee.....                                             | 22      |
| Section 13.16. No Advisory or Fiduciary Relationship.....                            | 22      |
| Section 13.17. Jury Trial Waiver.....                                                | 23      |
| <br>SIGNATURE PAGES.....                                                             | <br>S-1 |
| EXHIBIT A Descriptions of Land, Improvements and Certain Permitted Encumbrances..... | A-1     |
| EXHIBIT B Rental Payment Schedule.....                                               | B-1     |
| EXHIBIT C Form of Disbursement Request.....                                          | C-1     |
| EXHIBIT D Form of Acceptance Certificate of City.....                                | D-1     |

This **LEASE-PURCHASE AGREEMENT** dated as of [\_\_\_\_], 2024 (the “Lease”), is executed by **FIRST INTERSTATE BANK**, a national banking association (the “Bank”), as lessor, and **CITY OF BILLINGS, MONTANA**, a municipality and political subdivision of the State of Montana (the “City”), as lessee.

## **RECITALS**

WHEREAS, pursuant to Montana Code Annotated, Sections 7-1-4124 and 7-8-4104, the City is authorized to buy, sell, mortgage, rent, lease, hold, manage or dispose of any interest in real or personal property and to build or hire all necessary buildings for the use of the City; and

WHEREAS, on November 12, 2024, the City Council of the City adopted a resolution (the “Authorizing Resolution”) authorizing the execution of this Lease and the consummation of the transactions contemplated hereby; and

WHEREAS, City and Bank will enter into the Ground Lease (as defined herein) and this Lease to finance or refinance the acquisition and construction of improvements to and renovations of the Improvements (as defined herein).

NOW THEREFORE, in consideration of the mutual covenants contained herein and of other good and valuable consideration, receipt of which is hereby acknowledged, the parties hereto agree as follows:

## **ARTICLE I**

### **DEFINED TERMS**

. The capitalized terms used herein and in the exhibits hereto have the meanings set forth in this Section or elsewhere herein, unless otherwise stated:

“Amortization Date” means July 1, 2026.

“Applicable Interest Rate” means the interest rate used to calculate the Interest Portion of the Rental Payments. The initial Applicable Interest Rate is equal to [\_\_\_\_]%<sup>1</sup> per annum, calculated on a 365/360 day basis, that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding.

“Business Day” means a day other than a Saturday, Sunday, United States national holiday or other day on which banks in Montana are permitted or required by law to close.

“Closing Date” means [\_\_\_\_], 2024.

“Construction Costs” means the costs associated with the acquisition and construction of the Improvements.

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<sup>1</sup> NTD: Interest rate to be set prior to closing date; rate will be equal to the Federal Home Loan Bank of Chicago daily rate for Fixed Rate Amortizing Advances with a term of 5 years and an amortization term of 15 years, plus 2.00%.

“Contractor” means any person or business hired by the City as a contractor to complete the Improvements or any portion thereof.

“Default Rate” means a rate of interest equal to 3% per annum over the Applicable Interest Rate.

“Disbursement Period” means the period commencing on the Closing Date and ending on March 31, 2026 during which funds are disbursed by the Bank to the City in accordance with Section 3.1.

“FHLB Index Rate” means the Federal Home Loan Bank of Des Moines daily rate for Fixed Rate Advances with a term of 5 years.

“Fiscal Year” means the twelve-month fiscal period of the City which commences on July 1 every year and ends on the following June 30.

“Ground Lease” means the Ground Lease Agreement dated as of the date hereof, between the City, as ground lessor, and the Bank, as ground lessee, relating to the Land.

“Hazardous Material” means (a) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other substances, materials or pollutants which (i) pose a hazard to the Project or other adjacent premises or to persons on or about the Project or other adjacent premises, (ii) cause the Project to be in violation of any local, state or federal law, rule, regulation or ordinance, or (iii) are defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutant or contaminant” or “toxic substances” or words of similar import under any applicable local, state or federal law or under the regulations, policy guidelines or other publications adopted or promulgated pursuant thereto, including, but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., (2) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1601, et seq., (3) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., (4) the Clean Air Act, as amended, 42 U.S.C. § 7412, (5) the Toxic Substance Control Act, as amended, 15 U.S.C. § 2601 et seq., (6) the Clean Water Act, as amended, 33 U.S.C. § 1317 and 1321(b)(2)A, (7) the Montana Comprehensive Environmental Cleanup and Responsibility Act, as amended, Montana Code Annotated, Title 75, Chapter 10, Part 7, and (8) rules, regulations, ordinances and other publications adopted or promulgated pursuant to the aforesaid laws; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety or property interests of the City or its employees, the occupants of the Project or other adjacent premises or to persons on or about the Project or other adjacent premises.

“HTC Ground Lease” means the Ground Sublease Agreement, dated as of the date hereof, between the City, as lessor, and Former Federal Building Landlord, LLC, as lessee.

“Improvements” means the improvements located on the Land, as further described in Exhibit A.

“Interest Portion” means the portion of any Rental Payment designated as and comprising interest as shown in Exhibit B.

“Land” means the real property described legally described in Exhibit A.

“Lease Term” means the period during which this Lease is in effect as specified in Section 4.1.

“Master Lease” means the Master Lease, dated as of the date hereof, between the City as sublessee and Former Federal Building Landlord, LLC, as sublessor.

“Net Proceeds” means any insurance proceeds or condemnation award, paid with respect to the Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Nonappropriation” means the determination of the governing body of the City not to appropriate money for any Fiscal Year of the City sufficient for the continued performance of this Lease by the City, as evidenced by the passage of a resolution stating such determination.

“Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT) Act, Pub. L. 107-56 (2001).

“Permitted Encumbrances” means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or which the City may, pursuant to Article VII, permit to remain unpaid; (b) this Lease and the Ground Lease and any amendments hereto; (c) the Ground Lease and any amendments thereto; (d) any mechanic’s, laborer’s, materialmen’s, supplier’s or vendor’s lien or right not filed or perfected in the manner prescribed by law, and any lien which the City may, pursuant to Article VII, permit to remain unpaid; (e) minor defects and irregularities in the title to the Project which do not, in the aggregate, in the opinion of the City, materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (f) easements or other rights that are for the benefit of the Project and authorized pursuant to Article VII and easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, that do not materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (g) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Project that do not materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (h) any obligations or duties affecting any portion of the Project of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit; (i) present and future valid zoning laws and ordinances; and (j) any encumbrances listed in Exhibit A.

“Prepayment Price” has the meaning given such term in Section 10.1.

“Principal Portion” means the portion of any Rental Payment designated as and comprising principal as shown in Exhibit B.

“Project” means the Land and the Improvements together.

“Rate Calculation Date” has the meaning given such term in Section 5.1.

“Rate Reset Date” means July 1, 2029 and July 1, 2034.

“Rental Payment” means each payment due from the City to the Bank on each Rental Payment Date during the Lease Term as shown in Exhibit B.

“Rental Payment Date” means the date upon which any Rental Payment is due and payable as shown in Exhibit B.

“State” means the State of Montana.

## **ARTICLE II**

### **REPRESENTATIONS AND COVENANTS**

. The City represents to and covenants with the Bank that

- (a) the City is a duly formed and validly existing municipal corporation of the State, governed by the Constitution and laws of the State;
- (b) the City is authorized under the Constitution and laws of the State to acquire, construct, operate and maintain the Improvements;
- (c) the City has authority to execute and deliver this Lease, to enter into the transactions contemplated hereby and to perform all of its obligations hereunder;
- (d) the officers of the City executing and delivering this Lease have been duly authorized to do so under the terms and provisions of a resolution of the governing body of the City, or by other appropriate official action;
- (e) in authorizing and executing this Lease, the City has complied with all public bidding laws and all other State and federal laws applicable to this Lease, the sublease of the Land and lease of the Improvements and the acquisition, construction, operation and maintenance of the Improvements;
- (f) the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease, agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property, of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party;
- (g) the City will use the Project during the Lease Term to carry out the governmental or proprietary purposes of the City;
- (h) subject to the provisions of Section 4.5, the officers of the City responsible for budget preparation will include in the annual budget request, for each Fiscal Year during the Lease Term, commencing with the Fiscal Year beginning July 1, 2025, moneys sufficient to pay and for the purpose of paying all Rental Payments and

other obligations of the City under this Lease, and will take all reasonable actions within their power to seek to have that portion of the budget approved;

- (i) the City has moneys available and sufficient to pay all Rental Payments and other obligations due under this Lease in the current Fiscal Year (if any);
- (j) the City presently intends to continue this Lease for a term sufficient to pay all the Rental Payments specified in Exhibit B as the same become due and payable, and reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated or budgeted and made available for this purpose;
- (k) this Lease does not constitute a general obligation of the City, and the full faith and credit and taxing powers of the City are not pledged for the payment of the Rental Payments or other amounts coming due, or other actions required to be performed, hereunder;
- (l) the governing body of City is not obligated to appropriate or otherwise provide moneys for the payment of the Rental Payments or any other amounts coming due hereunder in any future Fiscal Year, and in the event this Lease is terminated by the City by Nonappropriation, the City shall not be liable to the Bank, except as provided in Section 4.6;
- (m) the City does not rely on any warranty of the Bank, either express or implied, as to the title or condition of the Project or that it will be suitable to the City's needs, and recognizes that the Bank is not obligated to operate or maintain the Project or to expend any funds thereon, and acknowledges the Bank has made no such warranty either express or implied;
- (n) the City has good and merchantable title to the Land, subject only to Permitted Encumbrances;
- (o) the Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the acquisition, construction, operation and maintenance of the Improvements on the Land;
- (p) all taxes, assessments or impositions of any kind with respect to the Land (if any), except current taxes (if any), have been paid in full;
- (q) the Land is properly zoned for the purpose of the Improvements;
- (r) the Land complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations;
- (s) the Improvements will result in improvements which will be in compliance with all applicable building and design codes and the City's requirements;

- (t) to the best of the knowledge of the City, (i) no Hazardous Materials have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Land, and (ii) no above ground or underground tanks have been located under, in or about the Land and subsequently removed or filled;
- (u) no member of the governing body of the City or any other officer of the City has any significant or conflicting interest, financial, employment or otherwise, in the City or the Project or in the transactions contemplated hereby;
- (v) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the City, nor to the best knowledge of the City is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the right of the City to execute this Lease or the ability of the City to make the payments required hereunder or to otherwise comply with the obligations contained herein, or to consummate the transactions contemplated; or (ii) the transactions contemplated by this Lease or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Lease; and
- (w) the City has not made, done, executed or suffered, and will not make, do, execute or suffer, any act or thing whereby the City's interest in any property now or hereafter included in the Project will be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Lease and the Ground Lease.

. The Bank represents to and covenants with the City that the Bank has authority to execute and deliver this Lease, to enter into the transaction contemplated hereby, and to perform all of its obligations hereunder; that the officers of the Bank executing and delivering this Lease have been duly authorized to do so; and that the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Bank will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the Bank is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the Bank or any of its property, of any court or governmental body.

### **ARTICLE III**

#### **PAYMENT OF COSTS; ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS; LEASE AND SALE OF PROJECT**

(a) In order to ensure that moneys sufficient to pay all Construction Costs and costs of issuing the Lease will be available for such purposes when required, the Bank shall disburse to the



City, in accordance with this Section 3.1, up to \$[14,000,000], which amounts will be used by the City only to pay, reimburse or refinance Construction Costs and costs of issuing the Lease.

(b) As a condition precedent to the initial disbursement of funds on the Closing Date, the City shall deliver or cause to be delivered to the Bank a preliminary title commitment for and an extended coverage leasehold lender's title insurance policy issued by a title company selected by the City and acceptable to the Bank.

(c) The initial disbursement of funds shall be made on the Closing Date and shall include an amount sufficient to pay and discharge Property Schedule No. 1 to the Master Lease Purchase Agreement by and between the City and the Montana Board of Investments, which was used to provide interim financing of Construction Costs.

(d) The City may request additional disbursements of funds no more frequently than monthly by submitting to Bank:

- i. a disbursement request, substantially in the form attached hereto as Exhibit C, together with relevant invoices; and
- ii. conditional mechanic's and materialmen's lien waivers from the Contractor(s) with respect to the Construction Costs relating to the disbursement request being submitted, together with unconditional mechanic's and materialmen's lien waivers for work done or material supplied and paid from prior disbursement requests no later than 60 days following such payment.

(e) If moneys available to be disbursed by the Bank are not sufficient to pay all Construction Costs and complete the Improvements as planned, the Bank is not required to provide additional moneys. In such event, the City shall, without altering the Rental Payments, provide additional moneys or reduce the size or the scope of the Improvements so that the moneys in the Construction Account are sufficient to complete the Improvements without impairing the use or marketability thereof.

. The Bank hereby irrevocably appoints the City as its agent in connection with the acquisition and construction of the Improvements. The City, as agent of the Bank, has or will enter into all contracts with the Contractors providing for the acquisition and construction of the Improvements in accordance with City's specifications, and shall use its reasonable best efforts to promptly complete construction of the Improvements. The Bank shall have no obligation whatsoever with respect to the design, acquisition, construction, installation or operation of the Improvements and no obligation whatsoever with respect to the Improvements other than the obligations set forth in Section 3.1. Upon completion of the Improvements, the City shall execute and deliver to the Bank a Certificate of Acceptance substantially in the form of Exhibit D. If completion of the Improvements and delivery of the executed Certificate of Acceptance has not occurred by March 31, 2026, the City shall provide the Bank written notice of delay including an explanation of such delay and an estimated completion date for the Improvements.

. The Bank hereby subleases the Land and leases the Improvements to the City, and the City hereby subleases the Land and leases the Improvements from the Bank, upon the terms and

conditions set forth in this Lease. The Land is subleased, and the Improvements are leased, in its/their present condition, without representation or warranty of any kind by the Bank, and subject to (a) the rights of parties in possession, (b) the existing state of title, (c) all applicable legal requirements now or hereafter in effect and (d) Permitted Encumbrances. For the avoidance of doubt, the HTC Ground Lease, the Master Lease, and the transactions contemplated thereby are expressly permitted by this Lease and by the Ground Lease.

. The Bank shall provide the City with quiet use and enjoyment of the Project during the Lease Term and the City shall peaceably and quietly have and hold and enjoy the Project during the Lease Term, without suit, trouble or hindrance from the Bank, except as expressly set forth in this Lease and the Ground Lease. The Bank will, at the request and cost of the City, join in any legal action in which the City asserts its right to such possession and enjoyment, to the extent the Bank may lawfully do so.

. The Bank will have the right during normal business hours to examine and inspect the Project and such rights of access to the Project as may be reasonably necessary to inspect construction progress during the construction period and to cause the proper maintenance thereof in the event of failure by the City to perform its obligations hereunder; provided, however that such inspections shall not occur more often than monthly and upon not less than five (5) business days' prior written notice.

. To the extent required by law, the City shall cause each Contractor to provide a payment bond or bonds and a performance bond or bonds, or another form of financial guaranty covering performance of all contracts and payment for labor and materials.

. As between Bank and City, City assumes liability for all risk of loss during the acquisition, construction, installation and operation of the Improvements. City shall require that each Contractor maintain in force during the entire acquisition, construction and installation period of the Improvements, builder's risk or property damage insurance in an amount at least equal to the full value of all work done and materials and equipment provided or delivered by the Contractor, as well as comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like projects.

. In the event a Contractor defaults under any contract related to the construction of the Improvements, the City will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the City against such Contractor. The City agrees to advise the Bank, in writing, of the steps it intends to take in connection with any such default. If the City so notifies the Bank, the City may, in good faith, in its own name or in the name of the Bank, with notice to the Bank, prosecute or defend any action or proceeding or take other action involving the Contractor or surety which the City deems reasonable. In such event, the Bank shall cooperate fully with the City, but at the expense of the City. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, are to be paid into the Construction Account.

## **ARTICLE IV**

### **LEASE TERM; TRANSFER OR SURRENDER OF PROJECT; NONAPPROPRIATION**

. This Lease shall be in effect for a term commencing upon the execution and delivery hereof and ending as provided in Section 4.2.

. The Lease Term will end and the Lease will terminate upon the first of the following events to occur:

- a) payment by the City of all Rental Payments due hereunder;
- b) payment by the City pursuant to Sections 10.1 or 10.2 hereof;
- c) termination of this Lease by the City by Nonappropriation pursuant to Sections 4.5 and 4.6 hereof; or
- d) default by the City and election by the Bank to terminate this Lease pursuant to Article XII.

. Upon termination of the Lease pursuant to Section 4.2, clauses (a) or (b), full and unencumbered legal title to the Project will pass to the City, and the Bank will have no further interest therein. In such event, the Bank and its officers shall, at the expense of the City, take all actions necessary to authorize, execute and deliver to the City such documents as the City shall reasonably require to evidence the transfer of legal title to the Project to the City.

. Upon termination of the Lease pursuant to Section 4.2, clauses (c) or (d), the City shall surrender possession of the Project to the Bank in the condition in which it was originally received from the Bank, except as improved, repaired, rebuilt, restored, altered or added to as permitted or required hereby, ordinary wear and tear excepted. The City may, in such event, remove from the Project all personal property not financed with proceeds of the Lease or otherwise a part of the Project by operation of the Lease; provided, however, that the City shall repair any damage caused by such removal.

. Upon the occurrence of an event of Nonappropriation, the City may terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in this Section and Section 4.6, and the City will not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years. The City may effect such termination by giving the Bank a written notice of termination and paying to the Bank any Rental Payments which are due and have not been paid at or before the end of its then-current Fiscal Year.

. In the event of termination of this Lease by the City by Nonappropriation, the City shall surrender possession of the Project for the term of the Ground Lease to the Bank in accordance with Section 4.4 and convey to the Bank or release its interest in the Project under this Lease within 10 days after the termination of the Lease Term, and the City will not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years; provided, however, that if the City has not delivered possession of the Project to the Bank in

accordance with Section 4.4 and conveyed to the Bank or released its interest in the Project within 10 days after the termination of the Lease Term, the Lease termination will nevertheless be effective, but the City will be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days during which the City fails to deliver possession of the Project to the Bank.

## **ARTICLE V**

### **RENTAL PAYMENTS**

- (a) During the period from the Closing Date to the day immediately preceding the Amortization Date, Rental Payments shall consist only of the Interest Portion, comprised of interest accrued on the amounts disbursed hereunder at the Applicable Interest Rate, and (subject to Nonappropriation) shall be made by the City on the Rental Payment Dates in accordance with invoices prepared and provided by Bank not less than 30 days in advance of such Rental Payment Date.
- (b) Promptly following the end of the Disbursement Period (and in any event, prior to adoption by the City of a final budget for the Fiscal Year commencing on the Amortization Date, and appropriation of amounts sufficient to make all Rental Payments for such Fiscal Year), the Bank shall prepare and provide to the City a schedule, to be attached as Exhibit B hereto, showing the Rental Payments due on each Rental Payment Date for the period commencing on the Amortization Date through the remainder of the Lease Term (showing both the Principal Portion and the Interest Portion for each Rental Payment Date). Rental Payments shall be based on amounts drawn during the Disbursement Period (and not repaid), amortized over the remaining Lease Term to provide substantially equal semiannual payments, and calculating the Interest Portion of the Rental Payment at the Applicable Interest Rate.
- (c) Promptly following each Rate Calculation Date (and in any event, prior to adoption by the City of a final budget for the Fiscal Year immediately following the applicable Rate Calculation Date, and appropriation of amounts sufficient to make all Rental Payments for such Fiscal Year), the Bank and the City shall replace Exhibit B with an updated schedule of Rental Payments reflecting the remaining Rental Payments at the Applicable Interest Rate.
- (d) On March 1, 2029 and March 1, 2034 (each, a “Rate Calculation Date”), the Applicable Interest Rate will be re-calculated for the period commencing on the Rate Reset Date immediately succeeding such Rate Calculation Date to the following Rate Reset Date or final day of the Lease Term, as the case may be, to a rate equal to the greater of (i) 3.75% or (ii) the FHLB Index Rate then in effect on such Rate Calculation Date plus 2.00%. Promptly following each Rate Calculation Date (and in any event, prior to adoption by the City of a final budget for the Fiscal Year commencing on the applicable Rate Reset Date, and appropriation of amounts sufficient to make all Rental Payments for such Fiscal Year), the Bank and the City

shall replace Exhibit B with an updated schedule of Rental Payments reflecting the interest rate adjustment and calculated and effective as of the applicable Rate Reset Date.

- (e) All Rental Payments will be paid to the Bank at its offices at the address specified in Section 13.1, or to such other person or entity to which the Bank has assigned such Rental Payments pursuant to Section 11.1, at such place as such assignee may from time to time designate by written notice to the City. The City shall pay the Rental Payments exclusively from moneys appropriated and legally available therefor, in lawful money of the United States of America, to the Bank or, in the event of assignment of the right to receive Rental Payments by the Bank, to its assignee. Notwithstanding any provisions to the contrary contained herein, neither the Bank nor any subsequent successor shall be required to present this Lease to the City to receive payment of any Rental Payments due hereunder.
- (f) The City shall pay Rental Payments during the Lease Term in the amounts and on the dates specified in Exhibit B. Where any Rental Payment Date shall not be a Business Day, then (notwithstanding any other provision of this Lease) payment of the corresponding Rental Payment need not be made on such date, but such Rental Payment may be made on the next succeeding Business Day with the same force and effect as if made on the Rental Payment Date.
- (g) To the extent that the FHLB Index Rate becomes unavailable during the Lease Term, the City and the Bank shall agree on a substitute index rate and applicable spread, or other mechanism for calculating the Applicable Interest Rate.

. The obligations of the City under this Lease, including its obligation to pay the Rental Payments in any Fiscal Year for which this Lease is in effect, constitute a current expense of the City for such Fiscal Year and do not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State. Nothing herein shall constitute a pledge by the City of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the City in the annual budget of the City or Net Proceeds of the Project, to the payment of any Rental Payment or other amount coming due hereunder.

. A portion of each Rental Payment is paid as and represents the payment of interest. Exhibit B, as amended from time to time, sets forth the interest component of each Rental Payment, herein defined as the “Interest Portion”.

. Except as provided in Section 4.5 (regarding the City’s right to terminate the Lease by Nonappropriation), the obligation of the City to make Rental Payments shall be absolute and unconditional in all events. Notwithstanding any dispute between the City and the Bank, or any other person, the City shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the City assert any right of set-off or counterclaim against its obligation to make such Rental Payments required under this Lease. The City’s obligation to make Rental Payments during the Lease Term shall not be abated through accident or unforeseen circumstances (including, without limitation, the occurrence of any environmental liability). However, nothing herein shall be construed to release the Bank from the performance of its obligations hereunder;

and if the Bank should fail to perform any such obligation, the City may institute such legal action against the Bank as the City may deem necessary to compel the performance of such obligation or to recover damages therefor.

## **ARTICLE VI**

### **INSURANCE; CITY NEGLIGENCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS**

. Unless self-insurance is provided by the City, the City shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition, maintenance, use or operation of the Project or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the City. The Net Proceeds of all such insurance must be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid. All insurance policies or riders required by this Section must name the City and the Bank as insured parties.

. Unless self-insurance is provided by the City, the City shall procure and maintain continuously in effect during the Lease Term, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part of the Project damaged or destroyed. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts and need not cover land and building foundations. The Net Proceeds of insurance required by this Section will be applied to the prompt repair, restoration or replacement of the Project or to the payment of the Prepayment Price as provided herein. Any Net Proceeds not needed for those purposes shall be paid to the City. All insurance policies or riders required by this Section must name the City and the Bank as insured parties.

. If required by State law, and unless self-insurance is provided by the City, the City shall carry worker's compensation insurance covering all employees on, in, near or about the Project. Any insurance policy or rider required by this Section must name the City as insured party.

. Unless self-insurance is provided by the City, all insurance policies (or riders) required by this Article are to be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State or through Montana Municipal Interlocal Authority. Insurance policies must contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least 10 days before the cancellation or revision becomes effective. The City shall furnish to the Bank certificates evidencing insurance coverage as required herein throughout the Lease Term from time to time upon request of the Bank. The Bank may rely on such certificates and will have no duty or obligation to determine the sufficiency of such insurance certificates or the insurance coverage described therein.

. As between the Bank and the City, the City assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of

the City, the Bank or of third parties, and whether such property damage be to the City or the Bank's property or the property of others, which is proximately caused by the negligent conduct of the City, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Project by the City, its officers, employees, agents and lessees. To the extent permitted by law, the City hereby assumes responsibility for and agrees to reimburse the Bank for all out of pocket losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Bank that relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of the City, its officers, employees and agents. Notwithstanding anything in this Agreement to the contrary, the City shall not be liable for special, incidental, consequential or indirect damages or lost profits.

. If all or a substantial portion of the Project is destroyed or damaged by fire or other casualty, or if title to or the use of all or a substantial portion of the Project, or the interest of the City or the Bank in all or a substantial portion of the Project shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the City shall apply all Net Proceeds to (a) the prompt repair, restoration, modification, improvement or replacement of the Project or substantial portion thereof and this Lease will continue in effect, or (b) pay the Prepayment Price in whole in accordance with Section 10.2. In either event, all Net Proceeds not needed for such purposes shall belong to the City.

. If the Net Proceeds required to be applied pursuant to Section 6.6 are insufficient to (a) pay the cost of repair, restoration, modification, improvement or replacement of the Project or substantial portion thereof or (b) pay the Prepayment Price in whole in accordance with Section 10.2, as the case may be, the City shall pay any amounts required to complete the work or pay Prepayment Price in excess of the amount of the Net Proceeds after application of the Net Proceeds. If by reason of insufficiency of the Net Proceeds, the City pays costs of repair, restoration, modification, improvement or replacement of the Project pursuant to the provisions of this Section, the City is not entitled to any reimbursement therefor from the Bank nor is the City entitled to any diminution of the Rental Payments due with respect to the Project.

. The Bank shall cooperate fully with the City, at the expense of the City, in filing any proof of loss with respect to any insurance policy covering the casualties and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the City to litigate in any proceeding resulting therefrom in the name of and on behalf of the Bank. In no event will the Bank voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the City.

## **ARTICLE VII**

### **GENERAL MATTERS**

. The City shall exercise due care in the use, operation and maintenance of the Project, and shall not use, operate or maintain the Project improperly, carelessly, in violation of any State and federal law or for a purpose or in a manner contrary to that contemplated by this Lease. The City

shall obtain all permits and licenses necessary for the construction, installation, operation, possession and use of the Project.

. The City may, at its expense, remodel the Project and make repairs, replacements, substitutes, additions, modifications and improvements thereto. All such additions, modifications and improvements will comprise part of the Project and be subject to the provisions of this Lease. Permitted additions, modifications and improvements may not in any way damage the Project, and the Project, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Project immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications or improvements made by the City pursuant to this Section; provided, however, that if any such lien is established, the City may in good faith contest any lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom. The Bank will cooperate fully with the City in any such contest, upon the request and at the expense of the City.

. Except as expressly limited by this Section, the City shall pay all property taxes which are at any time lawfully assessed or levied against or with respect to the Project during the Lease Term, whether assessed against the City or the Bank. The City shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other utility charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Bank, its successors or assigns.

The City may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility charges and other charges and, in the event of any such contest, may permit the taxes, assessments, utility charges or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom. The City will notify the Bank in writing prior to contesting any of the above referenced charges if it intends to leave such charges unpaid during the period of such contest.

The City, at its expense, shall comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Project or the Bank's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance shall require changes in the Project or property owned by the City or interfere with the use and enjoyment of the Project or any part thereof. The City will take such actions, at the City's cost and expense, to enable the City to obtain all permits and similar authorizations needed for the use of the Project.



. During the Lease Term, the City shall provide the Bank with current audited financial statements within 210 days of the end of each fiscal year, or, if the completion of the City's audit is delayed through no fault of the City's, when reasonably available. Publication of the City's audited financial statements on the City's website and/or on the Electronic Municipal Market Access website ([emma.msrb.org](http://emma.msrb.org)) shall satisfy this reporting requirement.

## **ARTICLE VIII**

### **TITLE**

. During the Lease Term, legal title to the Improvements and any and all repairs, replacements, substitutions, additions, modifications and improvements thereto will be in the Bank, subject to the City's interests under this Lease and Permitted Encumbrances; and legal title to the Land shall be in the City, subject to the Bank's interests under the Ground Lease and Permitted Encumbrances. At the end of the Lease Term, the provisions of Sections 4.3 and 4.4 apply.

. The City hereby pledges, assigns and grants to the Bank a security interest in all of the City's right, title and interest, whether now owned or existing or hereafter acquired or arising, in and to the Improvements comprising equipment and fixtures (as such terms are defined in Article 9 of the Uniform Commercial Code as in effect from time to time in the State or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests), if any, to secure the prompt payment and performance of this Lease.

. During the Lease Term, the City will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of the Bank and the City as herein provided and Permitted Encumbrances. Except as expressly provided in Article VII and this Article, the City shall promptly, at its expense, take such action as may be duly necessary to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Bank for any out-of-pocket expense incurred by the Bank in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The Bank, however, does not have any obligation to incur any expense or take any action in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

. The City may, at any time and from time to time, in its sole discretion and at its own expense, install items of personal property in or upon the Project, which items shall be identified by tags or other symbols affixed thereto as property of the City. All such items so identified shall remain the sole property of the City, in which the Bank shall have no interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the City from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Project.

## **ARTICLE IX**

### **WARRANTIES**

. The City shall, at its expense, keep the Project in reasonable order and condition in light of the use to which the Project will be put and will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extent provided for under this Lease ordinary wear and tear excepted. The Bank has no obligation to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on or to the Project. The Bank shall have no obligation to test, inspect, service or maintain the Project under any circumstances, but such actions shall be the obligation of the City.

. The Bank hereby assigns to the City for and during the Lease Term, all of its interest in all Contractor's warranties and guarantees, express or implied, issued on or applicable to the Project or any portion thereof, and the Bank hereby authorizes the City to obtain the customary services furnished in connection with such warranties and guarantees at the City's expense.

. The Bank hereby assigns to the City for and during the Lease Term, all of its interest in patent indemnity protection provided by any Contractor with respect to the Project. Such assignment of patent indemnity protection by the Bank to the City shall constitute the entire liability of the Bank for any patent infringement by Project furnished pursuant to this Lease.

. THE PROJECT IS DELIVERED AS-IS, AND BANK MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

## **ARTICLE X**

### **OPTION TO PREPAY; DISCHARGE**

. The City may prepay the outstanding Principal Portion of the Rental Payments at any time and from time to time, in whole or in part, at a Prepayment Price equal to 100% of the Principal Portion to be prepaid plus accrued and unpaid interest thereon, without premium; provided that in the event that the City refinances this Lease with a bank other than the Bank, the Prepayment Price shall be calculated as follows:

| Period <sup>2</sup>                                 | Prepayment Price                                                        |
|-----------------------------------------------------|-------------------------------------------------------------------------|
| [November 21, 2024<br>through November 20],<br>2025 | Principal Portion to be prepaid x 103% plus interest<br>accrued thereon |

---

<sup>2</sup> NTD: Assumes closing on November 20, 2024.

|                                               |                                                                      |
|-----------------------------------------------|----------------------------------------------------------------------|
| [November 21, 2025 through November 20], 2027 | Principal Portion to be prepaid x 102% plus interest accrued thereon |
| [November 21, 2027 through November 20], 2030 | Principal Portion to be prepaid x 101% plus interest accrued thereon |
| [November 21], 2030 and thereafter            | Principal Portion to be prepaid x 100% plus interest accrued thereon |

No such premium shall be payable if payment of the Prepayment Price is made from funds the City has available therefor, from the receipt of historic tax credit investment funds, the sale of the prior city hall building, or otherwise.

Payment of the Prepayment Price constitutes the City's purchase option hereunder. No interest of the Bank in the Project will be released unless payment of the Prepayment Price is in whole. In the event of payment of the Prepayment Price in whole, the provisions of Section 4.3 will apply. In the event of payment of the Prepayment Price in part, the prepaid Principal Portion shall be applied to the installments of the Principal Portion on a pro rata basis over the remaining Lease Term, and the Bank shall promptly provide the City with a revised Exhibit B reflecting the prepayment.

Section 10.2. Extraordinary Prepayment Option. Notwithstanding the optional prepayment provisions in Section 10.1, the City may prepay its obligations under this Lease in whole but not in part in the event of damage or destruction of the Project or taking thereof by eminent domain as described in Section 6.6 and 6.7, by paying to the Bank an amount equal to the Principal Portion of all Rental Payments thereafter coming due as set forth on Exhibit B, and any accrued and unpaid interest to the date of prepayment of the Lease, without premium. Upon such prepayment the provisions of Section 4.3 will apply.

. The City shall give written notice to the Bank of its intention to prepay pursuant to Section 10.1 or 10.2 not less than 5 (five) days in advance of the date of prepayment, and shall pay to the Bank on the date of prepayment, the Prepayment Price.

## **ARTICLE XI**

### **ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING**

. The Bank may not delegate or assign its obligations under this Lease, and no purported delegation or assignment thereof will be effective. However, all of the Bank's right, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder, the Ground Lease and the Project may be assigned and reassigned by Bank, in whole but not in part, to one or more assignees or subassignees at any time, without the consent of City; provided that any such assignment or reassignment shall be made only in accordance with applicable law and the provisions hereof, to (a) an affiliate of the Bank or (b) one or more banks. The Bank and its assignees further retain the right to sell or assign participation interests in this Lease to one or more entities listed in (a) or (b) of this Section 11.1, provided that any participation, custodial or similar agreement under which multiple ownership interests in this Lease are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity,

owner, servicer or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of this Lease, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under this Lease. Written notice of such assignment must be provided to the City identifying the Bank's assignee. The City shall pay all Rental Payments due hereunder to the Bank, or, at the direction of the Bank, to the assignee named in the most recent assignment or notice of assignment filed with the City.

. The Bank acknowledges and agrees that the City's interest in the Project may be assigned or subleased by the City without the written consent of the Bank, provided that the City agrees that it shall enter into the Master Lease, pursuant to which it will sublease and occupy a majority of the net rentable floor space in the entire property.

. During the Lease Term and except as otherwise provided herein (including pursuant to the HTC Ground Lease, the Master Lease, and the other Permitted Exceptions), the City will not mortgage, sell, assign, transfer or convey its interest in the Project or any portion thereof during the Lease Term without the written consent of the Bank.

## **ARTICLE XII**

### **EVENTS OF DEFAULT AND REMEDIES**

. The following are "events of default" under this Lease and the terms "event of default" or "default" mean, whenever they are used with respect to this Lease, any one or more of the following events:

(a) Failure by the City to pay any Rental Payment or other payment required to be paid under this Lease during any Fiscal Year for which such funds have been appropriated at the time specified herein and the continuation of said failure for a period of ten (10) days after written notice is given by the Bank to the City stating that the payment referred to in such notice has not been received, or for a period of ten (10) days after telephonic or other electronic notice is given by the Bank, such telephonic or other electronic notice to be subsequently confirmed in writing.

(b) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease or the Ground Lease, other than as referred to in clause (a) of this Section, for a period of 45 days after written notice is given by Bank to City specifying such failure and requesting that it be remedied, unless the Bank agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period but can be corrected, the Bank will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on its governmental or proprietary function or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions

of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

. Whenever any event of default hereunder has occurred and is continuing, the Bank may, at its option, without any further demand or notice, take one or any combination of the following remedial steps:

(a) The Applicable Interest Rate shall be increased to the Default Rate.

(b) The Bank, with or without terminating this Lease, may declare all Rental Payments appropriated by the City and due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by the City, whereupon such Rental Payments shall be immediately due and payable.

(c) The Bank may terminate this Lease, enforce the Ground Lease and repossess the Project by giving the City written notice to surrender the Project to the Bank for the remaining term of the Ground Lease, whereupon the City shall do so in the manner provided in Section 4.4. Notwithstanding the fact that the Bank has taken possession of the Project, the City shall continue to be responsible for the Rental Payments due during the Fiscal Year in effect when such default occurs. If this Lease has not been terminated, the Bank shall return the Project to the City at the City's expense when the event of default is cured.

(d) If the Bank terminates this Lease and takes possession of the Project, the Bank shall use its reasonable efforts to sell or lease its interest under the Ground Lease and in the Project or any portion thereof in a commercially reasonable manner in accordance with applicable State laws. The Bank shall apply the proceeds of such sale or lease pursuant to Section 3.2 of the Ground Lease.

(e) Notwithstanding anything herein to the contrary, the Bank acknowledges and agrees that no event of default under this Lease or the Ground Lease shall permit the Bank to terminate the HTC Ground Lease.

. No remedy conferred upon or reserved to the Bank by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by the Bank or its assignee.

Section 12.4. Force Majeure. Notwithstanding anything to the contrary herein, the City cannot be deemed to be in default under this Lease if it is unable to carry out its obligations under this Lease, other than its obligation to pay Rental Payments when due, which obligation continues notwithstanding the provisions of this paragraph, by reason of *force majeure*. The term "*force majeure*" as used herein means, without limitation, any of the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or

canals; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the City from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other labor disturbances shall be entirely within the discretion of the City and the City shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the City unfavorable to the City.

## **ARTICLE XIII**

### **ADMINISTRATIVE PROVISIONS**

. All notices, certificates, legal opinions or other communications hereunder will be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified below, or by certified mail, overnight delivery, or when delivered by electronic means; provided, however, that the Bank and the City, by notice given hereunder, may designate in writing different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

|  |                 |                                                                                                                      |
|--|-----------------|----------------------------------------------------------------------------------------------------------------------|
|  | If to the City: | City of Billings, Montana<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attention: City Finance Director            |
|  |                 |                                                                                                                      |
|  | If to the Bank: | First Interstate Bank<br>P.O. Box 30918<br>Billings, Montana 59116<br>Attn: Andrew Gott, VP Commercial Group Manager |

. If any term or provision of this Lease, or the application thereof to any person or circumstance, is to any extent deemed to be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstance other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Lease will be valid and enforceable to the fullest extent permitted by law.

. This Lease is binding upon, and inures to the benefit of, the parties hereto, and their respective successors and assigns.

Section 13.4. Counterparts. This Lease may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Lease by signing any such counterpart.

. This Lease will be interpreted and enforced in accordance with the laws of the State of Montana without regard to its conflicts of law provisions.

. The City shall record this Lease or an abstract hereof in the real property records where the Land is located in the manner prescribed by law.

. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the Bank and the City.

. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, article, section or clause of this Lease.

. In the event any covenant hereunder should be breached by either party and thereafter waived by the other party, the parties agree that such waiver is limited to the particular breach so waived and not deemed to waive any other breach hereunder.

. The City shall cause to be filed such financing statements or any copy of this Lease as are necessary or desirable to perfect and maintain the perfection and priority of the Bank's security interest granted in Section 8.2, if any, including financing statements to be filed in the real property records for purposes of perfecting the Bank's interest in fixtures (as defined in Article 9 of the Uniform Commercial Code as in effect from time to time in the State). The City further agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, at City's expense, such supplements hereto and such further instruments or documents as may reasonably be required to establish and maintain a valid and perfected security interest as set forth in Section 8.2, as applicable, to correct any inadequate or incorrect description of the Project hereby leased or intended so to be, to vest in the Bank or any participant with or assignee of the Bank or any agent of either the right to receive and apply the payments of Rental Payments required hereunder, or to otherwise carry out the expressed intention of this Lease.

. In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other out of pocket expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefore pay to the non-defaulting party the reasonable fee of such attorneys and such other out of pocket expenses so incurred by the non-defaulting party.

Section 13.12. No Rating, CUSIP Number or Securities Depository. The Lease has not, is not expected to be, rated by a nationally recognized organization which regularly rates such obligations, assigned a CUSIP number or registered with or made eligible for registration with any securities depository, including but not limited to the Depository Trust Company, New York, New York.

Section 13.13. Patriot Act Notice. The Bank hereby notifies the City that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the City, including the name and address of the City and other information that will allow the Bank to identify the City in accordance with the Patriot Act. The City hereby agrees that it shall promptly provide such information upon request by the Bank.

Section 13.14. City's Notice Filings Related to Lease for SEC Rule 15c2-12. In connection with the City's compliance with any continuing disclosure undertakings (each, a "Continuing Disclosure Undertaking") entered into by the City on and after January 24, 2019, pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the Bank acknowledges that the City may be required to file with EMMA notice that the

City has incurred obligations under this Lease and notice of certain subsequent events reflecting financial difficulties in connection with this Lease. The City agrees that it shall not file or submit, or permit to be filed or submitted, with EMMA any documentation that includes the following unredacted sensitive or confidential information about the Bank or its affiliates: address and account information of the Bank or its affiliate, e-mail addresses, telephone numbers, fax numbers, names and signatures of officers, employees and signatories of the Bank or its affiliates, unless otherwise required for compliance with the Rule or otherwise required by law. The City acknowledges that the Bank is not responsible for the City's compliance or noncompliance with the Rule or any Continuing Disclosure Undertaking.

Section 13.15. Bank Origination Fee. In accordance with its term sheet related to this Lease, the Bank shall be paid a one-time origination fee of \$67,500 at or prior to the execution and delivery of this Lease.

Section 13.16. No Advisory or Fiduciary Relationship. In connection with any aspect of the transactions contemplated by this Lease (including in connection with any amendment, waiver, or other modification hereof), the Bank acknowledges and agrees that (i) the transactions contemplated hereby are arm's length commercial transactions between the City and the Bank, (ii) the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, agent, or fiduciary for the City or any other Person, (iii) the Bank has not assumed a fiduciary responsibility in favor of the City or any other Person with respect to the Lease or the process leading to the parties' entering into this Lease and that the Bank has no other obligation to the City except the obligations expressly set forth in this Lease, (iv) the Bank does not provide advice to or on behalf of a municipal entity or obligated person with respect to municipal financial products or the issuance of municipal securities, including advice with respect to the structure, timing, terms, and other similar matters concerning such financial products or issues; or undertaken a solicitation of a municipal entity, within the meaning of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. 111-203 (2010), and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the transactions contemplated herein.

Section 13.17. Jury Trial Waiver. TO THE EXTENT PERMITTED BY APPLICABLE LAWS, EACH OF THE PARTIES HERETO HEREBY WAIVES ITS RIGHT TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS LEASE, THE RELATED DOCUMENTS OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW OR STATUTORY CLAIMS.



IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

**FIRST INTERSTATE BANK**

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MONTANA                    )  
                                                  ) ss.  
COUNTY OF YELLOWSTONE        )

This instrument was signed or acknowledged before me on  
\_\_\_\_\_, 2024, by \_\_\_\_\_, as  
\_\_\_\_\_ of FIRST INTERSTATE BANK.

\_\_\_\_\_  
Notary Public  
Commission Expiration: \_\_\_\_\_

*(NOTARIAL SEAL)*

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Administrator

STATE OF MONTANA                    )  
                                                  ) ss.  
COUNTY OF YELLOWSTONE        )

This instrument was signed or acknowledged before me on  
\_\_\_\_\_, 2024, by William Cole and Chris Kukulski, as Mayor and  
City Administrator, respectively, of CITY OF BILLINGS, MONTANA.

(*NOTARIAL SEAL*)

\_\_\_\_\_  
Notary Public  
Commission Expiration: \_\_\_\_\_

[COUNTERPART SIGNATURE PAGE TO LEASE-PURCHASE AGREEMENT]

## **EXHIBIT A**

### **DESCRIPTIONS OF LAND, IMPROVEMENTS AND CERTAIN PERMITTED ENCUMBRANCES**

#### **LEGAL DESCRIPTION OF THE LAND**

**Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Block 43, of the Original Town (now City) of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document No. 16312.**

#### **DESCRIPTION OF IMPROVEMENTS**

The former federal courthouse at 316 North 26<sup>th</sup> Street in downtown Billings, Montana, consisting of an approximately 211,141 square foot building with a basement level including parking and mechanical systems and five stories of office space.

#### **CERTAIN PERMITTED ENCUMBRANCES**

HTC Ground Lease

Master Lease

[Schedule II exceptions, including sublease to County]

**EXHIBIT B**

**RENTAL PAYMENT SCHEDULE**

## EXHIBIT C

### FORM OF DISBURSEMENT REQUEST

First Interstate Bank  
Billings, Montana

Ladies and Gentlemen:

In accordance with the terms of the Lease Purchase Agreement dated as of [\_\_\_\_], 2024 (the "Lease"), between First Interstate Bank (the "Bank") and the undersigned (the "City"), the City hereby requests that the Bank make a disbursement in the amount or amounts set forth below to the order of the payee or payees named below. Capitalized terms used herein are used with the meanings given to them in the Lease:

| <u>Name and Address<br/>of Payee</u> | <u>Description of Construction Cost</u> | <u>Amount</u> |
|--------------------------------------|-----------------------------------------|---------------|
|--------------------------------------|-----------------------------------------|---------------|

The undersigned hereby states and certifies that:

(a) The amounts set forth above have been paid or incurred and were necessary for the acquisition, construction, installation or equipping of the Improvements. Related invoices are attached hereto.

(b) None of the costs set forth above was included in any prior disbursement request. The persons listed on this disbursement request are entitled to payment or, in the case of reimbursement to the City, have been paid, in the amount listed.

(c) No default or Nonappropriation by the City has occurred and is continuing under the Lease, and all representations and warranties made by the City in the Lease are true and correct on and as of the date of this disbursement request with the same effect as if made on such date.

(d) Attached hereto are conditional mechanic's and materialmen's lien waivers for work done or materials supplied relating to this disbursement request.

(e) To date, the following amounts have been disbursed pursuant to Section 3.1 of the Lease:

Amount paid from previous Draw Requests

Amount of this Draw Request

Total paid to date (including this Draw Request)

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**EXHIBIT D**

**FORM OF ACCEPTANCE CERTIFICATE OF CITY**

First Interstate Bank  
Billings, Montana

Ladies and Gentlemen:

In accordance with the terms of the Lease Purchase Agreement dated as of [\_\_\_\_], 2024 (the “Lease”), between First Interstate Bank (the “Bank”) and the undersigned (the “City”), the City hereby certifies and represents to and agrees with Bank as follows:

The Improvements, as such term is defined in the Lease, have been constructed and accepted on the date indicated below.

The City has conducted such inspection and/or testing of the Improvements as it deems necessary and appropriate and hereby acknowledges that it accepts the Improvements for all purposes.

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

## **MASTER LEASE AGREEMENT**

This Master Lease Agreement (this “Lease”), dated as of \_\_\_\_\_, 2024, is entered into by and between FORMER FEDERAL BUILDING LANDLORD, LLC, a Montana limited liability company (“Landlord”), and the CITY OF BILLINGS, MONTANA (“Tenant”).

WHEREAS, the Tenant is the owner of real property legally described on Exhibit A hereto (the “Land”) and the improvements located thereon and having an address of 316 North 26<sup>th</sup> Street, Billings, Montana (collectively, the “Premises”); and

WHEREAS, the Tenant has leased the Land to First Interstate Bank (the “Bank”) pursuant to that certain Ground Lease dated as of the date hereof by and between the Tenant, as lessor, and the Bank, as lessee (the “Ground Lease”); and

WHEREAS, pursuant to that certain Lease Purchase Agreement, dated on or about the date hereof, by and between the Bank, as lessor, and the Tenant, as lessee (the “Lease Purchase Agreement”), the Tenant has subleased the Premises from the Bank; and

WHEREAS, the Tenant and the Landlord are parties to that certain Ground Sublease Agreement, dated as of the date hereof (the “Ground Sublease”), pursuant to which the Tenant has subleased the Premises to the Landlord for a period of 75 years; and

WHEREAS, the Tenant and Landlord now intend to provide for the lease of the Premises from the Landlord to the Tenant subject to and in accordance with the terms and conditions of this Lease.

1. Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, including all common access ways, stairways, elevators, lobbies, lavatories, sidewalks, parking areas and hallways (“Common Areas”).

2. Term. The term of this Lease commences on \_\_\_\_\_, 2024 (the “Commencement Date”) and shall continue for a period of nineteen and one-half years thereafter, unless terminated sooner as provided in this Lease (the “Term”).

3. Rent. Tenant agrees to pay Landlord “Rent” on the dates and in the amounts set forth on Exhibit B hereto, as such Exhibit B may be modified from time to time by written agreement of the parties hereto. Except as set forth to the contrary in this Lease, Tenant will pay Rent to Landlord at the address set forth in Section 29, or such other place in the United States as Landlord may designate, in advance on the first day of each month during the Term, without demand, deduction or setoff except as expressly permitted by this Lease. Rent will begin on the Commencement Date. Rent for partial months during the Term will be prorated based upon the number of days in such months.



4. Triple Net Lease. This Lease is a triple net lease requiring payment by Tenant of all operating expenses including without limitation all taxes (as provided in Section 6), utilities, costs applicable to the Premises under any restrictive covenants, costs of improvements (as permitted herein), maintenance, repairs, alterations, additions, replacements, and insurance relating to the Premises shall be at the sole cost and expense of Tenant. Tenant acknowledges and agrees that Landlord shall not have any obligation to make any improvements, repairs, alterations, additions, or replacements whatsoever to the Premises.

5. Utilities. Tenant shall pay the providers of metered utilities directly.

6. Taxes.

(a) Tenant shall pay on or before the last day on which payment may be made without penalty or interest, all taxes, assessments, or other governmental charges that shall or may be imposed during the Term of this Lease upon, or arise in connection with the use of, the Premises by Tenant. Notwithstanding the foregoing, Landlord may elect to pay all such taxes, charges, or other assessments and obtain reimbursement from Tenant within 30 days after written verification of all such taxes, charges, or assessments paid by Landlord. The foregoing shall not require payment by Tenant of any income taxes assessed against Landlord or of any capital levy, franchise, estate, succession, inheritance or transfer tax due from Landlord.

(b) Tenant shall pay to the proper taxing authority, on or before their due date, all real property taxes payable with respect to the Premises for the Term of this Lease. All real property taxes with respect to tax periods in which the Commencement Date or termination date of the Term of this Lease fall will be prorated between Landlord and Tenant in their appropriate shares, calculated based on the lease term and the pre-lease and post-lease time periods associated with such tax periods. Notwithstanding the foregoing, Landlord may elect to pay such real property taxes and obtain reimbursement from Tenant within 30 days after written verification of such taxes paid by Landlord.

(c) Notwithstanding the foregoing, taxes shall not include any income, capital levy, capital gains, transfer, recordation, mortgage, franchise, capital stock, gift, estate or inheritance tax; taxes or assessments on the personal property of Landlord or any subtenants; or any penalty, interest, delinquency, charge or other addition to the amount of the actual tax or assessment.

7. Possession. If Tenant pays the Rent and other charges and performs Tenant's obligations under this Lease, Landlord promises that Tenant may peaceably and quietly possess and enjoy the Premises under this Lease and make reasonable use of the Common Areas.

8. Use.

8.1 Use of Premises. Tenant shall use the Premises for governmental purposes and any other lawful uses.

8.2 Tenant Care of Premises. Tenant will keep the Premises in good order and condition. Tenant shall, at all times during the Term of the Lease, and at its own cost and expense,

repair, replace, and maintain in a good and safe condition the Premises and Common Areas, including all improvements and additions thereto, and shall use all reasonable precautions to prevent the waste, damage or injury to the Premises and Common Areas. In addition, Tenant shall be responsible (at its own cost and expense) for the care and maintenance of all grounds, parking and landscaping at the Premises, including regular lawn mowing and trimming, and for all snow removal from sidewalks and parking lots.

9. Regulated Substances and Environmental Laws. Except as provided below, Landlord shall clean up and mitigate the effect of any Regulated Substances or violations of Environmental Laws, other than those caused by Tenant. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from any and all loss, cost, liability or expense, including, without limitation, reasonable attorneys' fees, resulting from the clean up or mitigation of Regulated Substances released by Tenant or the violation of Environmental Laws by Tenant. "Regulated Substances" means any substance for which its use, manufacture, storage, transport, treatment, release or disposal is regulated by an Environmental Law; asbestos containing materials; PCB's; petroleum products; and all other toxic, dangerous or hazardous chemicals, materials, substances, pollutants or wastes which pose a hazard to the health and safety of the occupants of the Premises as the same may be defined under the Environmental Laws. "Environmental Laws" means any and all federal, state or local statutes, ordinances, rules, regulations, standards, policies, or other requirements relating to pollution or protection of human health and safety and the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended by SARA, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Air Act, and the Clean Water Act and any similar law of the state, county or city in which the Premises are located.

10. Requirements of Law. Tenant is responsible for compliance with Legal Requirements which are applicable to all or any part of the Premises. Tenant hereby agrees, to the extent permitted by law, to indemnify, defend and hold Landlord harmless from any and all loss, cost, liability or expense, including, without limitation, reasonable attorneys' fees, resulting from Tenant's failure to comply with all Legal Requirements. "Legal Requirements" means all laws, ordinances, orders, rules and regulations, whether local, state, federal or promulgated by other agencies or bodies applicable to the Premises, including, without limitation, all building codes and regulations, indoor air quality requirements and Title Three of the Americans with Disabilities Act (but excluding Environmental Laws which are governed by Section 9).

11. Alterations. Tenant shall be permitted to perform any alterations, additions or improvements to the Premises provided that such alterations, additions or improvements shall be performed in a satisfactory manner and shall not weaken or impair the structural strength, or materially lessen the value of, the Premises; provided that Tenant shall not undertake any rehabilitation, repairs or other work on the Premises inconsistent with the Secretary's Standards; or construct any new or replacement capital improvements on the Premises which substantially alter the Premises or its use, except (A) replacements and remodeling in the ordinary course of business or under emergency conditions, or (B) reconstruction paid for from insurance proceeds. Tenant will, within 60 days after filing of a lien, pay and discharge any mechanic's, materialmen's or other lien against the Premises resulting from Tenant's failure to make payment for any improvements in the Premises made by Tenant or at its direction. Tenant will immediately notify Landlord of any claim of lien or other action of which it has knowledge which relates to any

improvements in the Premises made by Tenant or at its direction. As used herein, “Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time. The parties agree that the rehabilitation and improvement project being undertaken at the Premises pursuant to the plans and specifications provided to the Landlord as of the date hereof does not violate this Section 11.

12. Entry by Landlord. Landlord and its agents have the right to enter the Premises at any reasonable time upon 48 hours prior written notice during the Term for inspecting the Premises. Landlord shall use reasonable efforts to minimize interference with Tenant’s use of the Premises.

13. Subordination. This Lease will be subject and subordinate to the Ground Sublease and, at the request of any ground lessor, this Lease will be subject and subordinate to any mortgage or other ground lease that may hereafter encumber the premises. Upon request, the Tenant will execute, acknowledge and deliver to Landlord a commercially reasonable subordination, attornment and non-disturbance agreement evidencing such subordination and Tenant’s agreement to attorn to such mortgagee or ground lessor if such mortgagee or ground lessor acquires title to the Premises; provided, however, that this Lease remains unmodified and that the mortgagee or ground lessor agrees in such subordination, attornment and non-disturbance agreement that Tenant’s peaceable and quiet possession of the Premises under this Lease will not be disturbed so long as Tenant is not in default under this Lease. In no event will Tenant’s possession of the Premises be disturbed as long as Tenant is not in default beyond applicable cure periods under this Lease.

14. Estoppel Certificates. Each of the parties to this Lease shall, without charge, at any time and from time to time, within twenty (20) days after written request by the other party, deliver a written instrument to such party or to any other person specified by such party, duly executed and acknowledged, certifying that this Lease is unmodified and in full force and effect or, if there has been any modification, that the said Lease is in full force and effect as modified, stating any and all such modifications, and specifying the dates to which the rental and other charges provided for herein have been paid.

15. Assumption of Risks. Tenant assumes all risk of loss or damage of Tenant’s property within the Premises, including any loss or damage caused by water leakage, fire, windstorm, explosion, theft, act of any other tenant, or other cause. Landlord will not be liable to Tenant, or those claiming through Tenant, for property damage occurring in the Premises. Landlord assumes all risk of loss or damage of Landlord’s property, including any loss or damage caused by water leakage, fire, windstorm, explosion, theft, act of Tenant, or other cause. Tenant will not be liable to Landlord, or those claiming through Landlord, for property damage occurring in the Premises. Notwithstanding the above, if, as a result of any interruption of services, the Premises will be uninhabitable or unusable by Tenant for five consecutive business days, then Rent shall be abated to the extent to which such condition interferes with Tenant’s use of the Premises commencing on the first day of such condition and continuing until such condition is corrected.

16. AS-IS. THE PREMISES IS BEING LEASED “AS IS, WHERE IS AND WITH ALL FAULTS AND DEFECTS” AND TENANT ACKNOWLEDGES, AGREES AND ACCEPTS

THE PREMISES IN SUCH CONDITION INCLUDING BUT NOT LIMITED TO ALL DEFECTS, IF ANY, IN AND TO THE PREMISES. LANDLORD MAKES AND HAS MADE NO WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO THE PREMISES, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OF HABITABILITY, FITNESS OR SUITABILITY OF THE PREMISES FOR A PARTICULAR USE OR PURPOSE). TENANT ACKNOWLEDGES AND AGREES THAT TENANT HAS BEEN GIVEN THE OPPORTUNITY TO INSPECT THE PREMISES AND TO HAVE QUALIFIED EXPERTS INSPECT THE PREMISES PRIOR TO ITS EXECUTION OF THIS LEASE AND UNDERSTANDS AND AGREES TO ACCEPT THE PREMISES IN ITS AS-IS CONDITION WITH ALL FAULTS.

17. Indemnification. Notwithstanding any provision of this Lease, but subject to Section 20, Tenant will, to the extent permitted by law, indemnify Landlord against all claims, demands and actions, and all related costs and expenses (including reasonable attorneys' fees) for injury, death, disability or illness of any person occurring in the Premises to the extent caused by (a) Tenant's negligence, (b) Tenant's breach of this Lease, or (c) Tenant's violation of Legal Requirements.. Notwithstanding any provision of this Lease, but subject to Section 20, Landlord will indemnify Tenant against all claims, demands and actions, and all related costs and expenses (including reasonable attorneys' fees) for injury, death, disability or illness of any person to the extent caused by (a) Landlord's negligence, (b) Landlord's breach of this Lease, or (c) Landlord's violation of Legal Requirements.

18. Tenant Insurance. Tenant shall keep the Premises and all buildings, improvements, and personal property on the Premises, insured against loss or damage by fire or other casualty in an amount and in forms of insurance policies customary in the industry in which Tenant operates. Tenant shall also maintain comprehensive general liability insurance covering injury, death, disability or illness of any person, or damage to property, occurring on the Premises, in an amount and in forms of insurance policies customary in the industry in which Tenant operates.

19. Release of Landlord. IF THE PREMISES, OR ANY PART THEREOF, IS DAMAGED BY FIRE OR OTHER CAUSE AGAINST WHICH TENANT IS REQUIRED TO CARRY INSURANCE PURSUANT TO THIS LEASE, LANDLORD SHALL NOT BE LIABLE TO TENANT FOR ANY LOSS, COST OR EXPENSE ARISING OUT OF OR IN CONNECTION WITH SUCH DAMAGE INCLUDING (WITHOUT LIMITATION) ANY RIGHT TO RECOVER ANY DEDUCTIBLE. TENANT HEREBY RELEASES LANDLORD FROM ANY LIABILITY, CLAIM OR ACTION ARISING OUT OF OR IN CONNECTION WITH SUCH DAMAGE AND WAIVES AND RELEASES ANY RIGHT OF SUBROGATION THAT ANY INSURER OF TENANT WOULD, BUT FOR THIS WAIVER, HAVE AGAINST LANDLORD PARTIES, INCLUDING (WITHOUT LIMITATION) ANY CLAIM FOR ANY DEDUCTIBLE.

20. Waiver of Insurable Claims. Notwithstanding anything to the contrary set forth hereinabove, Landlord and Tenant do hereby waive any and all claims against one another for damage to or destruction of real or personal property to the extent such damage or destruction can be covered by commercially available "all risks" property insurance. The risk to be borne by each party shall also include the satisfaction of any deductible amounts required to be paid under the applicable "all risks" fire and casualty insurance carried by the party whose property is damaged,

and each party agrees that the other party shall not be responsible for satisfaction of such deductible. These waivers shall apply if the damage would have been covered by a customary “all risks” insurance policy, even if the party fails to obtain such coverage. The intent of this provision is that each party shall look solely to its insurance with respect to property damage or destruction which can be covered by commercially available “all risks” property insurance. Each such policy shall include a waiver of all rights of subrogation by the insurance carrier against the other party, its agents and employees with respect to property damage covered by the applicable “all risks” fire and casualty insurance policy.

21. Assignment and Subletting. Tenant shall be permitted to sublease all or a portion of the Premises to one or more third parties; provided that Tenant shall not enter into any sublease with any “tax-exempt entity” as that term is defined in Section 168(h) of the Internal Revenue Code of 1986, as amended, including the United States, any state or political subdivision thereof, or any agency or instrumentality of any of the foregoing; any organization exempt from federal income tax; or any foreign person or entity, if such sublease results in any portion of the Property being treated as “tax-exempt use property” as that term is defined in Section 168(h) of the Code (as modified by Section 47(c)(2)(B)(v) of the Code; the parties recognize that none of the Ground Lease, the Lease Purchase Agreement, the Ground Sublease and the County Lease violates this provision). Landlord acknowledges that the Premises is currently subject to that certain Lease for a Portion of the Third Floor of the Stillwater Building between Tenant, as lessor, and Yellowstone County, a political subdivision of the State of Montana, as lessee, dated January 23, 2018 (the “County Lease”). The parties acknowledge and agree that the County Lease shall be treated as a sublease for all intents and purposes under this Lease. Landlord acknowledges and agrees that it shall not disturb the County’s rights under the County Lease for any reason except for County’s failure to pay rent under the County Lease and that Landlord shall honor the County Lease in the event of any default and early termination of this Lease.

22. Damage, Destruction and Condemnation. If all or a substantial portion of the Premises is destroyed or damaged by fire or other casualty, or if title to or the use of all or a substantial portion of the Premises, or the interest of the Landlord or the Tenant in all or a substantial portion of the Premises shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Tenant shall apply all Net Proceeds as set forth in the Lease Purchase Agreement.

23. Defaults. An Event of Default (“Event of Default”) exists under this Lease if (a) Tenant fails to pay Rent or other amounts under this Lease within 10 business days after the date on which Tenant receives Landlord’s written notice that such payment is past due; or (b) Tenant fails to perform any other obligation under this Lease and Tenant fails to commence to cure such failure within sixty (60) days after written notice by Landlord to Tenant and to thereafter diligently pursue such cure. Landlord may, with or without terminating this Lease, cure the Event of Default and charge Tenant all costs of doing so. Landlord also may elect by written notice to Tenant, after an Event of Default, to terminate this Lease and to require Tenant to pay to Landlord all past due amounts under this Lease. No right or remedy will preclude any other right or remedy, no right or remedy will be exclusive of or dependent upon any other right or remedy, and any right or remedy may be exercised independently or in combination.

24. Effect of Nonappropriation. This Lease may be terminated by the Tenant by Nonappropriation. In the event of termination of this Lease by the Tenant by Nonappropriation, the Tenant shall surrender possession of the Premises to the Landlord. “Nonappropriation” means the determination of the governing body of the Tenant not to appropriate money for any fiscal year of the Tenant sufficient for the continued performance of the Lease-Purchase Agreement. Notwithstanding anything herein to the contrary, Nonappropriation shall not constitute an Event of Default under Section 23.

25. Landlord Default. For purposes hereof, a “Landlord Default” exists if Landlord fails to perform any of its obligations under this Lease within 30 days after receiving notice from Tenant specifying the nature and extent of such failure; provided, however, if the obligation is not reasonably curable within such 30 day period, the time for curing will be extended so long as Landlord continues to use reasonable efforts to effect a cure. If a Landlord Default has occurred, then, in addition to all rights, powers or remedies permitted by law or in equity, Tenant may cure such Landlord Default and charge the cost thereof to Landlord, or sue for specific performance or sue for damages. Landlord is liable for, and shall pay to Tenant within 30 days after receiving Tenant’s invoice, all reasonable attorneys’ fees and other costs incurred by Tenant as a result of a Landlord Default. If Landlord fails to pay within such 30-day period the amount due, Tenant has the right to offset such amounts against the next installments of Rent due hereunder.

26. Waiver of Lease Provisions. No waiver of any provision of this Lease will be deemed a waiver of any other provision, and waiver of a right or remedy in one instance will not preclude enforcement of that same right or remedy in the future.

27. Return of Possession to Landlord. On expiration or termination of this Lease, Tenant will return possession of the Premises to Landlord, without notice from Landlord, in good order and condition, except for ordinary wear. Tenant will give Landlord all keys for the Premises and will inform Landlord of combinations on any locks and safes on the Premises.

28. Notices. All notices and other communications given or made pursuant hereto will be in writing and will be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent by email, *provided* that a copy is also mailed by registered mail, return receipt requested; (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications will be sent to the respective parties at the addresses shown below (or to such other addresses and fax numbers as a party may designate by notice to the other parties):

|  |                     |                                                                                                                  |
|--|---------------------|------------------------------------------------------------------------------------------------------------------|
|  | If to the Tenant:   | City of Billings, Montana<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attention: City Finance Director        |
|  |                     |                                                                                                                  |
|  | If to the Landlord: | Former Federal Building Landlord, LLC<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attn: City Finance Director |

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|--|--|--|--|
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|--|--|--|--|

29. Broker's Commission. Landlord and Tenant represent and warrant to each other that they have dealt with no brokers, finders or the like in connection with this Lease and to the extent permitted by law agree to indemnify each other and to hold each other harmless against all claims, damages, costs or expenses of or for any other such fees or commissions resulting from their actions or agreements regarding the execution or performance of this Lease, and will pay all costs of defending any action or lawsuit brought to recover any such fees or commissions incurred by the other party, including reasonable attorney's fees.

30. Governing Law; Waiver of Jury Trial. THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF MONTANA WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES. EACH OF THE UNDERSIGNED DOES HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED ON OR WITH RESPECT TO THIS LEASE OR ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR RELATING OR INCIDENTAL HERETO.

31. Jurisdiction. Each of the parties submits to the exclusive jurisdiction of any state court sitting in or federal court with jurisdiction over Yellowstone County, Montana, in any action or proceeding arising out of or relating to this Lease, and agrees that all claims in respect of the action or proceeding may be heard and determined in any such court. Each party also agrees not to bring any action or proceeding arising out of or relating to this Lease in any other court. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect to any such action or proceeding.

32. Amendment. This Lease may not be amended except by a written agreement executed by the party to be charged with the amendment.

33. Successors and Assigns. All provisions of this Lease will be binding on and for the benefit of the successors and assigns of Landlord and Tenant, except that no person or entity holding under or through Tenant in violation of any provision of this Lease will have any right or interest in this Lease or the Premises.

34. Holding Over. In the event Tenant remains in possession of the Premises after the expiration or termination of this Lease, it shall be deemed to be occupying said premises as a tenant from month-to-month, subject to all of the conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy until the termination of such tenancy. .

35. Limitation of Liability. Neither Landlord nor Tenant is liable to the other under, or in connection with, this Lease for any consequential damages, and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential damages.

36. Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original, and all of which constitutes one and the same Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Master Lease Agreement as of the date first written above.

LANDLORD:  
FORMER FEDERAL BUILDING LANDLORD,  
LLC,  
a Montana limited liability company

By: FORMER FEDERAL BUILDING  
MANAGER, LLC, its managing member

By: \_\_\_\_\_  
Name: Andy Zoeller  
Its: Manager

TENANT:

CITY OF BILLINGS, MONTANA

By: \_\_\_\_\_  
Its: Mayor

By: \_\_\_\_\_  
Its: City Administrator



EXHIBIT A

**Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Block 43, of the Original Town (now City) of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document No. 16312.**

EXHIBIT B

Schedule of Rental Payments

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**FORMER FEDERAL BUILDING MANAGER, LLC**

**OPERATING AGREEMENT**

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## Table of Contents

|                                                                    |          |
|--------------------------------------------------------------------|----------|
| <b>Article 1 General.....</b>                                      | <b>2</b> |
| 1.1 Articles of Organization.....                                  | 2        |
| 1.2 Limited Liability Company Agreement.....                       | 2        |
| 1.3 Name.....                                                      | 2        |
| 1.4 Purpose of Company.....                                        | 2        |
| 1.5 Principal Office.....                                          | 2        |
| 1.6 Term.....                                                      | 2        |
| <b>Article 2 Definitions.....</b>                                  | <b>3</b> |
| <b>Article 3 Member; Duties; Liability.....</b>                    | <b>4</b> |
| 3.1 Sole Member.....                                               | 4        |
| 3.2 Duties of the Member.....                                      | 4        |
| 3.3 Liability of the Member.....                                   | 4        |
| 3.4 No Admission of New Members.....                               | 5        |
| 3.5 Tax Treatment; Waiver of Sovereign Immunity Claims.....        | 5        |
| <b>Article 4 Management and Operation of Company Business.....</b> | <b>5</b> |
| 4.1 Authority of the Manager.....                                  | 5        |
| 4.2 Manager Appointment, Succession, and Removal.....              | 5        |
| 4.3 Powers of the Manager.....                                     | 5        |
| 4.4 Limitations on Powers of the Manager.....                      | 6        |
| 4.5 Liabilities of the Manager.....                                | 7        |
| 4.6 Time and Attention; Other Ventures.....                        | 7        |
| 4.7 Compensation.....                                              | 7        |
| <b>Article 5 Indemnification.....</b>                              | <b>7</b> |
| 5.1 General.....                                                   | 7        |
| 5.2 Advances.....                                                  | 8        |
| 5.3 No Member Liability.....                                       | 8        |
| 5.4 Settlements.....                                               | 8        |
| 5.5 Amendments.....                                                | 9        |
| <b>Article 6 Books of Account; Reports and Fiscal Matters.....</b> | <b>9</b> |
| 6.1 Books and Records.....                                         | 9        |
| 6.2 Company Funds.....                                             | 9        |
| 6.3 Tax Elections and Accounting.....                              | 9        |
| <b>Article 7 Units and Capital Contributions.....</b>              | <b>9</b> |
| 7.1 Capital Contributions.....                                     | 9        |
| 7.2 Units.....                                                     | 9        |
| 7.3 No Certificates for Units.....                                 | 9        |
| 7.4 Loans to the Company.....                                      | 9        |
| 7.5 Creditor's Interest in the Company.....                        | 10       |

|                                                                             |           |
|-----------------------------------------------------------------------------|-----------|
| <b>Article 8 Allocation of Income, Gains and Losses; Distributions.....</b> | <b>10</b> |
| <b>Article 9 Dissolution and Liquidation.....</b>                           | <b>10</b> |
| 9.1    Events Causing Dissolution.....                                      | 10        |
| 9.2    Liquidation and Winding Up.....                                      | 10        |
| <b>Article 10 Amendment.....</b>                                            | <b>11</b> |
| <b>Article 11 Miscellaneous Provisions.....</b>                             | <b>11</b> |
| 11.1    Headings.....                                                       | 11        |
| 11.2    Severability.....                                                   | 11        |
| 11.3    Governing Law.....                                                  | 11        |
| 11.4    Third Party Benefit.....                                            | 11        |

**OPERATING AGREEMENT  
OF  
FORMER FEDERAL BUILDING MANAGER, LLC**

This OPERATING AGREEMENT (this “Agreement”) is made and entered into by City of Billings, Montana, as the sole member of the Company (the “City” or the “Member”).

**RECITALS**

WHEREAS, Former Federal Building Manager, LLC (the “Company”) was formed upon the filing of the Articles of Organization of the Company (the “Articles”) in the office of the Montana Secretary of State on [\_\_\_\_], 2024 pursuant to the Montana Limited Liability Company Act;

WHEREAS, the City is the owner of a fee interest in the building located at 316 North 26th Street, in Billings, Montana and commonly known as the James F. Battin Federal Building (the “Building”), as well as certain other improvements, and the tract of land upon which the Building is located (collectively, the “Property”); and

WHEREAS, pursuant to the Lease Purchase Financing Documents (as hereafter defined): (i) the City granted a leasehold interest in the Property to First Interstate Bank, a national banking corporation (“FIB”), and (ii) FIB subleased the Property back to the City; and

WHEREAS, Former Federal Building Landlord, LLC, a Montana limited liability company (“Landlord”), acquired a sub-leasehold interest in the Property pursuant to a certain ground lease between the City and the Landlord; and

WHEREAS, rehabilitation of the Building will help ensure the preservation and protection of a historic building through the restoration of the historic interior and exterior of the Building, and the development of the Building into office space and other related amenities that will qualify for certain federal and state historic tax credits (the “Project”); and

WHEREAS, the Landlord intends to use a portion of the proceeds of (i) that certain loan made by the City out of the proceeds of the Lease Purchase Financing Documents, in the aggregate amount of \$[\_\_\_\_]; (ii) the capital contribution by the Company to the Landlord in the aggregate amount of \$[\_\_\_\_]; and (iii) the capital contribution by FIB Battin, LLC, a Delaware limited liability company (the “Investor”), to the Landlord in the aggregate amount of \$[\_\_\_\_] (as may be adjusted pursuant to the terms hereof), among other sources, to acquire and rehabilitate the Property; and

WHEREAS, the Company and the Investor will acquire interests in the Landlord and the Company will also act as the managing member of the Landlord; and

WHEREAS, the Member desires to enter into this Agreement to govern the membership in and management of the Company.

The Member therefore adopts the following:

## **Article 1**

### **General**

. The Member ratifies the execution and filing of the Articles in the office of the Montana Secretary of State on [\_\_\_\_], 2024, by Andy Zoeller as the “person” forming the Company as contemplated by Section 35-8-201(1) of the Act. The Company shall be a “manager-managed company” as that term is defined in Section 35-8-102(20) of the Act.

. This Agreement constitutes the “operating agreement” of the Company within the meaning of Section 35-8-109 of the Act, that, notwithstanding the date of execution, it is effective as of the effective time and date of the filing of the Articles in the office of the Montana Secretary of State (the “Effective Date”), and that it governs the affairs of the Company and the conduct of its business, except as otherwise required by the Act.

. The name of the Company is as stated in the Articles of Organization, and the business of the Company may be conducted under that name or under such other name or names as the Manager may determine.

. The Company has been organized exclusively for the purpose of acquiring an interest in, and acting as the managing member of (the “Landlord Managing Member”), the Landlord pursuant to the Former Federal Building Landlord, LLC Operating Agreement, dated as of [\_\_\_\_], 2024 (as amended from time to time, the “Landlord Operating Agreement”) in connection with the Project and engaging in any other activity necessary, appropriate, desirable, or incidental thereto. In connection with the Project, the Company is authorized to and shall make a capital investment in the Landlord in the amount and as contemplated in the Contribution Agreement (the “Permitted Equity Investment”). The Manager is hereby authorized to execute and deliver on behalf of the Company, the Landlord’s Operating Agreement as the Landlord Managing Member and the Contribution Agreement.

Notwithstanding anything contained herein to the contrary, the Company shall not engage in any business, and it shall have no purpose, unrelated to its interest in the Landlord and shall not acquire any real property or own assets other than those related to the Landlord or otherwise in furtherance of the purposes of the Company. The Company shall have no indebtedness or incur any liability other than debts and liabilities for trade payables and accrued expenses incurred in the ordinary course of business and solely in connection with its purpose.

The Company is separate from the City and is not an instrumentality of the City.

. The Company may maintain offices and places of business at such locations as the Manager may determine. The initial principal place of business of the Company is as stated in the Articles of Organization.

. The term of the Company is perpetual, unless the Company is dissolved in accordance with this Agreement.

## **Article 2**

### **Definitions**

Unless the context otherwise specifies or requires, the following terms have the following definitions. Certain other capitalized terms are defined elsewhere in this Agreement. All defined terms may be used in the singular or the plural, as the context requires.

“Act” means the Montana Limited Liability Company Act, as amended from time to time.

“Affiliate” means, when used with reference to a specified Person, (i) any Person that directly or indirectly through one or more intermediaries controls or is controlled by or is under common control with the specified Person; (ii) any Person that is an officer, partner, or trustee of, or serves in a similar capacity with respect to, the specified Person or of which the specified Person is an officer, partner, or trustee, or with respect to which the specified Person serves in a similar capacity; (iii) any Person that, directly or indirectly, is the beneficial owner of 10% or more of any class of equity securities of, or otherwise has a substantial beneficial interest in, the specified Person or of which the specified Person has a substantial beneficial interest; and (iv) any relative or spouse of the specified Person.

“Agreement” is defined in the preamble.

“Articles of Organization” is defined in Section 1.2.

“Building” is defined in the recitals.

“Capital Contribution” means the amount of money or the fair market value of any property contributed to the Company by the Member pursuant to Section 7.1.

“City” is defined in the preamble.

“Code” means the Internal Revenue Code of 1986. Any reference in this Agreement to a Section of the Code shall be considered also to include any subsequent amendment or replacement of that Section.

“Company” is defined in the recitals.

“Contribution Agreement” means the Contribution and Reimbursement Agreement dated the date hereof among the City, the Company and the Landlord.

“Effective Date” is defined in Section 1.1.

“Investor” is defined in the recitals.

“Landlord” is defined in the recitals.

“Landlord Operating Agreement” is defined in the recitals.

“Lease Purchase Finance Documents” means, collectively: (i) that certain Ground Lease Agreement dated as of the date hereof, by and between the City, as lessor, and First Interstate



Bank, as lessee, (ii) that certain Lease Purchase Agreement by and between First Interstate Bank, as lessor, and the City, as lessee, and [(iii) that certain Lender Letter dated as of the date hereof from First Interstate Bank to the City].

“Member” is defined in the preamble.

“Permitted Equity Investment” is defined in Section 1.4.

“Person” means a natural person, partnership, limited liability company, trust, estate, association, corporation, government, custodian, nominee, or any other individual or entity, in its own or any representative capacity.

“Project” is defined in the recitals.

“Property” is defined in the recitals.

“Treasury Regulations” means the regulations promulgated by the United States Treasury Department under the Code. Any reference in this Agreement to a Section of the Treasury Regulations shall be considered also to include any subsequent amendment or replacement of that Section.

“Unit” means a unit evidencing a membership interest in the Company, including all of the rights to which a Member or assignee holding Units is entitled as provided in this Agreement and under law, together with all of the obligations of the Member or assignee to comply with all of the terms and provisions set forth in this Agreement and under law.

### **Article 3**

#### **Member; Duties; Liability**

. The Member is the sole member of the Company and has all of the rights, powers, and privileges of a member under the Act.

. Except as otherwise provided in this Agreement or required by law, the Member owes no express or implied duties (including fiduciary duties) to the Company.

. A debt, obligation, or other liability of the Company is solely the debt, obligation, or other liability of the Company. The Member is not personally liable, directly or indirectly, by way of contribution or otherwise, for a debt, obligation, or other liability of the Company solely by reason of being or acting as the only Member of the Company. Neither the Company nor the Manager shall have the power to bind the Member by way of contribution or otherwise, for a debt, obligation, or other liability. No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against the Member or any officer, member of the governing body or employee of the Member, past, present or future, as an individual. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of the Member or any such officer or member of the governing body or employee of the Member is hereby expressly waived and released by the Company.

. The Company shall not admit new members.

. Notwithstanding anything to the contrary herein, the Company and its Member desire that the Company be treated as an association taxable as a corporation, separate and apart from its Member, and not as an agency or instrumentality of the United States, any state or political subdivision thereof, or any possession of the United States. In furtherance of the foregoing, the Company and its Member shall take all actions in order to preserve the separate entity status of the Company for federal income tax purposes as a taxable entity, and shall timely file all necessary elections in furtherance of the foregoing, including, without limitation, an election pursuant to Code Section 168(h) of the Code not to be treated as a “tax-exempt entity” (as such term is defined pursuant to Code Section 168(h); the “Section 168(h) Election”). The Member hereby covenant and agrees that it will comply with the Section 168(h) Election and shall report its income consistently therewith. Notwithstanding anything in this Agreement to the contrary, the Company and Member hereby waive any claims under any applicable, federal, state, or local law purporting to grant the Company sovereign immunity with respect to any of the activities of the Company during its term. The representations, warranties and covenants contained in this Section 3.5 shall survive any amendment to this Agreement.

#### **Article 4**

#### **Management and Operation of Company Business**

. Except as otherwise required by the Act or this Agreement, the business and affairs of the Company will be managed by or under the authority of the Manager.

(a) The Finance Director of the City will be the Manager. As of the date hereof, the Finance Director of the City is Andy Zoeller and Mr. Zoeller shall serve as the initial Manager.

(b) The Manager will hold office until he or she is no longer serving as the Finance Director for the City or his or her earlier death, resignation, removal, or disqualification. The Manager may be removed from office at any time, with or without cause, by the Member.

(c) If the Manager ceases to be the Manager, the Member may appoint a replacement Manager.

(a) The Manager has the power to do all things necessary or proper to carry out the purposes and objectives of the Company under the terms of this Agreement. Third parties dealing with the Company are entitled to rely conclusively upon the power of the Manager as set forth in this Agreement. The Manager, for and on behalf of the Company, has the full power, in addition to such powers and authorities as may be provided by law or elsewhere in this Agreement, at the expense of the Company (by direct payment or reimbursement):

(i) to take any action permitted by this Agreement and the Act to accomplish the Company’s purposes as set forth in Section 1.4;

(ii) to perform the duties and obligations of the Managing Member as provided in the Landlord's Operating Agreement;

(iii) to make the Permitted Equity Investment in an amount set forth in the Contribution Agreement;

(iv) to pay all expenses relating to the organization of the Company, including, without limitation, legal, accounting, tax advisory services, duplicating and printing, telephone, postage, travel, and other expenses and fees (including filing fees);

(v) to engage and pay such independent agents, attorneys, accountants, appraisers, custodians, finders, advisers, and any other Persons retained to assist the Company as necessary or appropriate for the affairs of the Company;

(vi) to open, maintain, and close bank, money market, and custodial accounts for the Company and to draw checks and other orders for the payment of money;

(vii) to file, on behalf of the Company, all required local, state, and federal tax returns and other documents relating to the Company;

(viii) to enter into, make, and perform such contracts, commitments, undertakings, consents, restrictions, covenants, warranties, expressions of investment intent, and other agreements or arrangements, and to do such other acts, as the Manager may deem necessary or appropriate for, or as may be incidental to, the purposes and objectives of the Company under the terms of this Agreement; and

(ix) to pay compensation for services rendered to the Company.

. Notwithstanding Sections 4.1 and 4.3, the Manager will not take any of the following actions without the prior written consent of the Member:

(a) the commencement of proceedings or the filing of a petition seeking relief under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency, or similar law;

(b) the dissolution of the Company under Section 9.1;

(c) the amendment of the Articles of Organization or this Agreement under Article 10;

(d) the amendment of the Articles of Organization of the Landlord or the Landlord Operating Agreement;

(e) the commencement, defense and or setting of any litigation that pertains to the Company, including the Manager as agent of the Company, as well as the potential liabilities of any Person serving at the request of the Manager as a director of a corporation

or partner of a partnership in which the Company has an investment, or any Company assets or activities;

- (f) the granting of a lien or encumbrance upon any Company asset;
- (g) the sale of any assets or property of the Company;
- (h) the borrowing of money;
- (i) any act in contravention of this Agreement or the Articles of Organization;
- (j) any act that would make it impossible to carry on the ordinary business of the Company; or
- (k) confess a judgment against the Company.

. The personal liability of the Manager to the Company or the Member for monetary damages for breach of fiduciary duty as the Manager is eliminated to the fullest extent permitted by law. No amendment of this Agreement or the Articles of Organization will adversely affect the elimination of the personal liability of the Manager with respect to any act or omission that occurred before such amendment.

. The Manager shall devote such time, effort, and skill as may be reasonably required for the conduct of the business and affairs of the Company. The Manager is not required to devote the Manager's full time and attention to the affairs of the Company. The Manager may engage in and possess other occupations or interests in other business ventures.

. The Manager will not be compensated by the Company for serving as Manager.

## **Article 5**

### **Indemnification**

(a) To the fullest extent permitted by law, the Company and the Member shall, jointly and severally, indemnify the Manager (individually, an "Indemnitee") against all losses, claims, damages, liabilities, expenses (including legal fees and expenses), and other amounts paid in settlement, incurred, or suffered by the Indemnitee, in connection with any claim or proceeding arising out of the business or the operation of the Company.

(b) An Indemnitee will have the right to employ separate counsel in any proceeding for which indemnification may be sought under any provision of this Agreement and to participate in defending the proceeding, but the Indemnitee will be required to pay the legal fees and expenses related to the Indemnitee's separate counsel unless:

- (i) the Company and/or the Member has agreed in writing to pay the legal fees and expenses,

(ii) the Company and/or the Member has failed to employ counsel and defend the proceeding within a reasonable period of time after being given notice of the proceeding, or

(iii) the Indemnitee has been advised by its counsel that representation of that Indemnitee and other parties by the same counsel would be inappropriate under applicable standards of professional conduct (whether or not such representation by the same counsel has been proposed) due to actual or potential differing interests between them.

(c) Notwithstanding Section 5.1(b), the Company and the Member will be jointly and severally liable for the reasonable legal fees and expenses of only one separate firm of attorneys for all Indemnitees having actual or potential differing interests with the Company (whether in connection with one proceeding or separate but substantially similar or related proceedings in the same jurisdiction arising out of the same general allegations or circumstances), unless the Indemnitees have actual or potential differing interests with each other.

(d) The Company and the Member will not deny indemnification under this Article 5 merely because the Indemnitee had an interest in the transaction with respect to which the indemnification applies, if (i) the transaction was not otherwise prohibited under this Agreement, and (ii) the conduct of the Indemnitee satisfied the conditions of this Agreement, if any.

. To the fullest extent permitted by law and subject to Section 5.1(b) and 5.1(c), the Company and/or the Member will periodically advance expenses an Indemnitee incurs in defending any claim or proceeding subject to this Article 5 before the final disposition of the claim or proceeding, upon receipt by the Company and the Member of a written undertaking by the Indemnitee to repay the expenses advanced if the criteria for indemnification under this Article 5 have not been satisfied.

. Any indemnification provided under this Article 5 will be satisfied solely out of the assets of the Company and/or the Member.

. The Company and the Member will not be liable for the settlement of any proceeding effected without its written consent, but if the proceeding is settled with the Company's and the Member's written consent, or if there is a final judgment against the Indemnitee in the proceeding, the Company and the Member agree to indemnify the Indemnitee to the extent provided above.

. Any amendment of this Article 5 will not adversely affect any right or protection of an Indemnitee who was serving at the time of the amendment, and any right or protection of that Indemnitee will survive amendment with respect to events that occurred before the amendment.

## **Article 6**

### **Books of Account; Reports and Fiscal Matters**

. The Company will maintain at the principal office of the Company determined under Section 1.5 or such other place as the Member may designate, the information and records that the Member is entitled to obtain from the Company pursuant to Section 35-8-405 of the Act.

. The Company's funds may be deposited in the banking institutions as the Manager determines, and withdrawals may be made on the signatures the Manager determines.

. The Manager, in consultation with the Company's tax advisers, shall make or refrain from making any elections required or permitted to be made by the Company under the Code and shall choose the Company's tax accounting method from all available tax accounting methods. The Manager may, at the time and in the manner provided in Treasury Regulations Section 1.754-1(b), cause the Company to elect pursuant to Code Section 754 to adjust the basis of the assets of the Company in the manner provided in Code Sections 734 and 743.

## **Article 7**

### **Units and Capital Contributions**

. The Member may make Capital Contributions to the Company from time to time; however, the Member shall have no obligation to make Capital Contributions. In furtherance of the foregoing, any Capital Contribution by the Member would be payable only from current funds which are budgeted and appropriated for such purpose during the fiscal year of the City for which such funds were budgeted and appropriated. The Member has not pledged the full faith and credit or taxing power of the Member to payment of any amounts to the Company under this Agreement.

. The Member will receive 1,000 Units. No additional Units will be issued by the Company. The Member shall not transfer the Member's Units.

. The Units of the Company will not be certificated.

. The Member may, but is not obligated to, make loans to the Company from time to time. Any loans from the Member will not be treated as Capital Contributions to the Company for any purpose, but the Company shall be obligated to the Member for the principal amount of and any accrued interest on such loans pursuant to any agreed upon terms.

. No creditor who makes a loan to the Company will have or acquire at any time as a result of making the loan any direct or indirect interest in the profits, capital, or property of the Company, other than any interest as a secured creditor. Notwithstanding the foregoing, this provision will not prohibit a secured creditor from participating in the profits of operation or gross or net sales of the Company or in the gain on sale or refinancing of the Company, all as may be provided in its loan or security agreements.

**Article 8**  
**Allocation of Income, Gains and Losses; Distributions**

The income, profits, gains, losses, and tax credits of the Company and distributions of cash or property of the Company to the Member will be treated for federal income tax purposes as if the Company were a sole proprietorship, branch, or division of the Member, as applicable, in accordance with Treasury Regulations Section 301.7701-2(a). Distributions will be made to the Member at the times and in the amounts determined by the Manager.

**Article 9**  
**Dissolution and Liquidation**

. The Company will be dissolved only upon the occurrence of any of the following events:

- (a) The written consent of the Member; or
- (b) The final decree of a court that dissolution is required under applicable law.

. If the Company is dissolved pursuant to Section 9.1, the Company will be liquidated and the Manager (or other Person or Persons designated by the Manager or by a decree of court) shall wind up the affairs of the Company. The Manager or other Persons winding up the affairs of the Company shall promptly proceed to the liquidation of the Company and distribute the assets of the Company in the following order of priority:

- (a) To the payment of all debts and liabilities of the Company in the order of priority as provided by law (other than outstanding loans from the Member);
- (b) To the establishment of any reserves deemed necessary by the Manager or the Person winding up the affairs of the Company for any contingent liabilities or obligations of the Company;
- (c) To the repayment of any outstanding loans from the Member to the Company; and
- (d) The balance, if any, to the Member.

**Article 10**  
**Amendment**

Any provision of the Articles of Organization or this Agreement may be amended or waived only by an instrument in writing signed by the Member. No course of dealing will amend, waive, or terminate any provision of this Agreement or any rights or obligations of any Person under or by reason of this Agreement.

## **Article 11**

### **Miscellaneous Provisions**

. The headings in this Agreement are for convenience only and do not affect the meaning of this Agreement.

. If any provision of this Agreement is held to be unenforceable, then that provision will be modified to the minimum extent necessary to make it enforceable, unless that modification is not permitted by law, in which case that provision will be disregarded. If a provision is modified or disregarded in accordance with this Section 11.2, then the rest of this Agreement will remain in effect as written. Any unenforceable provision will remain as written in any circumstance other than those in which the provision is held to be unenforceable.

. All matters relating to the interpretation, construction, validity, and enforcement of this Agreement will be governed by the internal laws of the state of Montana, without giving effect to any choice of law provisions. Any conflict or apparent conflict between this Agreement and the Act will be resolved in favor of this Agreement, except as otherwise specifically required by the Act.

. Nothing in this Agreement, express or implied, is intended to confer upon any Person other than the Member (in its capacity as such) any rights of any nature whatsoever, except that the Indemnatee will be entitled to the enforcement of Article 5 as intended third-party beneficiary thereof, to the extent that the obligations sought to be enforced are those of the Company and/or the Member.



The undersigned has signed this Agreement as of the Effective Date intending to be bound by it.

**City of Billings, Montana**

By: \_\_\_\_\_

Its: \_\_\_\_\_

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**FORMER FEDERAL BUILDING LANDLORD, LLC,  
A MONTANA LIMITED LIABILITY COMPANY**

**OPERATING AGREEMENT**

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**Dated as of [\_\_\_\_], 2024**

**THE MEMBERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR FOREIGN JURISDICTION AND HAVE NOT BEEN REGISTERED OR QUALIFIED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR ANY OTHER JURISDICTION. THE MEMBERSHIP INTERESTS ARE BEING SOLD IN RELIANCE UPON EXEMPTION FROM SUCH REGISTRATION OR QUALIFICATION REQUIREMENTS. THE MEMBERSHIP INTERESTS EVIDENCED BY THIS AGREEMENT MUST BE ACQUIRED FOR INVESTMENT ONLY AND MAY NOT BE SOLD, PLEDGED, ASSIGNED OR TRANSFERRED WITHOUT COMPLIANCE WITH APPLICABLE FEDERAL, STATE OR FOREIGN SECURITIES LAWS AND THE TRANSFER OR OTHER DISPOSITION RESTRICTIONS AS PROVIDED IN THIS AGREEMENT.**

## TABLE OF CONTENTS

|                                                                                                 | <u>Page</u> |
|-------------------------------------------------------------------------------------------------|-------------|
| Recitals.....                                                                                   | 1           |
| ARTICLE I. GENERAL.....                                                                         | 3           |
| 1.01 Articles of Organization and Limited Liability Company Agreement.....                      | 3           |
| 1.02 Name.....                                                                                  | 3           |
| 1.03 Principal Executive Offices; Agent for Service of Process.....                             | 3           |
| 1.04 Term.....                                                                                  | 4           |
| 1.05 Recording of Articles.....                                                                 | 4           |
| ARTICLE II. DEFINED TERMS.....                                                                  | 4           |
| 2.01 Certain Definitions.....                                                                   | 4           |
| 2.02 Construction.....                                                                          | 20          |
| 2.03 References.....                                                                            | 20          |
| ARTICLE III. PURPOSE AND BUSINESS OF THE COMPANY.....                                           | 21          |
| 3.01 Purpose of the Company.....                                                                | 21          |
| 3.02 Authority of the Company.....                                                              | 21          |
| ARTICLE IV. REPRESENTATIONS, WARRANTIES AND COVENANTS; DUTIES<br>AND OBLIGATIONS.....           | 22          |
| 4.01 Representations, Warranties and Covenants Relating to the Property and<br>the Company..... | 22          |
| 4.02 Managing Member Duties and Obligations Relating to the Property and<br>the Company.....    | 26          |
| 4.03 Investor Member Duties and Obligations Relating to the Property and the<br>Company.....    | 29          |
| ARTICLE V. MEMBERS, Company INTERESTS AND OBLIGATIONS OF THE<br>COMPANY.....                    | 30          |
| 5.01 Members, Managing Member, Capital Contributions and Company<br>Interests.....              | 30          |
| 5.02 Return of Capital Contribution.....                                                        | 34          |
| 5.03 Withholding of Capital Contribution Upon Default.....                                      | 34          |
| 5.04 Legal Opinions.....                                                                        | 35          |
| 5.05 Repurchase Obligation.....                                                                 | 35          |
| 5.06 Subordinated Loans.....                                                                    | 35          |
| ARTICLE VI. CHANGES IN MANAGING MEMBER.....                                                     | 36          |
| 6.01 Resignation of a Managing Member.....                                                      | 36          |
| 6.02 Admission of a Successor or Additional Managing Member.....                                | 36          |
| 6.03 Effect of Bankruptcy, Withdrawal, or Dissolution of a Managing<br>Member.....              | 37          |

|                                                                                                     |    |
|-----------------------------------------------------------------------------------------------------|----|
| ARTICLE VII. ASSIGNMENT TO THE COMPANY.....                                                         | 38 |
| ARTICLE VIII. RIGHTS, OBLIGATIONS AND POWERS OF THE MANAGING MEMBER.....                            | 39 |
| 8.01 Management of the Company.....                                                                 | 39 |
| 8.02 Limitations Upon the Authority of the Managing Member.....                                     | 39 |
| 8.03 Management Purposes.....                                                                       | 41 |
| 8.04 Delegation of Authority.....                                                                   | 41 |
| 8.05 Developer Entity Dealings with the Company.....                                                | 41 |
| 8.06 Reserved.....                                                                                  | 42 |
| 8.07 Liability of Managing Member.....                                                              | 42 |
| 8.08 Company Taxable as Partnership.....                                                            | 43 |
| 8.09 Excess Development Costs, Operating Deficits.....                                              | 44 |
| 8.10 Net Interim Cash Flow.....                                                                     | 45 |
| 8.11 Withholding of Fee Payments.....                                                               | 45 |
| 8.12 Conversion to Economic Interest; Appointment of a Non-Member Manager.....                      | 45 |
| 8.13 Reserved.....                                                                                  | 48 |
| 8.14 Reserved.....                                                                                  | 48 |
| 8.15 Reserved.....                                                                                  | 48 |
| 8.16 Operating Budget and Capital Budget.....                                                       | 48 |
| 8.17 Operating Reserve.....                                                                         | 48 |
| ARTICLE IX. TRANSFERS OF, AND RESTRICTIONS ON TRANSFERS OF INTERESTS OF INVESTOR MEMBER.....        | 48 |
| 9.01 Purchase for Investment.....                                                                   | 48 |
| 9.02 Restrictions on Transfer of Investor Member's Interest.....                                    | 49 |
| 9.03 Admission of Substitute Investor Member.....                                                   | 49 |
| 9.04 Rights of Assignee of Company Interest.....                                                    | 50 |
| 9.05 Investor Member Put Option.....                                                                | 50 |
| ARTICLE X. RIGHTS AND OBLIGATIONS OF INVESTOR MEMBER.....                                           | 52 |
| 10.01 Management of the Company.....                                                                | 52 |
| 10.02 Limitation on Liability of Investor Member.....                                               | 52 |
| 10.03 Other Activities.....                                                                         | 52 |
| ARTICLE XI. PROFITS, LOSSES, CREDITS, AND DISTRIBUTIONS.....                                        | 53 |
| 11.01 Allocation of Profits, Losses, Credits and Cash Distributions.....                            | 53 |
| 11.02 Determination of Profits or Losses.....                                                       | 54 |
| 11.03 Allocation of Profits or Losses from a Capital Transaction.....                               | 54 |
| 11.04 Distribution of Proceeds from a Capital Transaction.....                                      | 55 |
| 11.05 Capital Accounts.....                                                                         | 56 |
| 11.06 Authority of Managing Member to Vary Allocations to Preserve and Protect Members' Intent..... | 57 |
| 11.07 Designation of Partnership Representative.....                                                | 57 |
| 11.08 Authority of Partnership Representative.....                                                  | 59 |
| 11.09 Expenses of Partnership Representative.....                                                   | 62 |

|                                                                     |                                           |    |
|---------------------------------------------------------------------|-------------------------------------------|----|
| 11.10                                                               | Special Allocations.....                  | 62 |
| ARTICLE XII. SALE, DISSOLUTION AND LIQUIDATION.....                 |                                           | 64 |
| 12.01                                                               | Dissolution of the Company.....           | 64 |
| 12.02                                                               | Winding Up and Distribution.....          | 65 |
| ARTICLE XIII. BOOKS AND RECORDS, ACCOUNTING TAX ELECTIONS, ETC..... |                                           | 66 |
| 13.01                                                               | Books and Records; Accounting Method..... | 66 |
| 13.02                                                               | Bank Accounts.....                        | 66 |
| 13.03                                                               | Accountants.....                          | 66 |
| 13.04                                                               | Reports to Members.....                   | 67 |
| 13.05                                                               | Tax Elections.....                        | 69 |
| 13.06                                                               | Company Fiscal Year.....                  | 70 |
| 13.07                                                               | Investor Member Inspection.....           | 70 |
| ARTICLE XIV. AMENDMENTS.....                                        |                                           | 70 |
| 14.01                                                               | Proposal and Adoption of Amendments.....  | 70 |
| ARTICLE XV. CONSENTS, VOTING AND MEETINGS.....                      |                                           | 71 |
| 15.01                                                               | Method of Giving Consent.....             | 71 |
| 15.02                                                               | Submissions to Investor Member.....       | 71 |
| ARTICLE XVI. GENERAL PROVISIONS.....                                |                                           | 71 |
| 16.01                                                               | Burden and Benefit.....                   | 71 |
| 16.02                                                               | Applicable Law.....                       | 71 |
| 16.03                                                               | Safe Harbor.....                          | 71 |
| 16.04                                                               | Counterparts.....                         | 71 |
| 16.05                                                               | Separability of Provisions.....           | 72 |
| 16.06                                                               | Entire Agreement.....                     | 72 |
| 16.07                                                               | Liability of the Investor Member.....     | 72 |
| 16.08                                                               | Notices.....                              | 72 |
| 16.09                                                               | Legal Fees.....                           | 73 |
| 16.10                                                               | Rights and Remedies.....                  | 73 |
| 16.11                                                               | Survival of Obligations.....              | 74 |
| 16.12                                                               | Creditors Not Benefited.....              | 74 |

Schedule A - Members, Capital Contributions, and Percentage Interests

Exhibit A - Insurance Provisions

Exhibit B-1 - Form of Installment Payment Notice

Exhibit B-2 - Form of Managing Member's Certificate

Exhibit C - Architect's Certificate

Exhibit D - Projections

**OPERATING AGREEMENT  
OF  
FORMER FEDERAL BUILDING LANDLORD, LLC**

**This OPERATING AGREEMENT** (this “Agreement”) is made and entered into as of the Admission Date, by and between the undersigned parties.

**RECITALS**

WHEREAS, Former Federal Building Landlord, LLC (the “Company”) was formed upon the filing of the Articles of Organization of the Company (“Articles”) in the office of the Secretary of State of the State of Montana (the “State”) on [\_\_\_\_], 2024 pursuant to the Montana Limited Liability Company Act (as amended from time to time, the “Act”); and

WHEREAS, the City of Billings, Montana (the “City”) is the owner of a fee interest in the building located at 316 North 26th Street, in Billings, Montana and commonly known as the James F. Battin Federal Building (the “Building”), as well as certain other improvements, and the tract of land upon which the Building is located (collectively, the “Land” and, together with the Building, the “Property”); and

WHEREAS, pursuant to the Lease Purchase Finance Documents (as hereafter defined): (i) the City granted a leasehold interest in the Property to First Interstate Bank, a national banking corporation (“FIB”), and (ii) FIB subleased the Property back to the City; and

WHEREAS, the Company acquired a sub-leasehold interest in the Property pursuant to the Ground Lease (as hereafter defined); and

WHEREAS, the rehabilitation of the Building will help ensure the preservation and protection of a historic building through the restoration of the historic interior and exterior of the Building, and the development of the Building into office space and other related amenities that will qualify for Federal Historic Tax Credits (as hereinafter defined) and State Historic Tax Credits (collectively, the “Project”); and

WHEREAS, FIB Battin, LLC, a Delaware limited liability company (together with any successors thereto, the “Investor Member”), has acquired an interest in the Company; and

WHEREAS, the Investor Member intends to make a capital contribution in one or more installments in the aggregate amount of \$[\_\_\_\_\_] (as may be adjusted pursuant to the terms hereof) to the Company; and

WHEREAS, Former Federal Building Manager, LLC, a Montana limited liability company (the “Managing Member”), is the managing member of the Company; and

WHEREAS, the Company intends to use a portion of the proceeds of (i) that certain loan made by the City, in the aggregate amount of \$[\_\_\_\_\_] (the “Loan”), which Loan is evidenced and repaid by the Ground Lease (as hereafter defined); (ii) the capital contribution by the

Managing Member in the aggregate amount of \$[\_\_\_\_\_]; and (iii) the capital contribution by the Investor Member, among other sources, to acquire and rehabilitate the Property; and

WHEREAS, the parties hereto now desire to enter into this Agreement to (i) admit the Investor Member to the Company as the Investor Member; (ii) admit and appoint the Managing Member as the Managing Member of the Company; (iii) assign Interests in the Company; and (iv) set forth all of the provisions governing the Company.

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereby agree to continue the Company pursuant to the Act, as set forth in this Agreement, which reads in its entirety as follows:

## **ARTICLE I.** **GENERAL**

### **1.01 Articles of Organization and Limited Liability Company Agreement.**

The Members ratify the execution and filing of the Articles in the office of the Secretary of State of the State on [\_\_\_\_\_], 2024, by Andy Zoeller as the “person” forming the Company as contemplated by Section 35-8-201(1) of the Act. The Company shall be a “manager-managed company” as that term is defined in Section 35-8-102(20) of the Act, and the Managing Member is hereby appointed as the initial manager of the Company in accordance with the terms and conditions hereof.

This Agreement constitutes the “operating agreement” of the Company within the meaning of Section 35-8-109 of the Act and this Agreement governs the affairs of the Company and the conduct of its business, except as otherwise required by the Act.

### **1.02 Name.**

The name of the Company is Former Federal Building Landlord, LLC.

### **1.03 Principal Executive Offices; Agent for Service of Process.**

The principal executive office of the Company shall be 210 North 27th Street, Billings, Montana 59101. The Company may change the location of its principal executive office to such other place or places as may hereafter be determined by the Managing Member. The Managing Member shall promptly notify all other Members of any change in the principal executive office. The Company may maintain such other offices at such other place or places as the Managing Member may from time to time deem advisable.

The name and address of the Agent for service of process is Gina Dahl with an address of 210 North 27th Street, Billings, Montana 59101.

#### 1.04 Term.

The term of the Company commenced as of [\_\_\_\_], 2024, and shall continue until the Company is dissolved by law or in accordance with the provisions of this Agreement.

#### 1.05 Recording of Articles.

Upon the execution of this Agreement by the parties hereto, the Managing Member shall take all actions necessary to assure the prompt recording of an amendment to the Articles of the Company, if required by the Act, including filing with the Office of the Secretary of State of the State. All fees for filing shall be paid out of the Company's assets. The Managing Member shall take all other necessary action required by law to perfect and maintain the Company as a limited liability company under the laws of the State and shall register the Company under any assumed or fictitious name statute or similar law in force and effect in the State or the State, as required.

### **ARTICLE II.** **DEFINED TERMS**

#### 1.01 Certain Definitions.

In addition to the defined terms set forth in the Recitals to this Agreement, the following defined terms used in this Agreement shall have the meanings specified below:

“2024 Delay Amount” has the meaning set forth in Section 5.01(f)(v)(A).

“2025 Delay Amount” has the meaning set forth in Section 5.01(f)(v)(B).

“Accountants” means, with respect to any Cost Certifications and the Projections, BakerTilly US LLP, or such other firm of independent certified public accountants as may be engaged by the Managing Member with the Consent of the Investor Member.

“Act” has the meaning set forth in the Recitals.

“Actual Federal Historic Tax Credits” means, for a particular year or in the aggregate, as the context may require, the total amount of Federal Historic Tax Credits properly claimed by the Company and properly allocable to the Investor Member under the terms of this Agreement, as subsequently adjusted, if applicable, as provided for herein.

“Actual State Historic Tax Credits” means, for a particular year or in the aggregate, as the context may require, the total amount of State Historic Tax Credits properly claimed by the Company and properly allocable to the Investor Member under the terms of this Agreement, as subsequently adjusted, if applicable, as provided for herein.

“Adjuster Differential Amount” has the meaning set forth in Section 5.01(f)(iii) herein.

“Adjustment Date” means the first day following the latest to occur, to the satisfaction of the Investor Member in its sole and reasonable discretion, of (i) receipt by the Investor Member of evidence of no continuing Event of Default (as defined in any Operating Document) then exists



(including any default by the Managing Member of its obligation pursuant to Section 9.05(c)); (ii) receipt by the Investor Member of evidence of satisfaction of any accrued and unpaid charges owed to Investor Member, including any accrued and unpaid Priority Return and Special Tax Distribution; (iii) the first day of the first month following the last day of the Compliance Period; and (iv) the end of the last taxable year in which any Historic Tax Credits are allocated to the Investor Member (without taking into account the “at-risk” rules under Section 49 of the Code).

“Adjustment Year” shall have the meaning set forth in Section 6225(d) of the Code.

“Admission Date” means the date upon which this Agreement is executed and delivered by the Investor Member.

“Affiliate” means, with respect to a specified Person, (i) any Person directly or indirectly controlling, controlled by or under common control with the Person specified, (ii) any Person owning or controlling 10% or more of the outstanding voting securities or beneficial interests of the Person specified, (iii) any officer, director, partner, trustee or member of the immediate family of the Person specified, (iv) if the Person specified is an officer, director, general partner, manager, managing member or trustee, any corporation, partnership or trust for which that Person acts in that capacity or (v) any Person who is an officer, director, general partner, manager, managing member, trustee or holder of 10% or more of outstanding voting securities or beneficial interests of any Person described in clauses (i) through (iv). The term “control” (including the terms “controlled by” and “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“After-Tax Basis” means, with respect to any payment to be received by the Investor Member, the amount of such payment supplemented by a further payment or payments so that, after deducting from such payments the amount of all taxes (net of any current credits, deductions or other tax benefits arising and realized from the payment by the Investor Member of any amount, including taxes, for which the payment to be received is made) imposed on the Investor Member by any governmental authority or other taxing authority with respect to such payments, the balance of such payments shall be equal to the original payment to be received; provided, however, for the purposes of this definition, and for purposes of any payment to be made to the Investor Member on an After-Tax Basis, it shall be assumed that taxes are payable by the Investor Member at the Applicable Tax Rate, which rate shall be certified in writing by the Investor Member to the Managing Member upon request.

“Agreement” means this Operating Agreement, as amended from time to time in accordance with its terms.

“Applicable Laws” means any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on any Developer Entity, or their assets including the Property.

“Applicable Securities Laws” means, collectively, the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the securities laws or regulations of any state or other jurisdiction.

“Applicable Tax Rate” means the combined effective federal, state, and local income tax rate of a taxpayer applicable in any given Company Fiscal Year assuming in each case the maximum tax rate applicable to the taxpayer without regard to actual taxable income.

“Architect” means JLG Architects or such other firm as may be engaged by the Company with the Consent of the Investor Member to provide architectural services in connection with the Rehabilitation.

“Architect’s Certificate” means the certificate executed by the Architect in the form attached hereto as Exhibit C.

“Articles” has the meaning set forth in the Recitals.

“Bankruptcy” or “Bankrupt” as to any Person means the filing of a petition for relief as to any such Person as debtor or bankrupt under the Bankruptcy Code or like provision of law (except if such petition is contested by such Person and has been dismissed within 60 days of the filing of such petition); insolvency of such Person as finally determined by a court proceeding; filing by such Person of a petition or application to accomplish the same or for the appointment of a receiver or a trustee for such Person or a substantial part of its assets; commencement of any proceedings relating to such Person under any other reorganization, arrangement, insolvency, adjustment of debt or liquidation law of any jurisdiction, whether now in existence or hereinafter in effect, either by such Person or by another, provided that if such proceeding is commenced by another, such Person indicates its approval of such proceeding, consents thereto or acquiesces therein, or such proceeding is contested by such Person and has not been finally dismissed within 60 days.

“Bankruptcy Code” has the meaning set forth in Section 6.03(f).

“Budget” has the meaning set forth in Section 8.16.

“Building” has the meaning set forth in the Recitals.

“Business Day” means any day other than (i) a Saturday or Sunday or (ii) a day on which commercial banks in Billings, Montana are authorized or required to be closed.

“Capital Account” means the capital account of a Member as described in Section 11.05.

“Capital Contribution” means with respect to any Member the total amount of money or the Fair Market Value of other property (net of liabilities thereon) contributed or agreed to be contributed, as the context requires, to the Company by such Member or the amount of any obligation of the Company assumed by any Member pursuant to the terms of this Agreement. Any reference to the Capital Contribution of a Member shall include the Capital Contribution made by a predecessor holder of the Interest of such Member.

“Capital Contribution Adjustments” means any negative Credit Adjustment, Recapture Differential Amount, or Delay Differential Amount as the same may be reduced by any payments made pursuant to Article XI hereof.

“Capital Index” means, with respect to Federal Historic Tax Credits, 89%, and with respect to State Historic Tax Credits, 92%, in the case of any Credit Adjustment.

“Capital Transaction” means (i) a sale, assignment, or other disposition of all or substantially all of the assets; (ii) a mortgage, financing or refinancing; (iii) a casualty (excluding proceeds from loss of income and business interruption insurance), condemnation or similar event of any part with respect to the Property, where the gross proceeds from such event are not used to rebuild or repair the Property (but only to the extent such rebuild or repair is feasible, as determined by FIB in its discretion); (iv) a title defect giving rise to payments to the Company under the Title Policy to the extent such proceeds are not required to cure such title defect; or (v) any other transaction generating cash proceeds to the Company that are not includable in determining Net Cash Flow.

“Certification Application” means for the Property, the Historic Preservation Certification Application provided for in Title 36 of the Code of Federal Regulations, Part 67.

“Change of Law” means any of the following occurring after the date of this Agreement: (i) amendments to the Code; (ii) any amendment to the Treasury Regulations promulgated under the Code; or (iii) the promulgation of any new Treasury Regulations after the date of this Agreement, in each case that material and adversely affect the Tax Credits or the Investor Member’s ability to claim the Tax Credits; provided, however, that a “Change of Law” shall not include the promulgation of new or amended Treasury Regulations or other administrative authority to the extent that the same do not alter in any material respect the Treasury Regulations or administrative authority that were promulgated or issued on or prior to the date of this Agreement with respect to the Tax Credits.

“City” has the meaning set forth in the Recitals.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law.

“Company” has the meaning set forth in the Recitals.

“Company Adjustment” means any adjustment to any item of income, gain, loss, deduction, or credit of the Company, or any Member’s distributive share thereof, in either case as described in any applicable Treasury Regulations or other guidance prescribed by the IRS.

“Company Fiscal Year” means the fiscal and tax year of the Investor Member as provided in Section 13.06.

“Compliance Period” means the time period ending upon the fifth full year after the last date upon which QREs taken account of for purposes of calculating the Actual Federal Historic Tax Credits and/or Actual State Historic Tax Credits for any year were placed in service, or any longer time period during which Federal Historic Tax Credits and/or State Historic Tax Credits attributable to the Property are subject to recapture pursuant to the Code or pursuant to the State HTC Statute.

“Consent” means the prior written consent or approval of the Investor Member, or any other Member, as the context may require, to do the act or thing for which the consent is solicited.

“Construction Contract” means the guaranteed maximum price construction contract (including all exhibits, attachments thereto and change orders approved by the Developer, the Managing Member, and, if required, the National Park Service) for on-site and off-site work and pre-construction services entered into between the Developer and the Contractor pursuant to which the Property is being rehabilitated.

“Contractor” means Dick Anderson Construction, which is the general construction contractor for the Project, or such other firm as may be engaged by Company with the Consent of the Investor Member (in its reasonable discretion) to provide general contractor services in connection with the Project.

“Contribution Agreement” means the Contribution and Reimbursement Agreement dated the date hereof among the Developer, the Managing Member, and the Company.

“Controlling Interest” means the power to direct the management of any Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

“Cost Certification” means a written certification of the Accountants as to the itemized amounts of the QREs incurred in connection with the Rehabilitation and the Actual Federal Historic Tax Credits and Actual State Historic Tax Credits, which certification shall constitute no less than an “examination report.”

“Counsel” or “Counsel for the Company” means such attorneys or law firm or firms upon which the Investor Member and the Managing Member shall agree; provided, however, that if any section of this Agreement either (i) designates particular counsel for the purpose described therein, or (ii) provides that counsel for the purpose described therein shall be chosen by another method or by another Person, then such designation or provision shall prevail over this general definition.

“Credit Adjustment” has the meaning set forth in Section 5.01(f)(ii).

“Credit Determination” has the meaning set forth in Section 5.01(f)(i).

“Debt Service” means all payments of principal, interest, or other charges, or any combination thereof, due on the Loan pursuant to the Ground Lease. For the avoidance of doubt, Debt Service shall be deemed to include all amounts payable under the Ground Lease, whether denominated as principal, interest, rent or other charges due and payable by the Company under the Ground Lease.

“Delay Differential Amount” has the meaning set forth in Section 5.01(f)(v).

“Depreciation” means, for each Company Fiscal Year or other period, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable with respect to an asset for such Company Fiscal Year or other period, except that if the Gross Asset Value of an asset differs from its adjusted basis for federal income tax purposes at the beginning of such Company Fiscal Year or other period, Depreciation shall be an amount which bears the same ratio to such

beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such Company Fiscal Year or other period bears to such beginning adjusted tax basis; provided, however, that if the adjusted basis for federal income tax purposes of an asset at the beginning of such Company Fiscal Year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Managing Member.

“Designated Individual” means the person appointed by the Partnership Representative to be the “designated individual” with the sole authority to bind the Partnership Representative pursuant to the Revised Partnership Audit Rules.

“Developer” means the City.

“Developer Entity” means each of the Developer, the Managing Member, the Company, and each Affiliate of any of them that has any obligations to or rights or benefits with respect to the Property or the Company; provided, however, that the Investor Member shall not be deemed a Developer Entity.

“Development Agreement” means that certain Development Agreement of even date herewith by and between the Company and the Developer for services rendered by the Developer in connection with the Rehabilitation of the Building.

“Development Costs” means all expenditures of the Company that are required to (i) complete the Rehabilitation, (ii) achieve Substantial Completion, (iii) achieve the Final Closing, (iv) pay any applicable loan assessment fees, discounts or other expenses incurred by the Company as a result of the occurrence of Final Closing, and (v) fund any Operating Reserves required to be funded from Development Sources. Without limiting the generality of the foregoing, the term “Development Costs” shall include (1) any loan assessment fees, discounts or other expenses incurred by the Company, including those that result from the occurrence of Final Closing, (2) any interest, taxes, and property insurance premiums that are the responsibility of the Company incurred prior to the Final Closing, (3) any construction cost overruns and the cost of any change orders, (4) sums necessary to remedy any defects, including latent defects, in connection with the rehabilitation or construction, if such defects are not cured by the Contractor within a reasonable period of time, (5) any escrow deposit requirements which are conditions to the Final Closing, including without limitation, any amounts necessary for local taxes, utilities, earthquake and other insurance premiums and other purposes, which might be required (provided, however, that if any such deposits are made by the Managing Member and the funds, or any portion thereof, subsequently are released from such deposit, the funds so released shall be paid to the Managing Member), and (6) any Operating Deficits arising during the Property Development Period.

“Development Fee” means, in the aggregate, the fees payable to the Developer pursuant to the provisions of the Development Agreement.

“Development Sources” means the aggregate amount of (i) the paid-in portion of the capital contributions to the Company, (ii) the net, funded proceeds of the Loan, and (iii) the Company’s share of any casualty insurance or condemnation award proceeds to the extent received during the Property Development Period, necessary for rebuilding of the Property, and available therefor.

“Disqualified Person” means (a) any federal, state, or local government (or any political subdivision, agency, or instrumentality thereof); (b) any organization described in Section 501(c) of the Code and exempt from tax under Section 501(a) of the Code; (c) any Person who is not a “United States person” as defined in Section 7701(a)(3) of the Code (other than a foreign partnership or foreign pass-through entity), unless such Person is a foreign person or entity that is subject to United States federal income tax on more than 50% of the gross income for the taxable year derived by such Person from the Project; (d) any entity described in Treasury Regulation Section 1.48-4(a)(1)(v) (e.g., a real estate investment trust, regulated investment company, certain domestic building and loan associations, a mutual savings or cooperative bank or a cooperative described in Section 1381(a) of the Code); and (e) any partnership or other pass-through entity (including a single-member disregarded entity) that has a partner (or other holder of an equity or profits interest) which is a Disqualified Person.

“Economic Interest” means the elements of an Interest that (i) are limited to the right to receive allocations of Operating Profits and Operating Losses and distributions of Net Cash Flow and proceeds from a Capital Transaction pursuant to Sections 11.01, 11.03 and 11.04 and Capital Account balance; and (ii) do not include any rights to vote, grant any consent or participate in any way in the management of the Company.

“Environmental Laws” means the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq., the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act, 42 U.S.C. § 9601 et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq., and the Occupational Safety and Health Act, each as amended from time to time and any other federal, state, or local statute, code, ordinance, rule, regulation, permit, consent, approval, license, judgment, order, writ, judicial decision, common law rule, decree, agency interpretation, injunction or other authorization or requirement whenever promulgated, issued, or modified, including the requirement to register underground storage tanks, relating to (i) emissions, discharges, spills, releases, or threatened release of pollutants, contaminants, Hazardous Substances (as hereinafter defined), materials containing Hazardous Substances, or hazardous or toxic materials or wastes into ambient air, surface water, groundwater, watercourses, publicly or privately owned treatment works, drains, sewer systems, wetlands, septic systems or onto land; or (ii) the use, treatment, storage, disposal, handling, manufacturing, transportation, or shipment of Hazardous Substances, materials containing Hazardous Substances or hazardous or toxic wastes, material, products, or by-products (or of equipment or apparatus containing Hazardous Substances).

“Environmental Reports” means the Phase I Environmental Site Assessment for the Property prepared by Green Environmental Management, and dated August 14, 2024.

“Excess Development Costs” means all Development Costs in excess of Development Sources.

“Excluded Event” means (i) any sale or disposition of a direct or indirect Interest in the Company by the Investor Member; (ii) any change in the Investor Member’s tax status to a Disqualified Person; (iii) any other act or omission by the Investor Member that was the cause of a Recapture Event or negative Credit Adjustment; and (iv) any loss or disallowance of Federal

Historic Tax Credits due to the structure of the transaction, including the failure of (a) the Company to be treated as a partnership for federal income tax purposes; (b) the Investor Member and Managing Member to be treated as the sole partners in the Company for federal income tax purposes; (c) the allocations of tax items (i.e., income, gain, loss, deduction and credit) to the Members of the Company; or (d) an IRS challenge of all or any portion of the transaction structure of the Company not already described in (iv) any of which items (i) through (iii) was not caused directly or indirectly by Managing Member Acts or Omissions.

“Fair Market Value” means the amount for which the real estate or other property will sell in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably in an arm’s-length transaction. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under circumstances in which: (i) the buyer and the seller are motivated by customary commercial considerations; (ii) each party is well-informed or well-advised and each is acting in what it considers its own best interest; (iii) a reasonable time is allowed for soliciting offers in the open market; (iv) payment is made in cash or its equivalent; (v) financing, if any, is on terms generally available in the community on the closing date that are typical for similar types of property in the same geographic area; and (vi) the price represents a normal consideration for the property sold unaffected by special financing amounts, terms, services, fees, costs or credits incurred in connection with the transaction.

“Federal Historic Tax Credits” means the tax credit allowable pursuant to Section 47 of the Code for QREs incurred in connection with the “certified rehabilitation” of a “certified historic structure.”

“FIB” has the meaning set forth in the Recitals.

“Final Closing” means the date upon which the Investor Member has received from the Company evidence of each of the following: (i) Substantial Completion; (ii) final lien-free completion of the Rehabilitation including all outstanding punchlist items and receipt of certificate of final completion covering 100% of the Rehabilitation from the Architect and receipt of any required prior approvals from FIB pursuant to the Lease Purchase Finance Documents; and (iii) receipt of any required final prior approvals from FIB as prerequisites to the disbursement of any remaining proceeds under the Lease Purchase Finance Documents, all as evidenced by such supporting documentation as shall be acceptable to the Investor Member.

“Final Determination” means the earliest to occur of (i) the date on which a decision, judgment, decree or other order has been issued by any court of competent jurisdiction, which decision, judgment, decree or other order has become final (i.e., all allowable appeals requested by the parties to the action have been exhausted), (ii) the date on which the IRS (or, if applicable, any state or local taxing authority) has entered into a binding agreement with the Company with respect to such issue or on which the IRS (or such state or local taxing authority) has reached a final administrative or judicial determination with respect to such issue which, whether by law or agreement, is not subject to appeal, (iii) the date on which the time for instituting a claim for refund has expired, or if a claim was filed the time for instituting suit with respect thereto has expired with no such suit having been filed, or (iv) the date on which the applicable statute of limitations for

raising an issue regarding a federal (or, if applicable, a state or local) income tax matter with respect to the Company has expired with such issue not having been raised.

“First Installment” has the meaning set forth in Section 5.01(c)(i).

“Forbearance Agreement” means that certain Forbearance Agreement among FIB, the City, the Company, and the Investor Member, dated as of the date hereof.

“Former Member” means any Person who was a Reviewed Year Member but does not hold an interest in the Company at any time during the Adjustment Year.

“GAAP” has the meaning set forth in Section 13.01.

“Gross Asset Value” means, with respect to any asset, the asset’s adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross Fair Market Value of such asset, as determined by the contributing Member and the Company;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross Fair Market Values, as determined by the Managing Member, as of the following times: (a) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (b) the distribution by the Company to a Member of more than a de minimis amount of Company property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Section 1.704-1(b)(2)(ii)(g) of the Treasury Regulations; provided, however, that the adjustments pursuant to clauses (a) and (b) above shall be made only if the Managing Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member shall be the gross Fair Market Value of such asset on the date of distribution as determined by the Managing Member; and

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Sections 734(b) or 743(b) of the Code, but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Section 1.704-1(b)(2)(iv)(m) of the Treasury Regulations and Section 11.05 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this clause (iv) to the extent the Managing Member determines that an adjustment pursuant to clause (ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this clause (iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section (i), (ii) or (iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Profits or Losses.



“Ground Lease” means that certain Ground Sublease Lease dated as of the date hereof by and between the City, as ground lessor, and the Company, as ground lessee, pursuant to which the Company acquired a sub-leasehold interest in the Property.

“Hazardous Substance” means (i) hazardous materials, hazardous wastes, and hazardous substances as those terms are defined under any applicable Environmental Laws, (ii) petroleum and petroleum products including crude oil and any fractions thereof, (iii) natural gas, synthetic gas, and any mixtures thereof, (iv) asbestos and any material which contains any hydrated mineral silicate, including but not limited to chrysolite, amosite, crocidolite, tremolite, anthophyllite, and actinolite, whether friable or non-friable, (v) PCBs, or PCB-containing materials or fluids, (vi) radon, (vii) any other hazardous, radioactive, toxic, or noxious substance, materials, pollutant, or solid, liquid or gaseous waste, and (viii) any substance with respect to which a federal, state or local agency requires environmental investigation, monitoring, or remediation.

“Imputed Underpayment” shall have the meaning set forth in Section 6225 of the Code.

“Initial Operating Period” means the period commencing on the Admission Date and running through the first day of the first month following the end of the expiration of the Put Option Period.

“Installment” means, as the context requires, one or more of the installments of the Investor Member’s Capital Contribution paid or payable to the Company pursuant to Section 5.01, or as otherwise provided herein.

“Interest” or “Company Interest” means the ownership interest of a Member of the Company at any particular time, including the right of such Member to any and all benefits to which such Member may be entitled as provided in this Agreement and in the Act, together with the obligations of such Member to comply with all the terms and provisions of this Agreement and of said Act. Such Interest of each Member shall, except as otherwise specifically provided herein, be that percentage of the aggregate of such benefit or obligation set forth in Schedule A as such Member’s Percentage Interest.

“Investor Member” means FIB Battin, LLC, a Delaware limited liability company, and its successors and assigns, and in the event of more than one Investor Member, Investor Member means, collectively, all such Investor Members.

“IRS” means the Internal Revenue Service.

“Land” has the meaning set forth in the Recitals.

“Lease Purchase Finance Documents” means, collectively: (i) that certain Ground Lease Agreement dated as of the date hereof, by and between the City, as lessor, and FIB, as lessee, (ii) that certain Lease-Purchase Agreement by and between FIB, as lessor, and the City, as lessee, and (iii) that certain Lender Letter dated as of the date hereof from FIB to the City.

“Liquidator” means the Managing Member or, if there is none at the time in question, such other Person who may be appointed in accordance with applicable law and who shall be

responsible for taking all action necessary or appropriate to wind up the affairs of, and distribute the assets of, the Company upon its dissolution.

“Managing Member” means Former Federal Building Manager, LLC, a Montana limited liability company, and its successors pursuant to this Agreement.

“Managing Member Acts or Omissions” means the direct or indirect acts or omissions of the Managing Member or any Affiliate of the Managing Member with respect to the Company or the Project which directly or indirectly causes a Recapture Event.

“Master Lease” means that certain Lease Agreement of even date herewith by and between the Company, as landlord, and the City, as tenant, with respect to the lease of the Property.

“Member” means any or each Person who is a member of the Company as the context shall require.

“Net Cash Flow” means for each Company Fiscal Year the sum of (i) Operating Income and (ii) any other funds deemed available for distribution by the Managing Member, less the sum of all Operating Expenses (including Debt Service), and all other cash expenditures (whether or not such expenditure are deducted, amortized, or capitalized for tax purposes). Net Cash Flow shall be determined separately for each Company Fiscal Year, commencing on the day after Final Closing and shall not be cumulative.

“Net Interim Cash Flow” means the amount by which the sum of (i) Operating Income attributable to the Property Development Period and (ii) Development Sources (including interest income, rental income, other income from the Project, and any reserves, escrows or insurance proceeds), even if actually received after such period, exceeds the sum of (iii) any Operating Expense attributable to the Property Development Period and (iv) all other Development Costs, regardless of when expended.

“Non-Member Manager” has the meaning set forth in Section 8.12(b).

“Notice” means a writing containing the information required by this Agreement to be communicated and either given by U.S. mail return receipt requested, by a nationally recognized next-business-day courier service, with postage prepaid (except in the event of a postal disruption, by strike or otherwise, in the United States), or sent by electronic mail (provided such electronic mail is received by the recipient no later than 5:00 p.m. Mountain Time on the date of such notice), or sent by personal delivery by a nationally recognized courier service for next day delivery; provided, however, that any written communication containing such information actually received shall constitute Notice for all purposes of this Agreement.

“Operating Deficit” means for any period, the amount by which Operating Income for such period of time is exceeded by Operating Expenses and Debt Service due from the Company with respect to the Loan. For purposes of this definition, all expenses shall be deemed payable on a 60-day current basis.

“Operating Deficit Loans” has the meaning set forth in Section 8.09(b).

“Operating Documents” means and includes (i) this Agreement; (ii) the Development Agreement; (iii) the Construction Contract; (iv) the Master Lease; (v) the Ground Lease, and any other documents evidencing, guarantying, and securing the Loan; and (vi) the Forbearance Agreement.

“Operating Expenses” mean all expenses of operation of the Property and the Company, as incurred by the Company in the reasonable discretion of the Managing Member, and determined to be fixed expenses in the reasonable discretion of the Managing Member, including Debt Service, costs of utilities, maintenance, repairs professional and management fees, miscellaneous expenses, and any deposit to cash reserves for working capital, capital expenditures, repairs, replacements and anticipated expenditures, in such amounts as may be reasonably determined from time to time by the Managing Member with the approval of the Investor Member, which approval shall not be unreasonably withheld, to be advisable for the operation of the Company, but excluding Development Costs and any other expenses of the Company to be paid from Development Sources pursuant to this Agreement; any payments or distributions of Net Cash Flow; and depreciation, amortization deductions and other non-cash items. For purposes of this definition, all expenses shall be deemed paid on the earlier of the stated due date or on a 60-day current basis.

“Operating Income” means all cash received from operation of the Property and the Company in the ordinary course of business and recognizable by the Company for income tax reporting purposes, including rents, sublease payments, and all other sources; provided, however, that Operating Income shall exclude Development Sources and the proceeds of any other loans to the Company, proceeds from Capital Transactions, tenant security and other deposits (except to the extent applied in payment of delinquent rent, property damage or other tenant obligations) and interest earned on the Operating Reserve (unless withdrawn as aforesaid).

“Operating Profits” or “Operating Losses” means, for any Company Fiscal Year, the Profits or Losses, as the case may be, of the Company for that year as determined for federal income tax purposes by the Accountants with the adjustments described in the definition of “Profits or Losses,” excluding Profits or Losses from a Capital Transaction and determined without regard to any adjustments to basis pursuant to Sections 734 or 743 of the Code.

“Operating Reserve” has the meaning set forth in Section 8.17.

“Operating Reserve Amount” has the meaning set forth in Section 8.17.

“Ordinary Income Amount” has the meaning set forth in Section 11.03(c).

“Part 1 Approval” means (i) the individual listing on the National Register of Historic Places of the Building; or (ii) the determination by the National Park Service pursuant to Part 1 of the Certification Application that the Building is a “certified historic structure” as provided for in Section 47(c)(3)(A)(ii) of the Code.

“Part 2 Approval” means the conditional determination by the National Park Service, pursuant to Part 2 of the Certification Application, that the Rehabilitation of the Building described in the Plans and Specifications is consistent with the historic character of the Building, or the historic district in which the Building is located, and meets the Secretary’s Standards, as such Part 2 Approval may be amended with the Consent of Investor Member.

“Part 3 Approval” means the determination by the National Park Service, pursuant to Part 3 of the Certification Application, that the completed Rehabilitation of the Building is a “certified rehabilitation” of a “certified historic structure” under Section 47 of the Code.

“Partnership Representative” means the Member designated in Section 11.07 to be the Partnership Representative as provided for in the Revised Partnership Audit Rules.

“Percentage Interest” means the percentage Interest of each Member as set forth in Schedule A.

“Person” means any individual, partnership, joint venture, limited liability company, corporation, trust or other entity, and the heirs, executors, administrators, legal representatives, successors and assigns of such Person where the context so requires.

“Placement in Service” or “Placed in Service” means with respect to the Rehabilitation or any phase thereof the occurrence of the events necessary to establish placement in service thereof for purposes of Section 1.48-12(f)(2) of the Treasury Regulations, including, if applicable, the issuance of all necessary temporary or permanent certificates of occupancy from the applicable governmental jurisdictions or authorities with respect to such portion.

“Plans and Specifications” means the Plans and Specifications for the Rehabilitation of the Building approved by the Developer and Investor Member, including specifications for materials, and all amendments and modifications thereof.

“Preservation Consultant” means Gilmore Franzen Consulting LLC or such other firm as may be engaged by the Company with the Consent of the Investor Member to provide preservation consulting services in connection with the Rehabilitation.

“Priority Return” means a cumulative, annual distribution to the Investor Member (prorated for periods of less than a full year) of an amount equal to 2% of its paid-in Capital Contribution made in connection with the Federal Historic Tax Credits as determined by the Capital Index associated therewith and as adjusted hereby beginning on the first January 1st after the Admission Date, payable from Net Cash Flow or the proceeds of a Capital Transaction in the manner set forth in Article XI. Beginning on the Substantial Completion Date, any Priority Return not paid currently shall bear interest from the date due until the date paid at the lesser of 8% and the maximum interest rate permitted under Montana law, compounding annually.

“Profits” or “Losses” means, for each Company Fiscal Year or other period, an amount equal to the Company’s taxable income or loss, as the case may be, for such Company Fiscal Year or period, determined in accordance with Section 703(a) of the Code (for this purpose, all items of income, gain, loss, or deduction required to be stated separately pursuant to Section 703(a)(1) of the Code shall be included in taxable income or loss), with the following adjustments:

(i) Any items described in Sections 705(a)(1)(B) and 705(a)(1)(C) of the Code which are not otherwise taken into account in computing Profits or Losses shall be added to such taxable income or loss.

(ii) Any expenditures of the Company described in Section 705(a)(2)(B) of the Code or treated as Section 705(a)(2)(B) expenditures pursuant to Section 1.704-1(b)(2)(iv)(i) of the Treasury Regulations, and not otherwise taken into account in computing Profits or Losses, shall be subtracted from such taxable income or loss.

(iii) Gain or loss resulting from any disposition of Company property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value.

(iv) In the event of a distribution of Company assets to a Member (whether in connection with a liquidation or otherwise), or in the event the Gross Asset Value of any Company asset is adjusted upon the acquisition of an additional interest in the Company, unrealized income, gain, loss and deduction inherent in such distributed or adjusted assets (not previously reflected in Capital Accounts) shall be allocated pursuant to Section 11.03 hereof as if there had been a taxable disposition of such distributed or adjusted assets at Fair Market Value.

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such Company Fiscal Year or other period, computed in accordance with the definition of “Depreciation” set forth herein.

(vi) Notwithstanding any other provision of this definition, any items which are specially allocated pursuant to Section 11.10 hereof shall be taken into account in computing Profits or Losses only if required under the applicable provisions of the Code and Treasury Regulations.

“Profits or Losses from a Capital Transaction” means the Profits or Losses, if any, recognized by the Company as a result of a Capital Transaction, as determined for federal income tax purposes by the Accountants with the adjustments described in the definition of “Profits or Losses,” but without regard to any adjustments to basis pursuant to Section 734 and 743 of the Code.

“Project” has the meaning set forth in the Recitals.

“Projected Federal Historic Tax Credits” means Federal Historic Tax Credits in the amount of \$[ ] with respect to the Building, of which \$[ ] the Investor Member has projected (and which have been reviewed and accepted by the Managing Member) to be the total amount of Federal Historic Tax Credits to be allocated to the Investor Member in connection with the Rehabilitation.

“Projected State Historic Tax Credits” means State Historic Tax Credits in the amount of \$[ ], 100% of which shall be allocated to the Investor Member (and which have been reviewed and accepted by the Managing Member) to be the total amount of State Historic Tax Credits to be allocated to the Investor Member in connection with the Rehabilitation.

“Projections” means the financial projections attached hereto as Exhibit D.

“Property” has the meaning set forth in the Recitals.

“Property Development Period” means the period commencing upon formation of the Company and terminating upon Final Closing.

“Push-Out Election” has the meaning set forth in Section 11.08(f).

“Put Option” has the meaning set forth in the Section 9.05(a).

“Put Option Election Notice” has the meaning set forth in the Section 9.05(b).

“Put Option Period” has the meaning set forth in the Section 9.05(a).

“Put Price” has the meaning set forth in the Section 9.05(a).

“QREs” means “qualified rehabilitation expenditures” as such term is defined in Section 47(c)(2) of the Code, as determined by the Accountants.

“Recapture Adjustment Amount” means an amount equal to any increase in taxes payable by the Investor Member as a result of any Recapture Event due to Managing Member Acts or Omissions plus any interest and penalties due to the IRS or the State in connection therewith.

“Recapture Differential Amount” has the meaning set forth in Section 5.01(f)(iv).

“Recapture Event” means any event that results in the recapture or disallowance of Federal Historic Tax Credits and/or State Historic Tax Credits under the Code and/or State HTC Statute, as applicable (other than a recapture arising as a result of a sale or disposition of the Company Interest of the Investor Member).

“Rehabilitation” means the development, construction, renovation, and rehabilitation work on the Building described in the Part 2 Approval, together with any other work on the Property contemplated in the Construction Contract or the Projections.

“Repurchase Event” means any of the following events: (i) the Property has not achieved Substantial Completion by December 31, 2025; (ii) the Company has not received Part 3 Approval within 9 months of Substantial Completion, or such later date as may be Consented to by the Investor Member; (iii) Final Closing has not occurred within 12 months of Substantial Completion of the Rehabilitation or such other later date as may be agreed to by the Investor Member; (iv) an event of default described in clauses (a), (b), (c) or (f) of Section 5.03 occurs prior to Final Closing, and any such event of default is (x) not cured within 60 days of the Managing Member’s receipt of Notice of such default and (y) has a material adverse effect on the Tax Credits or the Investor Member; (v) the Property will qualify for less than 80% of the Projected Federal Historic Tax Credits and/or Projected State Historic Tax Credits; or (vi) an event of Bankruptcy has occurred with respect to any Developer Entity prior to the Final Closing and not dismissed within 60 days.

“Reviewed Year” shall have the meaning set forth in Section 6225(d) of the Code.

“Reviewed Year Member” means any Person who held an interest in the Company at any time during the Reviewed Year.

“Revised Partnership Audit Rules” means the partnership audit rules contained in Subchapter 63C of the Code, as amended by the Bipartisan Budget Act of 2015, Pub L. No. 114-74 (the “2015 Budget Act”) and the Protecting Americans from Tax Hikes Act of 2015, P.L. 114-113, the Treasury Regulations promulgated thereunder, and any applicable forms, instructions and other guidance prescribed by the IRS related thereto.

“Second Installment” has the meaning set forth in Section 5.01(c)(ii).

“Secretary” means the Secretary of the U.S. Department of the Interior or any authorized representative thereof, including the National Park Service.

“Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time.

“Special Tax Distribution” means in any Company Fiscal Year in which taxable income or taxable gain is allocated to an Investor Member by the Company, pursuant to this Agreement, whether on the Company’s tax return or after audit by the IRS beginning in the taxable year that includes the Admission Date, Net Cash Flow in a cumulative amount equal to the product of (i) the amount of such net taxable income and taxable gain allocated to such Investor Member for such year, and (ii) the Applicable Tax Rate, payable annually.

“State” has the meaning set forth in the Recitals.

“State Historic Tax Credits” means the tax credit allowable pursuant to the State HTC Statute for projects that qualify for State Historic Tax Credits.

“State HTC Statute” means Section 15-31-151 of the Montana Code Annotated, and any successor provisions of Montana law governing the State Historic Tax Credits.

“Subordinated Loan” has the meaning set forth in Section 5.06(a); provided, however, that the Loan shall not be deemed to be a Subordinated Loan for this purpose.

“Substantial Completion” means with respect to the Rehabilitation or any phase thereof, the date upon which the Investor Member has received from the Company each of the following: (i) a certificate of substantial completion as certified by the Architect; (ii) all necessary certificates of occupancy (whether temporary or permanent) from the applicable governmental jurisdictions or authorities for 100% of the improvements therein; and (iii) any other documentation necessary to establish placement in service for purposes of Section 47(b) of the Code.

“Substitute Investor Member” means any Person admitted to the Company as an Investor Member pursuant to Section 9.03.

“Survey” means the ALTA (or an equivalent) survey prepared, certified, and submitted to the Investor Member.

“Tax Credits” means the Federal Historic Tax Credits and State Historic Tax Credits.

“Tax Dispute” has the meaning set forth in Section 11.08(d).

“Tax Reform Act” means the Act to Provide for Reconciliation Pursuant to Title II and V of the Concurrent Resolution on the Budget for Fiscal Year 2018 (originally known as the Tax Cuts and Jobs Act), Pub. L. No. 115-97.

“Third Installment” has the meaning set forth in Section 5.01(c)(iii).

“Title Policy” means the ALTA extended coverage owner’s leasehold policy of title insurance issued to the Company in an amount equal to the 115% of the Investor Member’s expected Capital Contributions plus the Development Fee, in the form approved by the Investor Member.

“Treasury Regulations” or “Treasury Reg.” means the final and temporary regulations promulgated from time to time under the Code.

“Withdrawal Event” means the occurrence of any of the following events: (a) the withdrawal of any Managing Member or, unless otherwise approved herein or by Investor Member, the sale, assignment, transfer or encumbrance by a Managing Member of any portion of such Managing Member’s Interest; (b) the death or adjudication of incompetency of any individual Managing Member; (c) the voluntary or involuntary dissolution of a Managing Member which is not a natural person; (d) unless otherwise approved herein or by Investor Member, the sale, assignment, transfer or encumbrance of a Controlling Interest in a corporate Managing Member, of a partner interest in a Managing Member which is a partnership or of a member interest in a Managing Member which is a limited liability company; (e) a Bankruptcy with respect to any Managing Member or with respect to the holder of any Controlling Interest in any Managing Member; or (f) without limitation of the foregoing, any event occurring as to a partner of a Managing Member which is a partnership or as to a member of a Managing Member which is a limited liability company which would constitute a Withdrawal Event as provided above, if such Person were a Managing Member.

## 1.02 Construction.

As used herein, singular shall include the plural, the masculine gender shall include the feminine and neuter, feminine gender shall include the masculine and neuter and the neuter gender shall include the masculine and feminine unless the context otherwise indicates.

## 1.03 References.

Unless otherwise expressly specified, references to Articles and Sections are intended to refer to Articles and Sections of this Agreement, and all references to Exhibits and Schedules are intended to refer to Exhibits and Schedules attached to this Agreement, each of which is made a part of this Agreement for all purposes. Information contained in any Schedule shall be deemed contained in each and every other Schedule without requiring repetition thereof. The term “including” means “including, without limitation.” Any date specified for action that is not a Business Day shall mean the first Business Day after such date. Any reference to a Person shall



be deemed to include such Person's permitted successors and assigns. Any reference to any document or documents shall be deemed to refer to such document or documents as amended, modified, supplemented, or replaced from time to time.

## **ARTICLE II.**

### **PURPOSE AND BUSINESS OF THE COMPANY**

. The Company has been organized exclusively for the purpose of owning, constructing, developing, leasing, improving, and disposing of the Project in accordance with Section 47 of the Code and the State HTC Statute and engaging in any other activity necessary, appropriate, desirable, or incidental thereto, all in order to generate profits in the form of cash income and long-term appreciation in value as well as return of capital. Notwithstanding anything contained herein to the contrary, the Company shall not engage in any business, and it shall have no purpose, unrelated to the Property and shall not acquire any real property or own assets other than those related to the Property or otherwise in furtherance of the purposes of the Company.

. In order to carry out its purpose, the Company is empowered and authorized to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of its purpose, and for the protection and benefit of the Company, including but not limited to the following:

- (a) acquire and maintain the Property;
- (b) rehabilitate, develop, operate, maintain, improve, buy, own, sell, convey, assign, mortgage, rent or lease any real estate and any personal property necessary to the operation of the Property;
- (c) operate the Property consistent with the requirements of the Operating Documents;
- (d) enter into any kind of activity, and perform and carry out contracts of any kind necessary to, or in connection with, or incidental to, the accomplishment of the purposes of the Company;
- (e) borrow money and issue evidences of indebtedness in furtherance of the Company's business and secure any such indebtedness by mortgage, pledge, or other lien;
- (f) maintain and operate the Property;
- (g) subject to the approval of FIB, if required, and to other limitations expressly set forth elsewhere in this Agreement, negotiate for and conclude agreements for the sale, exchange, assignment, or other disposition of all or substantially all of the property of the Company, or for the refinancing of any loan secured by a mortgage;
- (h) enter into the Operating Documents to which it is a party; and
- (i) do any and all other acts and things necessary or proper in furtherance of the Company's business.

**ARTICLE III.**  
**REPRESENTATIONS, WARRANTIES AND COVENANTS;**  
**DUTIES AND OBLIGATIONS**

. The Managing Member hereby represents, warrants, and covenants to the Company and to the Members as follows:

(a) at the time of commencement of Rehabilitation of the Building and as of the date hereof, the Land was and is properly zoned for the uses contemplated herein, by the date of Substantial Completion it has or will have all permits, consents, permissions and licenses required by all applicable governmental entities for the operation of the Property, and the Property conforms and will continue to conform in all material respects to all applicable federal, state and local land use, zoning, building, environmental and other governmental laws and regulations;

(b) all appropriate public utilities, including sanitary and storm sewers, water, gas, and electricity, are currently or will be available to the Property and will be operating properly for the Property at the time of first occupancy of the Property. The Property has direct access to a public street or highway and will have adequate parking to comply with Applicable Laws and make it viable;

(c) good and marketable leasehold title to the Property is held solely by the Company, free and clear of any liens, charges or encumbrances other than the matters set forth in the Title Policy, the Operating Documents, the Lease Purchase Finance Documents, and mechanics' or other liens which have been bonded or insured against in such manner to preclude the holder of such lien or such surety or insurer from having any recourse to the Property or the Company for payment of any debt secured thereby. None of the liens, charges, encumbrances, or exceptions set forth in the Title Policy has or will have a material adverse effect upon the Rehabilitation or operation of the Property;

(d) to the Managing Member's actual knowledge after due inquiry, no default by any Developer Entity has occurred or is continuing (nor has there occurred any continuing event which, with the giving of notice or the passage of time or both, would constitute such a default in any material respect) under any of the Operating Documents, and the Operating Documents are in full force and effect (except to the extent fully performed in accordance with their respective terms);

(e) to the Managing Member's actual knowledge after due inquiry, the execution and delivery of this Agreement, the incurrence of the obligations set forth in this Agreement, and the consummation of the transactions contemplated by this Agreement do not violate or conflict with any provision of any federal, state, municipal or local laws, ordinances, rules, regulations, requirements, or any order, judgment, decree, determination, or award of any court binding on any Developer Entity, or its assets (including the Property), nor do they conflict with, result in a conflict under, result in a material breach of, constitute a default under, result in the acceleration of, or create in any party the right to accelerate, terminate, modify, or cancel, or require any notice (which notice has not been furnished) under any agreement, contract, lease, license, instrument, or other arrangement to which the Company or any Developer Entity is a party, or by which it is bound or to which any of its assets is subject;

(f) neither the Company nor any Developer Entity has incurred any financial responsibility with respect to the Property prior to the date of execution of this Agreement, other than as set forth in the Operating Documents or the Lease Purchase Finance Documents, as reflected in the Contribution Agreement, or that has been otherwise disclosed to the Investor Member;

(g) the Company is and will continue to be a limited liability company, duly organized and validly existing under the laws of the State and had, has and shall continue to have full power and authority to acquire, develop, construct, hold, operate and maintain its leasehold interest in the Property in accordance with the terms of this Agreement;

(h) [reserved];

(i) no restrictions on the sale or refinancing of the Property, other than the restrictions set forth in the Operating Documents or the Lease Purchase Finance Documents, exist as of the date hereof, and no such restrictions shall (except as may be set forth in the Operating Documents or the Lease Purchase Finance Documents), at any time while the Investor Member is a Member, be placed upon the sale or refinancing of the Property;

(j) if required by any Operating Document, all payments for real estate taxes as determined by the Managing Member and included in the approved Budget shall be deposited monthly in a segregated escrow account in an amount equal to one-twelfth the yearly aggregate of such payments;

(k) neither the Managing Member nor any of its direct or indirect members is a “tax-exempt entity” or “tax-exempt controlled entity” as those terms are used in Section 168(h) of the Code that has not made the election to be taxed pursuant to Section 168(h)(6)(F) of the Code;

(l) the Managing Member is duly and validly organized and is validly existing in good standing as a limited liability company under the laws of the State of Montana, with full power and authority to enter into and perform its obligations hereunder;

(m) the Property shall be operated in a manner that satisfies and shall continue to satisfy, all restrictions applicable to the Property and projects generating Tax Credits and which shall be in conformity with the description of the Property set forth in Part 2 of the Certification Application;

(n) the Property shall be operated in a manner that complies with the Applicable Laws;

(o) subject to Section 13.06, the Company’s fiscal year is and shall be the calendar year;

(p) no Developer Entity is Bankrupt or contemplating a Bankruptcy;

(q) except as described in the Environmental Reports, to the Managing Member’s actual knowledge after due inquiry, no Developer Entity has ever received notification from any federal, state or other governmental authority of (i) any potential, known, or threat of

release of any Hazardous Substance from the Property or (ii) the incurrence of any expense or loss by any such governmental authority or by any other Person in connection with the assessment, containment or removal of any release or threat of release of any Hazardous Substances from the Property, and no Hazardous Substance was, to the Managing Member's actual knowledge upon due inquiry, prior to the Company's ownership of the Property ever stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto; and subsequent to the Company's ownership of the Property, and no Hazardous Substance was ever or is now stored on, transported, or disposed of on the Property except to the extent any such storage, transport or disposition was at all times in compliance with all laws, ordinances, and regulations pertaining thereto;

(r) no portion of the Property constituting QREs was placed in service by the Company prior to the Admission Date and the QREs incurred in connection with the Rehabilitation of the Building would under the Code constitute "new section 38 property" to the Company if the Company had actually incurred such QREs;

(s) each Developer Entity has complied with all Applicable Laws with respect to the Project, and no action, suit, proceeding, hearing, government investigation, charge, complaint, claim, demand, or notice has been filed or commenced against any Developer Entity alleging any failure to so comply;

(t) the computations included in the Projections are correct in all material respects and are based on assumptions believed by the Managing Member to be reasonable as to all legal and factual matters material to such Projections, are consistent with the provisions of the Operating Documents, take into consideration the relevant provisions, as currently in effect, of federal income tax law and regulations material to the Projections and represent the Managing Member's best, good-faith estimates of the matters reflected therein;

(u) to the Managing Member's best knowledge, the Managing Member has disclosed to the Investor Member all material actions with respect to the Company taken by the Managing Member prior to the date hereof;

(v) to the Managing Member's best knowledge, a copy of all material documents relating to the Company and the Property have been delivered to the Investor Member;

(w) as of the date hereof, no certificates of occupancy or temporary certificate of occupancy relating to the Rehabilitation have been issued with respect to the portion of the Building comprising QREs;

(x) to the Managing Member's best knowledge, the Architect has demonstrated expertise in the area of historic preservation and compliance with the Secretary's Standards;

(y) the Construction Contract has been entered into between the Developer and the Contractor; no other consideration or fee shall be paid to the Contractor in its capacity as the Contractor other than the amounts set forth in the Construction Contract or as evidenced by change orders approved by the Developer (and the National Park Service to the extent the proposed changes would be deemed to constitute an amendment to the Certification Application) and as

otherwise disclosed in writing to the Investor Member; and all change orders to date have been paid in full or adequate provision has been made for payment;

(z) if the Developer defers recognizing the Development Fee as income, such deferral will be in the Developer's regular course of business in accordance with the applicable requirements of the Code, and not from a manipulation of the cash method of accounting with respect to Developer, the Company, or any members or Affiliates thereof;

(aa) there is, or there will be, sufficient reasonable and adequate documentation that provides objective evidence that details the time and effort spent by Developer on any of the services described in the Development Agreement (e.g., time records or memoranda recounting meetings or other efforts as to such services);

(bb) none of the Developer's obligations provided, or to be provided, for the Development Fee are duplicative (including, but not limited to, the services performed, or to be performed, by Developer under such Development Agreement or by Contractor or any other contractor, subcontractor, or material supplier). No portion of the Development Fee is for, or incident to: (i) syndication expenses; (ii) organization costs; (iii) acquisition costs; (iv) rent/lease-up costs; (v) rental management; or (vi) any similar type costs;

(cc) the Development Fee is, and will be, capitalized as part of the Property's depreciable basis. No portion of the Development Fee is required to be, or will be treated as an expense and deducted in the year incurred. The Company is legally bound to pay the Development Fee;

(dd) the fair market value of the Property attributable to QREs as of the date the Rehabilitation is Placed in Service will exceed the adjusted basis of the Company therein as of such date;

(ee) upon Placement in Service, the Building will be eligible for depreciation (or amortization in lieu of depreciation). The QREs that form the basis for Tax Credits generated by the Rehabilitation will not include (i) any expenditure with respect to which a method other than the straight-line method for depreciation over a recovery period determined under Section 168(c) or (g) of the Code for nonresidential real property or an addition or improvement thereto will be used, (ii) the cost of acquiring the Building or any interest therein, or (iii) the cost of enlargement of the Building, excluding any increase in floor space resulting solely from interior remodeling; and

(ff) for federal income tax purposes, the Company (acting by and through Investor Member) and the Managing Member each reports its income on the accrual method of accounting.

The Managing Member shall be solely responsible for the representations, warranties, and covenants hereunder, and shall not assert as a defense in any action by the Company or the Investor Member the fact that the Managing Member may have relied on other parties in connection with matters addressed therein.

. The Managing Member shall have the following duties and obligations with respect to the Property and the Company:

(a) it shall cause to be met all requirements applicable to the Company, if any, which are necessary to obtain, achieve and maintain (i) issuance of all necessary certificates of occupancy, including all governmental approvals required to permit occupancy of the Property, (ii) Final Closing, and (iii) compliance with all provisions of the Operating Documents;

(b) while conducting the business of the Company, it shall not act in any manner which it knows or should have known after due inquiry will (i) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation; or (ii) cause any Investor Member to lose its limited liability protection;

(c) it shall prepare and submit to the Secretary, the Secretary of the Treasury or the IRS (or any other governmental authority designated for such purpose), on a timely basis, any and all annual reports, information returns and other certifications and information required (i) to ensure that the Company will qualify for Federal Historic Tax Credits and State Historic Tax Credits and (ii) to avoid any Recapture Event or the imposition of penalties or interest on the Company or the Investor Member for failure to comply with the requirements of the Code, State HTC Statute or any other applicable laws relating to the Federal Historic Tax Credits and/or State Historic Tax Credits;

(d) it shall exercise good faith in all activities relating to the conduct of the business of the Company, including the development, operation, and maintenance of the Property, and it shall take no action with respect to the business and property of the Company which is not reasonably related to the achievement of the purpose of the Company;

(e) all of (i) the fixtures, maintenance supplies, tools, equipment and the like now and to be owned by the Company or to be appurtenant to, or to be used in the operation of the Property, as well as (ii) the rents, revenues and profits earned by the Company from the operation of the Project, will be free and clear of all security interests and encumbrances except as provided in the Operating Documents or Lease Purchase Finance Documents;

(f) it will execute on behalf of the Company all documents necessary to elect, pursuant to Sections 732, 734, 743 and 754 of the Code, to adjust the basis of the Company's property upon the request of the Investor Member, if, in the sole opinion of the Investor Member, such election would be advantageous to the Investor Member or any of its members;

(g) it shall, during and after the period in which it is a Managing Member, provide the Company with such information and sign such documents as are necessary for the Company and the Investor Member to make timely, accurate and complete submissions of (i) federal and state income tax returns, (ii) reports to governmental agencies, and (iii) any other reports required to be delivered to the members of the Investor Member or their members;

(h) it shall comply and cause the Company to comply in all material respects with the provisions of all state and local zoning laws, building codes, health and safety codes and all other applicable governmental and contractual obligations;

(i) it shall use commercially reasonable efforts consistent with sound management practice and with the terms of the Operating Documents to maximize Net Cash Flow available for distribution to the Members;

(j) [reserved];

(k) it shall provide the Investor Member with Notice of any written notice of any (i) default or failure of compliance with respect to any financial, contractual or governmental obligation of the Company or the Managing Member; (ii) IRS proceeding regarding the Property or the Company or any intention on the part of the Secretary to revoke, cancel or amend Part 1 Approval, Part 2 Approval or Part 3 Approval; (iii) litigation, criminal action or administrative proceeding against the Managing Member or the Company; or (iv) communication from the Secretary or any other Person or governmental authority which is not in the ordinary course of business;

(l) in operating the Property, it shall use commercially reasonable efforts to obtain all contracts, materials, supplies, utilities, and services required by the project on the most advantageous terms available. Except as otherwise approved by the Consent of the Investor Member, the Managing Member shall secure and credit to the Company, and not receive or retain for itself, its agents, employees or Affiliates, any discounts, compensation, rebates, or commissions obtainable with respect to any and all purchases, service contracts, and all other transactions affecting the project, including any compensation received from the assignment or transfer of any contracts affecting the Property;

(m) Reserved;

(n) it shall operate the Property in a manner that (i) satisfies, and shall continue to satisfy in all material respects, all restrictions applicable to the Property for projects generating Tax Credits and (ii) shall be in conformity with the description of the Property set forth in Part 2 of the Company's Certification Application;

(o) it shall not enter into any sublease with any "tax-exempt entity" as that term is defined in Section 168(h) of the Code, including the United States, any state or political subdivision thereof, or any agency or instrumentality of any of the foregoing; any organization exempt from federal income tax; or any foreign person or entity, if such sublease results in any portion of the Property being treated as "tax-exempt use property" as that term is defined in Section 168(h) of the Code (as modified by Section 47(c)(2)(B)(v) of the Code); the parties recognize that the Master Lease (and the County Lease referenced therein) does not violate this provision;

(p) it shall cause the Company to conduct its own business through the Managing Member, as applicable, and that business has been and will be conducted solely in the name of the Company and in such a way as to not mislead others as to the identity of the entity with which they are dealing. In that regard, all written communications by the Company or the Managing Member, including letters, invoices, purchase order and contracts, have been and will be made solely in the name of the Company or the Managing Member, as appropriate. The Company has described and will always describe itself as a separate legal entity and not as a division or department of any Developer Entity. The Company has and will have its own invoices,

checks and other business forms, separate from those of any Developer Entity. Each of the Company and any Developer Entity will pay its own expenses and liabilities from its own funds. Invoices and other statements of account from creditors of the Company will be addressed and mailed directly to the Company. The Company and the Managing Member allocate and will allocate all other overhead expenses for items shared with any Developer Entity (if any) on the basis of actual use to the extent practicable and, to the extent such allocation is not practicable, on an equitable basis reasonably related to the actual use;

(q) it shall keep the Managing Member and the Company in good standing in accordance with the requirements of the State;

(r) it shall furnish to the Investor Member such other approvals, opinions, certificates, documents, or agreements as Investor Member may reasonably request, in form and substance reasonably acceptable to Investor Member;

(s) it agrees to provide notice to the Investor Member of any change in the financial condition of the Managing Member that could have a material adverse effect on the ability of the Managing Member to satisfy their respective obligations under the Operating Documents or this Agreement;

(t) except as disclosed in the Environmental Reports, the Managing Member represents and warrants that, to the best of its knowledge, (i) it has no knowledge of any deposit, storage, disposal, burial, discharge, spillage, uncontrolled loss, seepage or filtration of any Hazardous Substances at, upon, under or within the Land or any contiguous real estate, and (ii) it has not caused nor permitted to occur, and it shall use commercially reasonable efforts to not permit to exist, any condition which may cause a discharge of any Hazardous Substances at, upon, under or within the Land or on any contiguous real estate in violation of applicable Environmental Laws;

(u) the Managing Member further represents and warrants that (i) it has not been, nor will it be involved in operations at or, pursuant to its commercially reasonable efforts, near the Land, which operations could lead to (A) the imposition of liability under applicable Environmental Laws on the Company or (B) the creation of a lien on the Property under applicable Environmental Laws or under any similar laws or regulations; and (ii) the Managing Member has not permitted, and will use commercially reasonable efforts to not permit, any tenant or occupant of the Property to engage in any activity that could impose liability under applicable Environmental Laws on such tenant or occupant, on the Land or on the Company;

(v) the Managing Member shall comply in all respects with the requirements of applicable Environmental Laws and related regulations and with all similar laws and regulations. In addition, the Managing Member shall provide the Investor Member with prompt written notice (i) upon any Managing Member or Affiliate thereof obtaining knowledge of any potential or known release, or threat of release, of any hazardous material in violation of applicable law at or from the Property may result in a lien on the Property, (ii) upon any Managing Member or Affiliate thereof receiving any notice to such effect from any federal, state, or other governmental authority, or (iii) upon any Managing Member or Affiliate thereof obtaining knowledge of any incurrence of any expense or loss by any such governmental authority in connection with the assessment,



containment, or removal of any hazardous material for which expense or loss a lien may be imposed on the Property;

(w) to the extent permitted by law, the Managing Member shall at all times indemnify, defend and hold harmless the Investor Member and its members against and from any and all claims, suits, actions, debts, damages, costs, charges, losses, obligations, judgments, and expenses, of any nature whatsoever, suffered or incurred by the Investor Member or its members, under or on account of the Environmental Laws or any similar laws or regulations, including the assertion of any lien thereunder, on or under the Project. The foregoing indemnification shall be a recourse obligation of the Managing Member and shall survive the dissolution of the Company and the death, retirement, incompetency, insolvency, Bankruptcy, or withdrawal of the Managing Member;

(x) it shall maintain insurance in form and amounts satisfactory to the Investor Member, as specified in Exhibit A to this Agreement; provided that the Managing Member may comply with its obligations to maintain such insurance if such insurance is maintained by the City as the owner of a fee interest in the Property or as the tenant under the Master Lease or is maintained by one or more contractors;

(y) it shall not enter into any lease, other than the Master Lease, with any tenant unless (i) the terms thereunder (including rental rates) are reasonable, (ii) a copy of such lease is provided to the Investor Member at least 10 days prior to execution, and (iii) the Consent of the Investor Member is obtained prior to entering into any lease which is for more than 30% of the rentable space of the Property; and

(z) the Rehabilitation shall be completed in a timely manner in accordance with (i) all applicable requirements of the Operating Documents, (ii) all applicable requirements of all appropriate governmental entities, and (iii) the Plans and Specifications of the Property that have been or shall be hereafter approved by FIB and any applicable governmental entities, as the Plans and Specifications may be changed from time to time with the approval of FIB, if any approval shall be required, and any applicable governmental entities, if any approval shall be required.

. The Investor Member shall have the following duties and obligations with respect to the Property and the Company:

(a) The Investor Member (i) intends for the Company to be treated as a partnership for federal income tax purposes and for the Investor Member to be treated as a member of the Company for federal income tax purposes, (ii) will report its distributive share of all items of income, gain, loss, deductions and credits with respect to its Interest in the Company for federal income tax purposes in a consistent manner as reasonably determined by the Investor Member's accountants;

(b) as of the date hereof, and for so long as it is a member of the Company, the Investor Member will keep books and records that are separate from the books and records of the Company and the Managing Member;

(c) the Investor Member has not received any loans (or guarantees or other insurance of any indebtedness) from the Managing Member, the Company, or any person related

to such entities within the meaning of Section 267(b) or Section 707(b)(1) of the Code, to acquire its Interest in the Company;

(d) the Investor Member did not acquire its Interest in the Company with the intent of abandoning it and has no prior agreement, plan, or intention to abandon its Interest in the Company; and

(e) the Investor Member has no prior agreement, plan, or intention to exercise the Put Option.

#### **ARTICLE IV.**

#### **MEMBERS, COMPANY INTERESTS AND OBLIGATIONS OF THE COMPANY**

##### **4.01 Members, Managing Member, Capital Contributions and Company Interests.**

(a) The Managing Member, its principal address or place of business, its Capital Contribution and its Percentage Interest are set forth in Schedule A attached hereto. Prior to the Admission Date, the Managing Member made a combination of in-kind contributions of property, work-in-process, development entitlements and cash contributions to the Company in the aggregate amount of \$[\_\_\_\_], and as reflected in the Projections.

(b) The Investor Member, its principal office or place of business, its Capital Contribution and its Percentage Interest are set forth in Schedule A attached hereto.

(c) Subject to the provisions of this Agreement, including the provisions of Sections 5.01(f) and 5.03, the Investor Member shall be obligated to make a Capital Contribution to the Company in the aggregate amount of \$[\_\_\_\_] in 3 Installments, which Installments shall be due and payable in cash by the Investor Member, solely from the capital contributions received by the Investor Member for such purposes, as follows:

(i) \$[\_\_\_\_] (the “First Installment”) upon the latest to occur of (A) the Admission Date; (B) receipt of evidence of Part 1 Approval and Part 2 Approval; (C) receipt of Title Policy and Survey; (D) receipt by the Investor Member of the Architect’s Certificate that the Plans and Specifications are consistent with the Part 2 Approval; (E) receipt by the Investor Member of the Preservation Consultant’s certificate that the Plans and Specifications are consistent with the Part 2 Approval as amended; (F) closing of the Loan; (G) evidence of receipt of all capital contributions of the Managing Member as provided in the Projections; (H) execution and delivery of the Ground Lease by the Developer and the Company; (I) receipt of a reasonableness opinion with respect to any fees paid to any Developer Entity, including but not limited to the Development Fee, in each case satisfactory to the Investor Member; and (J) the satisfaction of any requirements set forth in this Agreement as prerequisites to the payment of the First Installment, including but not limited to the opinions described in Section 5.04 hereof.

(ii) \$[\_\_\_\_] (the “Second Installment”) shall be paid within 15 days after the end of the month in which the Investor Member receives all of the following: (A) receipt of evidence of Placement in Service of the Building; (B) receipt of a draft Cost Certification prepared by the Accountants evidencing Actual Federal Historic Tax Credits in an amount no less than 75% of the Projected Federal Historic Tax Credits and otherwise in form and substance

acceptable to the Investor Member; (C) delivery to the Investor Member of the Managing Member's Certificate, updated to reflect the status of events described therein and signed by the Managing Member; (D) receipt by the Investor Member of the Architect's Certificate that the Project has been built and construction change orders, if any, in a manner consistent with the Secretary's Standards, the Plans and Specifications, and the Part 2 Approval (as amended); (E) receipt by the Investor Member of the Preservation Consultant's certificate that the Project has been built and construction change orders, if any, in a manner consistent with the Secretary's Standards, the Plans and Specifications, and the Part 2 Approval (as amended); (F) receipt of evidence of Part 3 Approval; (G) receipt of evidence satisfactory to the Investor Member that no uncured defaults exist under the Operating Documents; (H) receipt of evidence satisfactory to the Investor Member that all required insurance is in full force and effect; (I) no adverse Change of Law has occurred; (J) receipt of a date-down endorsement to the Title Policy acceptable to Investor Member; (K) receipt of prior year's tax return and K-1, if applicable; and (L) satisfaction of the requirements for the payment by the Investor Member of the First Installment.

(iii) \$[ ] (the "Third Installment") shall be paid within 15 days after the end of the month in which the Investor Member receives all of the following: (A) achievement of Final Closing; (B) receipt of a final Cost Certification prepared by the Accountants evidencing Actual Federal Historic Tax Credits in an amount no less than 75% of the Projected Federal Historic Tax Credits and otherwise in form and substance acceptable to the Investor Member; (C) delivery to the Investor Member of the Managing Member's Certificate, updated to reflect the status of events described therein and signed by the Managing Member; (D) receipt of a date-down endorsement to the Title Policy acceptable to Investor Member; (E) receipt of final audit and tax return for the year in which the Building achieved Placement in Service; (F) receipt of a K-1 (or Montana equivalent) evidencing allocation of 100% of the Actual State Historic Tax Credits to Investor Member; (G) receipt of evidence satisfactory to the Investor Member that no uncured defaults exist under the Operating Documents; (H) receipt of evidence satisfactory to the Investor Member that all required insurance is in full force and effect; (I) no adverse Change of Law has occurred; and (J) satisfaction of the requirements for the payment by the Investor Member of the Second Installment.

No Installment shall be due or payable prior to receipt by the Investor Member of the Installment Payment Notice in the form set forth in Exhibit B1 from the Managing Member at least 10 Business Days and not more than 30 calendar days prior to the due date of the Installment specifying the amount of such Installment and the Managing Member's Certificate from the Managing Member in the form set forth in Exhibit B2.

The Investor Member shall have the right to pay itself, at any time and from any Installment, on behalf of the Company, any Special Tax Distribution. Any third party reasonable legal, accounting, or other related costs incurred by the Investor Member with respect to any other post-closing documents, may be deducted from any Installment.

(d) Reserved.

(e) The Investor Member, in its sole and absolute discretion, may waive, in whole or in part, any one or more conditions to the payment of any Installment and may pay all or a portion of the amount of such Installment that would have been due had all of the conditions been

satisfied. The waiver of any condition, in whole or in part, shall not prevent the Investor Member from asserting the failure of such condition as a defense against the requirement of paying any portion of such Installment that the Investor Member determines not to fund or paying any other Installment at any subsequent time so long as such condition remains unsatisfied. Upon request from the Investor Member, the Managing Member, with the assistance of the Accountants, shall provide the information necessary for the Investor Member to determine the timing and amount of any accelerated Installment. By executing this Agreement, the Managing Member agrees to the operation of this provision.

(f) Credit Adjustments to Capital Contributions.

(i) If, as a result of a reduction or increase in QREs, a reallocation of Profits or Losses, or for any other reason other than (A) a Recapture Event; (B) an event which would be a Recapture Event but for the fact it resulted from a sale or disposition of the Company Interest of the Investor Member; or (C) an Excluded Event, either the Accountants shall determine in preparing the Company's tax returns (or an amended return), or there shall be a Final Determination, that the Actual Federal Historic Tax Credits and/or Actual State Historic Tax Credits are more or less than the Projected Federal Historic Tax Credits and/or Projected State Historic Tax Credits (such determination being referred to herein as the "Credit Determination"), the provisions of Sections 5.01(f)(ii) and 5.01(f)(iii) shall apply.

(ii) After the Credit Determination is made, the Accountants shall calculate the difference between: (i) the Actual Federal Historic Tax Credits and the Projected Federal Historic Tax Credits, and (ii) the Actual State Historic Tax Credits and the Projected State Historic Tax Credits. Such difference shall be multiplied by the Capital Index and the product shall be referred to herein as the "Credit Adjustment." If the amount of the Credit Adjustment is positive, the Third Installment shall be increased by the amount of such positive Credit Adjustment. If there are no remaining unpaid Installments, the Investor Member shall contribute the amount of such positive Credit Adjustment to the capital of the Company within 30 days following the receipt of notice of the positive Credit Adjustment. Prior to any such increase in the amount of a remaining Installment or obligation to contribute additional capital, the Investor Member shall be provided with evidence reasonably sufficient to enable it to verify the calculation of such positive Credit Adjustment. Notwithstanding the foregoing, positive Credit Adjustments shall not in the aggregate exceed 15% of the Investor Member's Capital Contribution (as set forth on Schedule A and prior to any adjustment provided for in this Section 5.01(f)(ii)).

(iii) In the case of a negative Credit Adjustment, the amount of the next succeeding Installment (and any Installments thereafter if necessary) to be paid by the Investor Member after the Credit Determination has been made shall be reduced by the amount of the negative Credit Adjustment. If the negative Credit Adjustment exceeds the amount of all remaining Installments, the Managing Member shall pay the amount necessary to achieve the total Credit Adjustment by contributing to the Company the difference between the Credit Adjustment and the amount by which such Installments were reduced (the "Adjuster Differential Amount"), which amount shall then be immediately distributed to the Investor Member as a return of capital. Notwithstanding the foregoing, if the effect of such a contribution of capital would be to prevent the Investor Member from being allocated 99% of Profits, Federal Historic Tax Credits, and/or State Historic Tax Credits, then the Adjuster Differential Amount that was to be contributed to the

Company as aforesaid (recalculated on an After-Tax Basis) shall be paid directly by the Managing Member to the Investor Member as compensation for a breach of warranty. Any amounts not paid within 60 days of written demand shall bear interest at the rate of the lesser of 18% annually and the maximum interest permitted under Montana law, until paid in full.

(iv) If a Recapture Event due to Managing Members Acts or Omissions occurs prior to the time the Investor Member has paid in its Capital Contribution in full, the amount of the next succeeding Installment (and any Installments thereafter if necessary) of the Investor Member shall be reduced by the Recapture Adjustment Amount. If no further Installment remains, or if the Recapture Adjustment Amount is greater than the aggregate amount of the remaining Installments, then the Managing Member shall pay the difference between the Recapture Adjustment Amount and the amount by which such Installments were reduced (the “Recapture Differential Amount”), by contributing to the Company the Recapture Differential Amount, which amount shall then be immediately distributed to the Investor Member as a return of capital. Any amounts not paid within 60 days of written demand shall bear interest at the rate of the lesser of 18% annually and the maximum interest permitted under Montana law, until paid in full.

(v) In addition to any adjustment described in Section 5.01(f)(i) through (iv):

(A) to the extent at least 80% of the Projected Federal Historic Tax Credits has not achieved Placement in Service by December 31, 2024, then the amount of the next succeeding Installment (and any Installment thereafter if necessary) to be paid by the Investor Member shall be calculated by reducing the Capital Index by 3%, which Capital Index shall be further reduced by 1% for each full or partial calendar quarter that Placement in Service delay occurs beyond March 31, 2025 (the “2024 Delay Amount”); or

(B) to the extent at least 80% of the Projected Federal Historic Tax Credits has achieved Placement in Service by December 31, 2024 but any further portion of the Rehabilitation of the Building has not achieved Placement in Service by March 31, 2025, then the amount of the next succeeding Installment (and any Installment thereafter if necessary) to be paid by the Investor Member with respect to such portion of the Rehabilitation of the Building shall be calculated by reducing the Capital Index by 3%, which Capital Index shall be further reduced by 1% for each full or partial calendar quarter that such Placement in Service delay with respect to such portion of the Rehabilitation of the Building occurs beyond June 30, 2025 (the “2025 Delay Amount”).

If the 2024 Delay Amount or the 2025 Delay Amount exceeds the amount of all remaining Installments, the difference between the 2024 Delay Amount or the 2025 Delay Amount, as the case may be, and the amount by which such Installments were reduced pursuant to clause (A) or (B) above (the “Delay Differential Amount”) shall be paid by the Managing Member by contributing to the Company the Delay Differential Amount, which amount shall then be immediately distributed to the Investor Member as a return of capital. Any amounts not paid within 60 days of written demand shall bear interest at the rate of the lesser of 18% annually and the maximum interest permitted under Montana law, until paid in full. Notwithstanding the foregoing, if the effect of such a contribution of capital would be to cause Company Profits or Losses or credits arising during the Compliance Period to be allocated among the Members other than in accordance with their Percentage Interests as set forth in Schedule A, then the Delay

Differential Amount (recalculated on an After-Tax Basis) that was to be contributed to the Company as aforesaid shall be paid directly by the Managing Member to the Investor Member promptly after demand is made therefor.

(vi) Notwithstanding anything to the contrary in this Agreement, the aggregate amount of the reductions to the Installments pursuant to Sections 5.01(f)(iii) and 5.01(f)(v) and payments by the Managing Member pursuant to Section 5.01(f)(iii) and 5.01(f)(v) shall be limited to 25% of the Investor Member's Capital Contribution (as set forth on Schedule A and prior to any adjustment provided for in Section 5.01(f)). To the extent the aggregate amount of the negative Credit Adjustments pursuant to Section 5.01(f)(iii), and the 2024 Delay Amount or the 2025 Delay Amount, as the case may be, pursuant to Section 5.01(f)(v), exceed 25% of the Investor Member's Capital Contribution (as set forth on Schedule A and prior to any adjustment provided for in Section 5.01(f)), such excess amount shall be treated as a Capital Contribution Adjustment payable pursuant to Section 11.01(b).

#### 4.02 Return of Capital Contribution.

Except as provided in this Agreement, no Member shall be entitled to demand or receive the return of any portion of its Capital Contribution. Except as provided in Section 9.02 hereof, without the Consent of all of the Members, no additional Person may be admitted as an additional Member and a Capital Contribution may be accepted only as and to the extent expressly provided for in this Article V.

#### 4.03 Withholding of Capital Contribution Upon Default.

In the event that: (a) the Managing Member has not substantially complied with any material provisions of this Agreement, beyond any cure period, and remains in non-compliance (b) any agreement entered into by the Company for financing related to the Property is in default, or a default under the Ground Lease or the Lease Purchase Finance Documents has occurred and is continuing in default beyond any applicable cure period, (c) any events described in Section 8.12 herein has occurred, and are continuing in default beyond any cure period, (d) foreclosure proceedings have been commenced against the Property or any portion thereof, (e) the Managing Member has not made its capital contribution to the Company as required by this Agreement and pursuant to the Projections and such failure shall be continuing beyond any cure period or (f) any default exists under any material provisions of the Operating Documents and such failure shall be continuing beyond any cure period (provided that if the counterparty under such Operating Document shall waive such default then such default shall be deemed cured for purposes of this Agreement), then the Company and the Managing Member shall be in default of this Agreement, and the Investor Member, at its sole election, may withhold payment of any Installment otherwise payable to the Company; provided, however, that if a payment of all or any portion of the then due Installment will cure the event justifying the withholding, then the Investor Member shall pay such Installment otherwise payable if it is applied to cure such event.

Unless applied as set forth above, all amounts so withheld by the Investor Member under this Section 5.03 shall be promptly released to the Company only after the Managing Member or the Company has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Investor Member.

#### 4.04 Legal Opinions.

As a condition precedent to payment of the First Installment, the Investor Member shall have received such legal opinions as it may require, in its reasonable discretion. Any opinion shall explicitly state that Kutak Rock LLP, of Kansas City, Missouri, counsel to the Investor Member, may rely upon it.

#### 4.05 Repurchase Obligation.

If a Repurchase Event occurs and such Repurchase Event results from either (i) the direct or indirect actions or inactions of any Developer Entity in violation of this Agreement or (ii) a Change of Law, then the Managing Member shall, within 30 days of the occurrence or notification thereof, as applicable, send to the Investor Member Notice of such event and of its obligation to purchase the Interest of the Investor Member hereunder and shall return to the Investor Member in payment therefor an amount equal to 100% of the Investor Member's paid-in Capital Contribution (which amount shall be reduced by any amount paid to the Investor Member pursuant to the downward adjustment described in Section 5.01(f)(iii), 5.01(f)(iv), or 5.01(f)(v), in the event the Investor Member in its sole discretion requires such purchase of its Interest), plus interest during the time such amount was outstanding at a rate equal to the lesser of 8% per annum or the maximum rate of interest chargeable under Montana law. The Managing Member, within 30 days of the mailing date of Notice by the Investor Member of such election, shall acquire the entire Interest of the Investor Member in the Company by making payment to the Investor Member of the amount described above, in cash. Any amounts not paid under this Section 5.05 within 60 days of written demand shall bear interest at the rate of the lesser of 18% annually and the maximum interest permitted under Montana law, until paid in full. Upon the purchase of the Interest of the Investor Member, the Interest of the Investor Member in the Company shall terminate, and the Managing Member shall indemnify and hold harmless, to the extent permitted by law, the Investor Member from any losses, damages, and liabilities to which the Investor Member (as a result of its participation hereunder) may be subject arising from membership in the Company and subject to the provisions of this Agreement as a result of the Acts or Omissions of the Managing Member (except any loss, damage or liability attributable solely to the Investor Member's gross negligence, recklessness or willful misconduct). For the avoidance of doubt, the Managing Member shall not be obligated to purchase the Investor Member's interest or indemnify the Investment Member pursuant to this Section 5.05 if the Repurchase Event results from an Excluded Event.

#### 4.06 Subordinated Loans.

(a) The Managing Member shall have the right, but not the obligation, after funding all other obligations under this Agreement, including its obligation to fund Operating Deficits pursuant to Section 8.09 hereof, to make "Subordinated Loans" pursuant to this Section 5.06(a) to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company. The Investor Member shall also have the right, in its sole and absolute discretion to make Subordinated Loans to fund Operating Deficits of the Company or to fund other reasonable and necessary obligations of the Company.

(b) At the request of a Member, which request may be made quarterly, any Subordinated Loan shall be evidenced by a non-negotiable promissory note or notes reflecting any

such Subordinated Loans made during the preceding calendar quarter. Subordinated Loans shall be on the following terms: (i) interest shall accrue on Subordinated Loans at an annual interest rate of 8%; and (ii) Subordinated Loans shall be repayable solely as set forth in Sections 11.01 and 11.04 of this Agreement. Subordinated Loans shall be unsecured loans. Subordinated Loans shall not be considered a part of a Member's Capital Contribution and shall not increase such Member's Capital Account.

## **ARTICLE V.**

### **CHANGES IN MANAGING MEMBER**

#### **5.01 Resignation of a Managing Member.**

(a) A Managing Member may resign from the Company or sell, transfer, or assign its Interest as Managing Member (or a Controlling Interest in the Managing Member) only (i) with the Consent of the Investor Member and (ii) only after the requirements of Section 6.02 have been met.

(b) In the event that a Managing Member resigns from the Company or sells, transfers or assigns its entire Interest in compliance with Section 6.01(a), it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member before such resignation, sale, transfer or assignment shall have become effective, but shall be free of any obligation or liability incurred on account of the activities of the Company from and after the time such resignation, sale, transfer or assignment shall have become effective. Notwithstanding the foregoing, such Managing Member shall continue to be liable with respect to its acts or omission taken as "partnership representative" (as defined by the Revised Partnership Audit Rules) of the Company after such resignation, sale, transfer, or assignment is effective, other than notification of the IRS of its resignation as partnership representative.

. A Person shall be appointed as a Managing Member of the Company only if the following terms and conditions are satisfied:

(a) the appointment of such Person shall have been Consented to by the Managing Member or its successors and the Investor Member;

(b) the successor or additional Person shall have accepted and agreed to be bound by (i) all the terms and provisions of this Agreement, by executing a counterpart thereof, and (ii) all the terms and provisions of the Operating Documents, to the extent applicable, by executing a counterpart thereof, and (iii) all the terms and provisions of such other documents or instruments as may be required or appropriate in order to effect the appointment of such Person as a Managing Member, and an appropriate document evidencing the appointment of such Person as a Managing Member shall have been filed, if required, and all other actions required by Section 1.05 in connection with such appointment shall have been performed;

(c) if the successor or additional Person is a limited liability company or corporation, it shall have provided the Company with evidence satisfactory to Counsel for the Company of its authority to become a Managing Member, to do business in the State and to be bound by the terms and provisions of this Agreement; and



(d) Counsel shall have rendered an opinion that the appointment of the successor or additional Person is in conformity with the Act and that none of the actions taken in connection with the appointment of such Person will cause the termination or dissolution of the Company or will cause it to be treated for federal income tax purposes as an association taxable as a corporation.

5.03 Effect of Bankruptcy, Withdrawal, or Dissolution of a Managing Member.

(a) In the event of the Bankruptcy of the Managing Member, the termination, resignation, or dissolution of the Managing Member, the business of the Company shall be continued by the other Members unless the Company is terminated as otherwise provided for herein.

(b) Upon the Bankruptcy or dissolution of a Managing Member, such Person shall immediately cease to be a Managing Member. Promptly thereafter, the Investor Member may appoint a Non-Member Manager in the same manner as provided for in Section 8.12(b). The Non-Member Manager shall have all rights and responsibilities of a Non-Member Manager under Section 8.12(b) which arise following the date of appointment of such Non-Member Manager. Until the Investor Member has appointed a Non-Member Manager, the Investor Member shall have all rights and responsibilities as a Non-Member Manager as if it were appointed pursuant to Section 8.12(b).

(c) A Managing Member that ceases to be a Managing Member in accordance with the provisions of this Section 6.03 shall cease to have any further rights under this Agreement, except as expressly set forth in this Section 6.03. A Managing Member that ceases to be a Managing Member in accordance with the provisions of this Section 6.03 shall (i) be entitled to reimbursement of expenses or any fees or compensation provided for in this Agreement arising or earned before ceasing to be a Managing Member, and (ii) shall remain liable for all of its obligations and liabilities as Managing Member that accrued before the date which the Managing Member ceased to be a Managing Member and for any acts or omissions taken by the Managing Member as “partnership representative” (as defined by the Revised Partnership Audit Rules) of the Company after such date, other than notification of the IRS of its resignation as partnership representative.

(d) If, at the time of termination, resignation, Bankruptcy, or dissolution of the Managing Member, the Managing Member was not the sole Managing Member, then the remaining Managing Members shall immediately (i) give Notice to the Investor Member of such termination, resignation, Bankruptcy, or dissolution and (ii) make such amendments to this Agreement and execute and file for recordation such amendments or documents or other instruments necessary to reflect that such Managing Member is no longer a Managing Member.

(e) All parties hereto hereby agree to take all actions and to execute all documents as shall be necessary or appropriate to effect the foregoing provisions of this Section 6.03.

(f) The Managing Member, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, agrees that in the event the Managing Member

should make application for or seek protection or relief under any of the Sections or Chapters of the United States Bankruptcy Code (the “Bankruptcy Code”), or in the event that any involuntary petition is filed against the Managing Member, which is not dismissed within 60 days, then, in such event, any other Member shall thereupon be entitled to immediate relief from any automatic stay imposed by Section 362 of the Bankruptcy Code, or otherwise, on or against the exercise of the rights and remedies available to such Member pursuant to this Agreement, or otherwise. The foregoing shall in no way preclude, restrict, or prevent the Managing Member from filing for protection under the Bankruptcy Code.

(g) The Members acknowledge and agree that this Agreement is a contract under which the Investor Member is excused from accepting performance from the Managing Member, its assignee or trustee, in the event that the Managing Member makes application for or seeks protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that an involuntary petition is filed against such Managing Member which is not dismissed within 60 days. The effect of this Paragraph shall be that this Agreement is hereby deemed to be subject to the exceptions to assumption and assignment of contracts set forth in Sections 365(c)(1) and 365(e)(2)(A) of the Bankruptcy Code and that the Investor Member, by its refusal to consent to an assumption or assignment of this Agreement by the Managing Member after the filing of a petition in bankruptcy by or against such Managing Member, shall be able to prevent such assumption or assignment.

(h) In the event that the Managing Member makes application for or seeks relief or protection under any of the Sections or Chapters of the Bankruptcy Code, or in the event that any involuntary petition is filed against said Managing Member, then, in such event, any Member may apply or move to the bankruptcy court in which such petition is filed for a change of venue to the bankruptcy court where the Company has its principal place of business, and the Managing Member hereby agrees not to oppose or object to such application or motion in any way.

## **ARTICLE VI.**

### **ASSIGNMENT TO THE COMPANY**

The Managing Member acknowledges, it has transferred and assigned to the Company all of its rights, title, and interest in and to the Property, including the following:

(a) all contracts with architects, engineers, surveyors, contractors, and supervising architects with respect to the Company’s development of the Property;

(b) all plans, specifications, and working drawings, prepared, or obtained in connection with the Property and all governmental approvals obtained, including planning, zoning, environmental, and building permits to the extent assignable;

(c) all commitments with respect to the Tax Credits, the Ground Lease, and the Operating Documents; and

(d) all contracts with respect to the Company’s operation of the Property;

(e) all governmental approvals obtained in connection with the Company’s operation of the Property; and

- (f) any Operating Documents and other work product related to the Property.

The foregoing rights, title and interest are deemed to have no value for purposes hereof.

**ARTICLE VII.**  
**RIGHTS, OBLIGATIONS AND POWERS OF THE MANAGING MEMBER**

**7.01 Management of the Company.**

(a) Except as otherwise set forth in this Agreement, the Managing Member, within the authority granted to it under this Agreement, shall have full, complete and exclusive discretion to manage and control the business of the Company for the purposes stated in Article III, shall make all decisions affecting the business of the Company and shall manage and control the affairs of the Company to the best of its ability and use its best efforts to carry out the purpose of the Company. In so doing, the Managing Member shall take all actions necessary or appropriate to protect the interests of the Investor Member and of the Company. The Managing Member shall devote such of its time as is necessary to the affairs of the Company. The Managing Member shall not be paid any compensation for serving as managing member.

(b) Except as otherwise set forth in this Agreement and subject to the provisions of the Operating Documents, the Managing Member (acting for and on behalf of the Company), in extension and not in limitation of the rights and powers given by law or by the other provisions of this Agreement, shall, in its sole discretion, have the full and entire right, power and authority in the management of the Company business to do any and all acts and things necessary, proper, convenient or advisable to effectuate the purpose of the Company. In furtherance and not in limitation of the foregoing provisions, the Managing Member is specifically authorized and empowered to execute and deliver, on behalf of the Company, the Operating Documents and any bank resolution and signature card, release, discharge, or any other document or instrument in any way related thereto or necessary or appropriate in connection therewith. All decisions made for and on behalf of the Company by the Managing Member shall be binding upon the Company. No person dealing with the Managing Member shall be required to determine its authority to make any undertaking on behalf of the Company, nor to determine any facts or circumstances bearing upon the existence of such authority. The Managing Member shall take all actions on behalf of the Company which pertain to the acquisition of the Property and the admission of the Investor Member to the Company.

**7.02 Limitations Upon the Authority of the Managing Member.**

- (a) The Managing Member shall not have any authority to:
- (i) perform any act in violation of any Applicable Law or regulations thereunder;
  - (ii) perform any act in violation of the provisions of any of the Operating Documents;
  - (iii) do any act required to be approved or ratified in writing by the Investor Member under the Act unless the right to do so is expressly given in this Agreement; or

(iv) borrow from the Company or commingle Company funds with funds of any other Person.

(b) The Managing Member shall not, without the Consent of the Investor Member, have any authority to:

(i) sell, refinance, or otherwise dispose of all or substantially all of the assets of the Company, including the Property; grant or refinance any mortgage or other indebtedness of the Company; permit a disposition of the Property, or the Company's sub-leasehold interest therein, within the meaning of Section 50 of the Code, or take any action that would cause a Recapture Event;

(ii) supplement, replace, renew, cancel, or materially amend any of the Operating Documents (including any increase in the Debt Service);

(iii) incur debt in excess of \$25,000 in the aggregate at any one time outstanding on the general credit of the Company, except borrowings constituting Subordinated Loans or Operating Deficit Loans, or which are provided for in an approved Budget, if any;

(iv) undertake any rehabilitation, repairs or other work on the Building inconsistent with the Secretary's Standards; or construct any new or replacement capital improvements on the Property which substantially alter the Property or its use, except (A) replacements and remodeling in the ordinary course of business or under emergency conditions, (B) reconstruction paid for from insurance proceeds, or (C) as and to the extent provided for in an approved Budget, if any;

(v) acquire any real property in addition to the Property (other than easements or servitudes or other rights benefiting and necessary or convenient for the operation and maintenance of the Property);

(vi) make any filing to begin Bankruptcy proceedings on behalf of the Company;

(vii) make application for or accept any grant funds on behalf of the Company regardless of the source of the grant;

(viii) except as provided for in the Operating Documents or the Lease Purchase Finance Documents, pledge or assign any of the assets of the Company, including the right to receive the Investor Member's Capital Contribution or the proceeds thereof;

(ix) cause the Company to settle, compromise, mediate or otherwise relinquish any claim (actual or prospective), or to release, waive or diminish any material Company rights in any litigation or arbitration matter involving a claim in excess of \$25,000;

(x) change the nature of the Company's business;

(xi) dissolve and wind up the Company;

(xii) permit the merger or termination of the Company;

(xiii) enter into any sublease with any “tax-exempt entity” as that term is defined in Section 168(h) of the Code, including the United States, any state or political subdivision thereof, or any agency or instrumentality of any of the foregoing; any organization exempt from federal income tax; or any foreign person or entity, if such sublease results in any portion of the Property being treated as “tax-exempt use property” as that term is defined in Section 168(h) of the Code (as modified by Section 47(c)(2)(B)(v) of the Code); the parties recognize that the Master Lease (and the County Lease referenced therein) does not violate this provision;

(xiv) take any action that causes or is likely to cause the Building to be delisted from the National Register of Historic Places or to be certified as noncontributing to the historic district in which it is located, as applicable;

(xv) guarantee or cause the Company to guarantee the indebtedness of any Person;

(xvi) grant or request on behalf of the Company any approval, removal or consent provided for in the Operating Documents;

(xvii) take any action or fail to take any action that would prevent the Company from being eligible to claim Tax Credits with respect to the Property; or

(xviii) make any payment for or enter into any contract or other agreement for the management or operation of the Property or any other contract or other agreement with an Affiliate that is not on arms’ length terms.

#### 7.03 Management Purposes.

In conducting the business of the Company, the Managing Member shall be bound by the Company’s purposes set forth in Article III.

#### 7.04 Delegation of Authority.

The Managing Member may delegate all or any of its powers, rights, and obligations hereunder, and may appoint, employ, contract, or otherwise deal with any Person for the transaction of the business of the Company, which Person may, under supervision of the Managing Member, perform any acts or services for the Company as the Managing Member may approve. Any such delegation of authority shall not limit or decrease the Managing Member’s obligations and responsibilities under this Agreement.

#### 7.05 Developer Entity Dealings with the Company.

(a) Reserved.

(b) Neither the Company nor the Managing Member shall enter into any agreement with any Developer Entity for the sale of goods or services to the Company not specifically provided for in this Agreement unless (i) the compensation paid for such goods or

services is reasonable (i.e., at Fair Market Value) and is paid only for goods or services actually furnished to the Company, (ii) the goods or services to be furnished are reasonable for and necessary to the Company, (iii) the fees, terms and conditions of such transaction are at least as favorable to the Company as would be obtainable in an arm's-length transaction, and (iv) no agent, attorney, accountant or other independent consultant or contractor who also is employed on a full-time basis by any Developer Entity shall be compensated by the Company for his or her services without the Consent of the Investor Member.

Any contract covering such transactions shall be in writing and shall be terminable without penalty on 60 days' Notice. Any payment made to a Developer Entity for such goods or services shall be fully disclosed to the Investor Member in the reports required under Section 13.04. The Company shall not, by the making of lump-sum payments to any Person for disbursement by such Person, circumvent the provisions of this Section 8.05(b).

Notwithstanding the foregoing provisions of this Section 8.05 or Section 8.02(b)(xviii), the Investor Member hereby consents to the Construction Contract, the Development Agreement, the Master Lease, and the Forbearance Agreement.

#### 7.06 Reserved.

#### 7.07 Liability of Managing Member.

No Managing Member shall be liable, responsible or accountable in damages or otherwise to any of the Members for any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed by it to be within the scope of the authority granted to it by this Agreement and in the best interest of the Company, except for gross negligence, willful misconduct, or fraud as Managing Member with respect to such acts or omissions as determined by a nonappealable judgment of court of competent jurisdiction. Any loss or damage incurred by the Managing Member by reason of any act or omission performed or omitted by it in good faith on behalf of the Company and in a manner reasonably believed to be within the scope of the authority granted to it by this Agreement and in the best interests of the Company (but not, in any event, any loss or damage incurred by any Managing Member by reason of gross negligence, willful misconduct, or fraud as Managing Member with respect to such acts or omissions as determined by a nonappealable judgment of court of competent jurisdiction) shall be paid from Company assets to the extent available (but the Investor Member shall not have any personal liability to the Managing Member under any circumstances on account of any such loss or damage incurred by the Managing Member or on account of the payment thereof).

The personal liability of the Managing Member to the Company or the Members for monetary damages for breach of fiduciary duty as the Managing Member is eliminated to the fullest extent permitted by law. No amendment of this Agreement or the Articles will adversely affect the elimination of the personal liability of the Managing Member with respect to any act or omission that occurred before such amendment.

To the extent permitted by law, the Managing Member shall indemnify, defend, and hold harmless the Investor Member from any Transfer Taxes (as hereinafter defined) incurred by the Investor Member as a result of the Investor Member's admission to, or becoming a Member of, the

Company. For the avoidance of doubt, the Managing Member shall not be obligated to indemnify, defend and hold harmless the Investment Member pursuant to this paragraph if the Transfer Taxes are as a result of an Excluded Event. As used herein, “Transfer Taxes” means any real property transfer taxes assessed by or within the State or the city or county in which the Property is located, including any taxes imposed on the transfer of an interest in an entity that owns real property.

The indemnification rights contained in this Section 8.07 shall (i) be joint and several recourse obligations of the Managing Members (if more than one); (ii) survive dissolution of the Company, the withdrawal, bankruptcy, or insolvency of the Managing Member and the withdrawal, insolvency, dissolution or bankruptcy of the Investor Member; and (iii) be cumulative of and in addition to any and all rights, remedies and recourses to which the Investor Member shall be entitled, whether pursuant to the provisions of this Agreement, at law or in equity.

Notwithstanding anything in this Agreement to the contrary, no Developer Entity shall have any liability under this Agreement or any other Operating Document for special, incidental, consequential, or indirect damages or lost profits.

The Investor Member and its Affiliates and members acknowledge and agree that the obligations of the Managing Member hereunder are solely the obligations of the Managing Member. The City, as the sole member of the Managing Member, has no obligation to make capital contributions or loan money to the Company or the Managing Member. Any such capital contributions by the City, directly or indirectly, to the Company or the Managing Member would be payable only upon appropriation by the City from current funds which are budgeted and appropriated for such purpose during the fiscal year of the City for which such funds were budgeted and appropriated. The City has not pledged the full faith and credit or taxing power of the City to payment of any amounts to the Company or the Managing Member under this Agreement or pursuant to the Lease Purchase Finance Documents or the other Operating Documents.

No recourse under or upon any obligation, covenant or agreement contained in this Agreement shall be had against the City or any officer, member of the governing body or employee of the City, past, present, or future, as an individual. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of the City or any such officer, member of the governing body or employee of the City is hereby expressly waived and released by the Members and their respective Affiliates and members.

#### 7.08 Company Taxable as Partnership.

(a) The Managing Member shall take such steps and comply with such other requirements as may from time to time be necessary to assure that all provisions of the Code (as now or hereafter interpreted by the IRS or the courts) are met that are necessary to assure that the Company is classified as a partnership for federal income tax purposes (including, but not limited to, not making an election under Treasury Regulation Section 301.7701-3 to be classified as anything other than a partnership).

(b) Upon request, the Managing Member shall deliver to the Investor Member financial statements or other evidence reasonably satisfactory to the Investor Member of compliance with the requirements of Section 8.08(a). If the Managing Member is unable to

comply with the requirements of Section 8.08(a) then, at the request of the Investor Member, and subject to Section 6.01, an additional or substitute Managing Member shall be admitted who shall cause the Managing Member to be in compliance with Section 8.08(a).

7.09 Excess Development Costs, Operating Deficits.

(a) The Managing Member shall be responsible for: (i) meeting all requirements for obtaining all necessary temporary and permanent certificates of occupancy for all the rental units in the Property; (ii) fulfilling all actions required of the Company to assure that the Property receives Part 3 Approval; and (iii) achieving Final Closing. The Managing Member hereby is obligated to fund all Excess Development Costs by making a Capital Contribution to the Company. In the event that the Managing Member shall fail to pay any such Excess Development Costs as required in this Section 8.09(a), the Investor Member may, in its sole discretion, cause the Company to pay such Excess Development Costs using the Investor Member's Capital Contribution.

(b) Any Operating Deficits occurring prior to the achievement of Final Closing shall be considered a Development Costs and shall be governed by Section 8.09(a). Thereafter, in the event that an Operating Deficit exists at any time during the Initial Operating Period, the Managing Member shall provide such funds to the Company as shall be necessary to pay such Operating Deficit in the form of a loan to the Company (the "Operating Deficit Loan"). The Managing Member shall make Operating Deficit Loans in such amounts and at such intervals so as to allow the Company to cover accrued accounts payable on a 90-day current basis. An Operating Deficit Loan shall be treated as if it were a Subordinated Loan in accordance with the provisions of Section 5.06(b); provided, however, that an Operating Deficit Loan shall bear no interest, and shall be repaid only if no event described in Section 8.12 has occurred and shall then be continuing. Notwithstanding anything herein to the contrary, any Operating Deficits occurring after the establishment of the Operating Reserve shall first be satisfied with proceeds maintained in the Operating Reserve.

(c) Notwithstanding anything in this Agreement to the contrary, the Managing Member shall not be required to fund (including by way of making a Subordinated Loan or Operating Deficit Loan to the Company) any Excess Development Costs or Operating Deficit to the extent attributable to deficiencies in the Operating Reserve.

(d) Development Fee.

(i) The Company has entered into the Development Agreement with the Developer for its services in connection with the development and Rehabilitation of the Property (which services do not include, and the Developer shall take no actions which pertain to, the admission of the Investor Member). In consideration for these services, a Development Fee in the total amount of \$[ ] shall be payable by the Company to the Developer in installments, which installments shall be due and payable in cash by the Company as follows: (1) \$[ ] upon the Company's receipt of the First Installment pursuant to Section 5.01(c)(i); (2) \$[ ] upon the Company's receipt of the Second Installment pursuant to Section 5.01(c)(ii); and (3) \$[ ] upon the Company's receipt of the Third Installment pursuant to Section 5.01(c)(iii).



(ii) Any amount of the Development Fee that is not paid pursuant to Section 8.09(c)(i) shall be earned upon Placement in Service, subject to interest at the applicable federal rate, and payable from Net Cash Flow pursuant to Section 11.01 or proceeds from a Capital Transaction pursuant to Section 11.04. If any portion of the Development Fee is not paid prior to the expiration of the fifth anniversary of Substantial Completion, the Managing Member shall make a Capital Contribution in the amount of any unpaid Development Fee in order that the Development Fee may be paid in full prior to such anniversary.

#### 7. Net Interim Cash Flow.

Subject to the Consent of the Investor Member, which shall not be unreasonably conditioned, delayed, or withheld, Net Interim Cash Flow with shall be added to Net Cash Flow for the first Company Fiscal Year in which Net Cash Flow is to be determined.

#### 7. Withholding of Fee Payments.

Without limitation on any other provision in this Agreement, upon the occurrence of any of the events described in Section 5.03, the Managing Member shall be in default of this Agreement, and the Company shall withhold payment of any amounts otherwise payable to it hereunder until such time as such default shall have been cured; provided, however, if a payment of all or any portion of such amounts then otherwise due would cure the event justifying the withholding, then the Company shall pay such amounts otherwise payable if it is applied to cure such event.

#### 7. Conversion to Economic Interest; Appointment of a Non-Member Manager.

(a) The Investor Member shall have the right to convert the Interest of a Managing Member to an Economic Interest and appoint a Non-Member Manager in accordance with the procedures set forth in Section 8.12(b) in the event the Investor Member shall reasonably determine that one or more of the following conditions shall exist:

(i) for any gross negligence, malfeasance, or fraud, in the discharge of its duties and obligations as Managing Member (provided the same has, or reasonably may have, a material adverse effect on the Tax Credits or the Investor Member's ability to claim the Tax Credits); or

(ii) upon the occurrence of any of the following:

(1) the Company or the Managing Member shall have violated any provisions of any of the Operating Documents or any Applicable Laws, any of which has a material adverse effect on the Tax Credits or the Investor Member's ability to claim the Tax Credits, or the Managing Member fails to pay the Put Price as required by Section 9.05;

(2) a default shall have occurred under the Lease Purchase Finance Documents and shall not have been cured within any applicable notice and cure period under the Lease Purchase Finance Documents, provided

that if FIB shall waive such default, then such default shall be deemed cured for purposes of this Agreement;

(3) the Managing Member shall have conducted its own affairs or the affairs of the Company in such manner as would:

(A) cause the Company to fail to qualify as a limited liability company under the Act;

(B) cause the Company to be treated for federal income tax purposes as an association taxable as a corporation; or

(C) cause a Recapture Event; or

(4) an event of Bankruptcy shall have occurred with respect to the Company or the Managing Member.

(b) The Investor Member shall give Notice to all Members of its determination that the Managing Member's Interest shall be converted to an Economic Interest and a Non-Member Manager shall be appointed to succeed to the rights, duties, and obligations of the Managing Member hereunder. The Managing Member shall have the lesser of (x) 60 days after receipt of such Notice or (y) the cure period applicable to the event of default as determined by the operative document, to cure any default or other reason for such removal (if susceptible to cure); provided, however, that if upon the expiration of said 60-day period, the Managing Member shall not have cured such default and, if in the reasonable judgment of the Investor Member, (A) the Managing Member has made reasonable progress towards cure, and (B) the default was not capable of being cured within said 60-day period, then unless and to the extent the nature of the default is such that there is a likelihood of material loss, liability or prejudice to the Investor Member from any such delay in removal, the Managing Member shall have 60 additional days in which to cure any such default, in which event it shall remain as Managing Member for such period. If the default or other cause for removal shall not be susceptible to cure or shall not have been cured within any applicable cure period, then (i) the rights, duties, and obligations conferred on the Managing Member as Managing Member under this Agreement shall cease, and the Interest of such Managing Member shall without further action (but with Notice to the Managing Member of the same) be converted to an Economic Interest; (ii) the Managing Member shall continue to provide to the Investor Member any such reports, contracts, and other relevant information as the Investor Member may reasonably require with respect to the Project and the Company solely with respect to periods prior to such date; (iii) the Investor Member will have the right to appoint a Person as a non-member manager of the Company (the "Non-Member Manager"); and (iv) the Non-Member Manager shall be paid a fee for its services in an amount not exceeding a reasonable and customary fee for a non-member manager performing like services, which shall first be paid from any other amount otherwise payable to the Managing Member. Upon its appointment as Non-Member Manager to the Company, such Non-Member Manager shall have all the rights, duties, and obligations of the Managing Member hereunder; provided that the Managing Member shall retain its all rights with respect to its Economic Interest as provided in Section 8.12(a).

(c) (i) In the event that the Managing Member's Interest is converted to an Economic Interest prior to Final Closing, it shall be and shall remain liable for all obligations and

liabilities incurred by it as Managing Member of the Company before such conversion became effective, including but not limited to the obligations and liabilities of the Managing Member with respect to its obligations set forth in Section 8.09 of this Agreement with regard to Excess Development Costs; provided, however, that if amounts otherwise payable to the Managing Member as fees are applied to meet the Managing Member's obligations stated in Article VIII of this Agreement, such application shall serve to reduce any such liabilities of the Managing Member or any successor, except for any liability incurred as the result of its gross negligence, misconduct, fraud or breach of fiduciary duty as Managing Member of the Company. The Managing Member shall have no liability for obligations arising after such conversion unless related to any period prior to such conversion.

If the Managing Member's Interest is converted to an Economic Interest prior to Final Closing, it shall not be entitled to payment of any further installments of any fees which otherwise would have been due and payable under various Sections of this Article VIII.

(ii) In the event that the Managing Member's Interest is converted to an Economic Interest after Final Closing, it shall be and shall remain liable for all obligations and liabilities incurred by it as Managing Member of the Company before such conversion became effective, including but not limited to the Managing Member's obligations and liabilities under Section 8.09(b) of this Agreement; provided, however, that if amounts otherwise payable to the Managing Member as fees are applied by the Company at the request of the Investor Member to pay Operating Deficits, such application shall serve to reduce any such liabilities after Final Closing, except for any liability incurred as the result of its gross negligence, misconduct, fraud or breach of fiduciary duty as Managing Member of the Company. The Managing Member shall have no liability for obligations arising after such conversion unless related to any period prior to such conversion.

(iii) In the event that the Managing Member's Interest is converted to an Economic Interest, it shall be and shall remain liable for all its acts or omissions taken by the Managing Member as "partnership representative" (as defined by the Revised Partnership Audit Rules) of the Company after such conversion became effective, other than notification of the IRS of its resignation as partnership representative.

(d) The election by the Investor Member to convert the Managing Member's Interest to an Economic Interest under this Section 8.12 shall not limit or restrict the availability and use of any other remedy which the Investor Member or any other Member might have with respect to the Managing Member in connection with their undertakings and responsibilities under this Agreement. Nothing in this Section 8.12 shall reduce or otherwise limit the rights, remedies, or other actions available to the Investor Member against the Managing Member.

8. Reserved.

8. Reserved.

8. Reserved.

The annual operating budget and the capital budget for the Property (the “Budget”) shall be prepared by the Managing Member and submitted to the Investor Member for its review at least 60 days prior to the proposed effective date of such Budget; any such proposed Budget shall be subject to the Consent of the Investor Member before it becomes effective, which Consent shall not be unreasonably withheld. Such Budget shall specifically provide for all budget expenses in all major categories, including, but not limited to, administration, operation, repairs and maintenance, utilities, capital improvements, taxes, insurance, interest, and all budgeted expenses which are to be paid to any Developer Entity. The review and approval of the Budget by the Investor Member, or its objections to the Budget, shall be made and delivered to the Managing Member within 30 days of the Investor Member’s receipt of the proposed Budget. After commencement of the Company Fiscal Year covered by such Budget, the Managing Member shall notify the Investor Member in writing of any proposed modification in the allocation of funds among the specific categories in the Budget approved by the Investor Member by more than (i) the greater of 10% or \$2,500 in any category; or (ii) more than 5% of the overall Budget. In the event Investor Member fails to approve the Budget for any given Company Fiscal Year, the prior Fiscal Year’s Budget shall govern until such time as Investor Member approves the Budget.

The Managing Member shall cause a reserve to fund Operating Deficits and Debt Service (the “Operating Reserve”) shall be maintained by the Company and may be utilized for other purposes solely with the Consent of the Investor Member. The Operating Reserve shall be initially funded from proceeds of the Third Installment in the amount equal to \$[ ] (the “Operating Reserve Amount”). To the extent the balance of the Operating Reserve is less than the Operating Reserve Amount, the Operating Reserve shall be replenished solely from Net Cash Flow in accordance with Section 11.01. The funds in the Operating Reserve shall be held in a segregated account with FIB. All earnings on the Operating Reserve shall accrue to the benefit of the Operating Reserve. The Consent of the Investor Member shall be required for any withdrawals from the Operating Reserve other than in accordance with Section 8.09(b). At no time shall the aggregate amount of the Operating Reserve exceed the Company’s reasonably projected Operating Expenses (including the Operating Reserve) for a 6-month period.

**ARTICLE IX.**  
**TRANSFERS OF, AND RESTRICTIONS ON TRANSFERS**  
**OF INTERESTS OF INVESTOR MEMBER**

**9. Purchase for Investment.**

(c) Investor Member hereby represents and warrants to the Managing Member, to the Company and to any other Member that the acquisition of its Interest is made as principal for its account for investment purposes only and not with a view to the resale or distribution of such Interest, except insofar as Applicable Securities Laws permit such acquisitions to be made for the account of others or with a view to the resale or distribution of such Interest without requiring that such Interest, or the acquisition, resale or distribution thereof, be registered under Applicable Securities Laws.

(d) Investor Member agrees that it will not sell, assign, or otherwise transfer its Interest or any fraction thereof to any Person who does not similarly represent and warrant and similarly agree not to sell, assign, or transfer such Interest or fraction thereof to any Person who does not similarly represent and warrant and agree.

9. Restrictions on Transfer of Investor Member's Interest.

(c) The offer, sale, transfer, assignment, hypothecation, or pledge of any Interest of the Investor Member to any Affiliate of the Investor Member shall be permitted without the Managing Member's Consent provided that the Investor Member is not in default under Section 5.01 with respect to its Capital Contributions to the Company. Any other offer, sale, transfer, assignment, by hypothecation or pledge of any Interest of the Investor Member, or any offer, sale, transfer, assignment, hypothecation, or pledge of any Interest by any other Investor Member shall be subject to the Consent of the Managing Member in its reasonable discretion.

(d) The Investor Member whose Interest is being transferred shall pay such reasonable expenses as may be incurred by the Company in connection with such transfer (including, notwithstanding Section 8.07, with respect to any Transfer Taxes).

(e) Nothing in this Section 9.02 shall limit the authority of any member of the Investor Member to offer, sell, transfer, or assign its interest in the Investor Member in such member's sole discretion.

9. Admission of Substitute Investor Member.

(c) Subject to the other provisions of this Article IX, an assignee of all or a portion of the Interest of an Investor Member (which shall be understood to include any purchaser, transferee, donee, or other recipient of any disposition of such Interest) shall be deemed admitted as a Substitute Investor Member of the Company only upon the satisfactory completion of the following:

(ii) each assignee shall have accepted and agreed to be bound by the terms and provisions of this Agreement by executing a counterpart thereof or an appropriate amendment hereto, and such other documents or instruments as the Managing Member may require in order to effect the admission of each such Person as an Investor Member;

(iii) an amended Agreement and Articles evidencing the admission, if necessary, of each such Person as an Investor Member shall have been filed for recording, if necessary, pursuant to the requirements to the Act;

(iv) each assignee shall have represented and agreed in writing as required by Section 9.01;

(v) if any assignee is an entity, the assignee shall have provided the Managing Member with evidence satisfactory to Counsel of its authority to become an Investor Member under the terms and provisions of this Agreement; and

(vi) each assignee or the assignor shall have reimbursed the Company for all reasonable expenses, including all reasonable legal fees and recording charges, incurred by the Company in connection with such assignment (including, notwithstanding Section 8.07, with respect to any Transfer Taxes).

(d) For the purpose of allocation of Profits or Losses and credits, and for the purpose of distributing Net Cash Flow of the Company, a Substitute Investor Member shall be treated as having become, and as appearing in, the records of the Company as a Member upon its signing of an amendment to this Agreement, agreeing to be bound hereby.

(e) The Managing Member shall cooperate with each Person seeking to become a Substitute Investor Member by preparing the documentation required by this Section 9.03 and making any official filings and publications. The Company shall take all such action, including the filing of any amended Agreement and Articles evidencing the admission of any Person as an Investor Member, if required, and the making of any other official filings and publications, if required, as promptly as practicable after the satisfaction by the assignee of the Interest of an Investor Member of the conditions contained in this Article IX to the admission of each such Person as an Investor Member of the Company. Any cost or expense incurred in connection with such admission shall be borne by each Substitute Investor Member.

#### 9. Rights of Assignee of Company Interest.

(c) Except as provided in this Article and as required by operation of law, the Company shall not be obligated for any purpose whatsoever to recognize the assignment by any Investor Member of its Interest until the Company has received actual Notice thereof.

(d) Any Person who is the assignee of all or any portion of an Investor Member's Interest, but does not become a Substitute Investor Member and desires to make a further assignment of such Interest, shall be subject to all the provisions of this Article IX to the same extent and in the same manner as any Investor Member desiring to make an assignment of its Interest.

#### 9. Investor Member Put Option.

(c) The Managing Member hereby grants to the Investor Member an option, at any time during the 6-month period commencing upon the later of (i) the 61st-month anniversary of Placement in Service of the Project, (ii) the last day of the Compliance Period, and (iii) 60 days after receiving written notice from Managing Member of confirmation of the Put Option start date, but in no event during the Compliance Period (the "Put Option Period"), to sell the Interest of the Investor Member (the "Put Option") to the Managing Member for an amount (the "Put Price") equal to the lesser of (i) 5% of the Investor Member's paid-in Capital Contribution plus any unpaid amounts and charges owed to or on behalf of the Investor Member by the Company pursuant to the Operating Documents through the date of payment of the Put Price (including any accrued and unpaid Special Tax Distribution or Priority Return owed to or on behalf of the Investor Member through the date of payment of the Put Price); or (ii) the fair market value of the Investor Member's Interest, as determined by an independent appraiser (taking into account any accrued and unpaid Special Tax Distribution or Priority Return owed to or on behalf of the Investor Member through

the date of payment of the Put Price); provided, however, that if there shall be any uncured default existing under the Operating Agreement, the Put Option Period shall not terminate until such default shall have been cured.

(d) If, at any time during the Put Option Period, the Investor Member elects to sell its Interest pursuant to the provisions of this Section 9.05, it shall give the Managing Member written notice of such election (an “Put Option Election Notice”).

(e) Within (i) 120 days after the delivery to the Managing Member of a Put Option Election Notice from the Investor Member; or (ii) 60 days after the date on which the parties receive the appraisal described below, whichever occurs later, the Managing Member shall pay the Put Price to the Investor Member in immediately available funds. Any amount of the Put Price not paid within such period shall accrue interest at the rate of the lesser of 18% annually and the maximum interest permitted under Montana law until paid.

(f) As soon as practicable and in any event within 30 days following the delivery by the Investor Member of the Put Option Election Notice to the Managing Member, the Managing Member and the Investor Member shall select an independent appraiser. In the event the parties are unable to agree upon an independent appraiser within such 30-day period, the Managing Member and the Investor Member each shall select an independent appraiser. If the difference between the two appraisals is within 10% of the lower of the two appraisals, the fair market value shall be the average of the two appraisals. If the difference between the two appraisals is greater than 10% of the lower of the two appraisals, then the two appraisers shall jointly select a third appraiser whose determination of fair market value shall be deemed to be binding on all parties. If the two appraisers are unable jointly to select a third appraiser, either the Purchaser or the Investor Member may, upon written notice to the other, apply to the presiding judge of a court of competent jurisdiction in Billings, Montana for the selection of the third appraiser who shall then participate in such appraisal proceeding, and who shall be selected from a list of names of independent appraisers submitted by the Managing Member and by the Investor Member. Each list of names of independent appraisers shall be submitted within 10 days after the date on which the appraisal proceeding is invoked, and the appraiser shall be selected from the lists provided. The Managing Member shall pay the cost of any appraisers selected by the Managing Member pursuant to this Section 9.05(d), as well as any Transfer Taxes or other closing costs attributable to the exercise of the Put Option.

(g) Notwithstanding anything to the contrary in this Agreement, in the event the Investor Member has exercised its Put Option hereunder but the Managing Member has failed to pay the Put Price to the Investor Member, then the Put Option shall be of no force and effect.

(h) Upon receipt of the Put Price, the Investor Member shall execute and deliver such documents, assignments, instruments, and other items, and shall take such other action, as shall be necessary to transfer and assign its Interest to the Managing Member. The Managing Member shall have the right to cause another party to effect payment provided that any such assignment shall not relieve the Managing Member of its obligation to honor the Put Option Election Notice in accordance with the terms hereof in the event that such acts are not otherwise performed by the Managing Member’s assignee.

(i) Upon the delivery of a Put Option Election Notice to the Managing Member, the Investor Member shall have no further obligations under this Agreement. The Managing Member shall take all action and shall pay all costs necessary to enable the Investor Member to receive and retain the Put Price, as against any creditor of the Managing Member or of the Company. Notwithstanding the purchase by the Managing Member of the Interest of the Investor Member pursuant to this Section 9.05, to the extent permitted under the applicable provisions of the Code, the Investor Member shall be allocated any Profits or Losses or Tax Credits in respect of such Interest for the period prior to the date of the receipt by the Investor Member of the Put Price. Anything herein to the contrary notwithstanding, title to the Interest of the Investor Member shall not vest in the Managing Member until payment in full of the Put Price therefor. Upon such payment, the Managing Member shall forthwith cause an amendment to the Articles, if required, and any other necessary papers to be filed, recorded, and published wherever required showing such substitution.

## **ARTICLE X.**

### **RIGHTS AND OBLIGATIONS OF INVESTOR MEMBER**

#### **10. Management of the Company.**

The Investor Member shall not take part in the management or control of the business of the Company nor transact any business in the name of the Company. Except as otherwise expressly provided in this Agreement, the Investor Member shall not have the power or authority to bind the Company or to sign any agreement or document in the name of the Company. The Investor Member shall not have any power or authority with respect to the Company except insofar as the Consent of the Investor Member shall be expressly required and except as otherwise expressly provided in this Agreement.

#### **10. Limitation on Liability of Investor Member.**

The liability of the Investor Member shall be limited to its Capital Contribution as and when payable under the provisions of this Agreement. The Investor Member shall not have any other liability to contribute money to, or in respect of the liabilities or obligations of, the Company, nor shall the Investor Member be personally liable for any obligations of the Company. The Investor Member shall not be obligated to make loans to the Company.

#### **10. Other Activities.**

The Investor Member may engage in or possess interests in other business ventures of every kind and description for its own account, including serving as a member of other limited liability companies which own, either directly or through interests in other limited liability companies, projects similar to the Property. Neither the Company nor any of the Members shall have any right by virtue of this Agreement in or to such other business ventures or to the income or profits derived therefrom.



**ARTICLE XI.**  
**PROFITS, LOSSES, CREDITS, AND DISTRIBUTIONS**

**11. Allocation of Profits, Losses, Credits and Cash Distributions.**

(c) After application of Section 11.10, all Operating Profits and Operating Losses, except those gains and losses referred to in Section 11.03, and all credits (except State Historic Tax Credits) shall be allocated among the Members in accordance with their Percentage Interests as set forth in Schedule A.

(d) All Net Cash Flow available for distribution shall be paid on a quarterly basis as follows:

(ii) to the Investor Member to pay any outstanding Capital Contribution Adjustments;

(iii) to the Investor Member to pay any outstanding Special Tax Distribution;

(iv) to the Investor Member to pay any outstanding Priority Return;

(v) to the Operating Reserve, to the extent the balance of the Operating Reserve is less than the Operating Reserve Amount;

(vi) 95% to the payment of any accrued and unpaid Development Fee;

(vii) to the repayment, on a pari passu basis, of any Subordinated Loans (and accrued interest thereon) made by the Investor Member;

(viii) to the repayment, on a pari passu basis, of any Subordinated Loans (and accrued interest thereon) made by the Managing Member;

(ix) to the repayment, on a pari passu basis, of any Operating Deficit Loans;

(x) 95% to the Managing Member, as a return of capital; and

(xi) the balance shall be distributed to the Members in accordance with their respective Percentage Interests.

(e) In any year in which a Member sells, assigns or transfers all or any portion of an Interest to any Person who during such year is admitted as a substitute Member, the share of all Profits or Losses allocated to, and of all Net Cash Flow and of all cash proceeds distributable under Section 11.04 distributed to, all Members which is attributable to the Interest sold, assigned or transferred shall be allocated and distributed to the assignee from and after the first day of the calendar month following the month in which the assignee executes this Agreement; provided, however, that the assignor and the assignee may, by agreement, make special provisions for the allocation of items of Profits or Losses, deduction or credit as may from time to time be permitted

under the Code, and for the distributions of Net Cash Flow and the proceeds of Capital Transactions, but such allocation shall be binding as to the Company only after it shall have received Notice thereof from the assignor and assignee.

(f) Reserved.

(g) In the event that there is a determination that there is any original issue discount, imputed interest or stated interest attributable to the Capital Contribution of any Member, or any loan between a Member and the Company, any income or deduction of the Company attributable to such imputed interest, stated interest or original issue discount on such Capital Contribution or loan (whether stated or unstated) shall be allocated solely to such Member.

(h) If any Member's Interest in the Company is reduced but not eliminated because of the admission of new Members or otherwise, or if any Member is treated as receiving any items of property described in Section 751(a) of the Code, the Member's Interest in such items of Section 751(a) property that was property of the Company while such Person was a Member shall not be reduced, but shall be retained by the Member so long as the Member has an Interest in the Company and so long as the Company has an Interest in such property.

(i) In accordance with Section 704(c) of the Code (relating to allocations with respect to appreciated contributed property) and the Treasury Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall be allocated, solely for tax purposes, among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its Fair Market Value. Any elections or other decisions relating to such allocations shall be made by the Managing Member in any manner that reasonably reflects the purpose and intention of this Agreement.

(j) In the event that the Managing Member makes any loan to the Company, any deductions or losses of the Company attributable to the use of those funds shall be specially allocated to the Managing Member.

(k) No distributions or return of Capital Contributions shall be made and paid from Company assets if, after the distribution or return of contribution is made, either: (i) the Company would be insolvent, or (ii) the net assets of the Company would be less than zero.

#### 11. Determination of Profits or Losses.

Profits or Losses for all purposes of this Agreement shall be determined in accordance with the accrual method of accounting for federal income tax purposes.

#### 11. Allocation of Profits or Losses from a Capital Transaction.

After application of Section 11.10, Profits or Losses from a Capital Transaction recognized by the Company shall be allocated in the following manner:

(c) All Profits shall be allocated (i) first, to the Members with negative Capital Account balances, in proportion to such balances, that portion of gains (including any Profits

treated as ordinary income for federal income tax purposes) which is equal in amount to such Members' negative Capital Accounts in the Company; (ii) second, Profits in excess of the amount allocated under clause (i) shall be allocated to the Members in the amount, and to the extent necessary, to increase the Members' respective Capital Accounts so that the proceeds distributed in accordance with the Members' respective Capital Account balances would equal the amounts distributable under Section 11.04.

(d) Losses shall be allocated (i) first, to the extent of and pro rata in proportion to the positive Capital Accounts of the Members with positive Capital Accounts; and (ii) second, the amount of any Losses that remain after the allocations in subparagraph (b)(i) to the Members in accordance with the manner in which they bear the economic risk of loss associated with such Losses. In the event that no Member bears an economic risk of loss, then all Members shall be allocated Losses in excess of the amounts allocated under (b)(i) in accordance with their Percentage Interests.

(e) Any portion of the gains treated as ordinary income for federal income tax purposes under Sections 1245 and 1250 of the Code ("Ordinary Income Amount") shall be allocated on a dollar-for-dollar basis to those Members to whom the items of Company deduction or loss giving rise to the Ordinary Income Amount had been previously allocated.

#### 11. Distribution of Proceeds from a Capital Transaction.

Except as may be required under Section 12.02(b), the proceeds resulting from any Capital Transaction, as the case may be, shall be distributed and applied in the following order of priority:

(c) to the payment of all matured debts and liabilities of the Company, and all expenses of the Company incident to any Capital Transaction, excluding (i) debts and liabilities of the Company to the Members or their Affiliates, and (ii) all unpaid fees owing to any Developer Entity under this Agreement;

(d) to the setting up of any reserves which the Liquidator (or the Managing Member if the distribution is not pursuant to the liquidation of the Company with the Consent of the Investor Member) deems reasonably necessary for contingent, unmatured or unforeseen liabilities or obligations of the Company;

(e) to the Investor Member to pay any outstanding Capital Contribution Adjustments;

(f) to the Investor Member to pay any outstanding Special Tax Distribution;

(g) to the Investor Member to pay any outstanding Priority Return;

(h) to the Investor Member in an amount equal to any projected federal income tax incurred as a result of the transaction giving rise to such proceeds; plus an amount equal, on an After-Tax Basis, to the local, state and federal taxes projected (at the Applicable Tax Rate) to be imposed on the members of the Investor Member from the allocation by the Company to the Investor Member of the Profits (if any) from the Capital Transaction to which the net proceeds relate pursuant to Section 11.03 above, but only to the extent that such allocation of Profits (if any)

from a Capital Transaction exceed all Losses from such Capital Transaction allocated to the Investor Member by the Company;

- (i) to the payment of any accrued and unpaid Development Fee;
- (j) to the repayment of any unrepaid debts and liabilities (including unpaid fees) owed to the Investor Member or its Affiliates by the Company for Company obligations, including any loans made pursuant to Section 5.06;
- (k) to the Investor Member in an amount equal to any excess or additional Capital Contributions made by the Investor Member;
- (l) to the repayment of any unrepaid debts and liabilities (including unpaid fees) owed to the other Members or their Affiliates by the Company for Company obligations, including any loans made pursuant to Section 5.06, and any Operating Deficit Loans; and
- (m) to the Members in accordance with their respective Percentage Interests.

Notwithstanding the foregoing, no proceeds resulting from a Capital Transaction shall be distributed if, after the distribution is made, either: (i) the Company would be insolvent, or (ii) the net assets of the Company would be less than zero.

If there is more than one Managing Member, any distribution to the Managing Member shall be made pro rata in accordance with their Interests.

#### 11. Capital Accounts.

A separate Capital Account shall be maintained and adjusted for each Member. There shall be credited to each Member's Capital Account the amount of its Capital Contribution, the Fair Market Value of any property contributed to the Company (net of any liabilities secured by such property) and such Member's distributive share of the Profits for tax purposes of the Company; and there shall be charged against each Member's Capital Account the amount of all Net Cash Flow distributed to such Member, the Fair Market Value of any property distributed to such Member (net of any liabilities secured by such property), the net proceeds resulting from the liquidation of the Company's assets or from any Capital Transaction distributed to such Member, and such Member's distributive share of the Losses for tax purposes of the Company. Each Member's Capital Account shall be maintained and adjusted in accordance with the Code and the Treasury Regulations thereunder. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Reg. § 1.704-1(b), and shall be interpreted and applied in a manner consistent with such regulations. It is the intention of the Members that the Capital Accounts maintained under this Agreement be determined and maintained throughout the full term of this Agreement in accordance with the accounting rules of Treasury Reg. § 1.704-1(b)(2)(iv). In the event that the Company is liquidated within the meaning of Treasury Reg. § 1.704-1(b)(2)(ii)(g), if the Investor Member's Capital Account has a deficit balance (after giving effect to all contributions, distributions and allocations), the Investor Member shall increase its Capital Contribution in compliance with Treasury Reg. § 1.704-1(b)(2)(ii)(b)(3), provided, however, that the Investor Member's deficit restoration obligation shall not exceed the difference between: (i) the amount of

Capital Contributions the Investor Member is required to make pursuant to Section 5.01 hereof (as adjusted), less (ii) the Investor Member's actual paid-in Capital Contributions. Additionally, the Investor Member shall have the right (exercisable in its sole discretion) at any time, upon giving written notice to the Managing Member, to increase and/or extend the years in which it may be obligated to restore any deficit balance in its Capital Account, and any deficit restoration obligation undertaken by the Investor Member shall be automatically decreased to the extent the deficit balance in such Investor Member's Capital Account is moved closer to zero when compared to the deficit balance in such Investor Member's Capital Account, if any, at the close of the previous taxable year.

11. Authority of Managing Member to Vary Allocations to Preserve and Protect Members' Intent.

It is the intent of the Members that each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) shall be determined and allocated in accordance with this Article XI to the fullest extent permitted by Section 704(b) of the Code. Subject to the Consent of the Investor Member, the Managing Member hereby is authorized and directed to allocate income, gain, loss, deduction, or credit (or item thereof) arising in any year differently than otherwise provided for in this Article XI to the extent that allocating income, gain, loss, deduction or credit (or item thereof) in the manner provided for in Article XI would, in the opinion of the tax advisor to the Company (tax counsel or the Accountants) cause the determinations and allocations of each Member's distributive share of income, gain, loss, deduction, or credit (or item thereof) not to be permitted by Section 704(b) of the Code and Treasury Regulations promulgated thereunder. Any allocation made pursuant to this Section 11.06 shall be deemed to be a complete substitute for any allocation otherwise provided for in this Article XI and no amendment of this Agreement or approval of any Member shall be required.

11. Designation of Partnership Representative.

(c) The Managing Member hereby is designated as the Partnership Representative of the Company for each taxable year, and shall engage in such undertakings as are required of the Partnership Representative of the Company, as provided in Treasury Regulations pursuant to Sections 6233 and 6241, respectively, of the Code. Each Member, by the execution of this Agreement, Consents to such designation of the Partnership Representative and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such Consent.

(d) For each taxable year, the Partnership Representative shall appoint as Designated Individual an individual who meets the requirements of the Revised Partnership Audit Rules for a "designated individual," has sufficient experience and authority to represent the Partnership in all dealings with the IRS, and for taxable years beginning prior to the Adjustment Date, is consented to by the Investor Member. No later than the effective date of the designation of the Designated Individual, such Designated Individual must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this **Article XI** prior to and as condition of such designation. If a Designated Individual for any taxable year becomes unable to perform the tasks required of a Designated Individual, no longer has the "capacity to act" within the meaning of the Revised Partnership Audit Rules, or the Managing

Member otherwise determines that such person should be removed as the Designated Individual, the Managing Member shall promptly notify the Members of such determination and take all necessary actions to effectuate the resignation (or revocation) of such person as Designated Individual for all taxable years such designation was in effect (including obtaining any required IRS notification of such resignation from such person to be held in trust and delivered to the IRS at the time specified in the Revised Partnership Audit Rules). The designation of the Designated Individual shall also automatically terminate on the effective date of the resignation or revocation of the applicable entity as Partnership Representative.

(e) In the event of a withdrawal of the Managing Member pursuant to Article VI or conversion of the Managing Member's Interest to an Economic Interest pursuant to Section 8.12 hereof, the Company shall revoke the designation of the Managing Member as the Partnership Representative for all taxable years such designation was in effect and the Managing Member shall take all necessary actions to effectuate its resignation as Partnership Representative in accordance with the Revised Partnership Audit Rules, including updating the Partnership Representative contact information for the IRS as the Investor Member may specify or providing any required IRS notification to the Investor Member to be delivered to the IRS at the time specified in the Revised Partnership Audit Rules. Notice of such revocation or resignation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of another person selected by the Investor Member as the successor Partnership Representative for the applicable taxable years and the designation of another individual as Designated Individual in accordance with Section 11.07(b). The resigning or removed Partnership Representative and Designated Individual shall remain obligated hereunder in such capacity until the replacement is accepted by the IRS. In furtherance hereof, the Investor Member hereby is granted an irrevocable power of attorney, coupled with an interest, to execute any and all documents on behalf of the Managing Member as shall be legally necessary and sufficient to affect all of the foregoing provisions of this Section 11.07(c).

(f) Notwithstanding any other provision of this Agreement, the Investor Member hereby is granted authority at any time to designate itself or its manager as the Partnership Representative for any taxable year it is a Member of the Company. The Investor Member may exercise its right to designate the Partnership Representative for specified taxable years, as provided herewith, upon 10 days' Notice to the then-existing Partnership Representative and Managing Member. In the event that the Investor Member exercises its right to designate the Partnership Representative, the pre-existing Partnership Representative will resign as the Partnership Representative for the specified taxable years and shall take all necessary actions to effectuate its resignation as Partnership Representative in accordance with the Revised Partnership Audit Rules, including updating the Partnership Representative contact information for the IRS as the Investor Member may specify or providing any required IRS notification to the Investor Member (or its designee) to be delivered to the IRS at the time specified in the Revised Partnership Audit Rules. Notice of such resignation shall be given to the IRS in the time and manner prescribed by the IRS and shall include the designation of the Investor Member (or its designee) as the successor Partnership Representative for the specified taxable years and the designation of another individual as Designated Individual in accordance with Section 11.07(b). No later than the effective date of such designation, the Investor Member (or its designee) must agree in writing to be bound by the same obligations and restrictions imposed on the Partnership Representative under this Article XI prior to and as condition of such designation. The Investor Member (or its

designee), upon such redesignation as the Partnership Representative, shall have thereafter all the authority and powers given to the Partnership Representative of the Company under the Revised Partnership Audit Rules and under this Agreement. Each Member, by its execution of this Agreement, consents to such admission and designation, as the case may be, and agrees to execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. Upon any exit of the Investor Member from the Partnership, if it or its designee is has been designated as the Partnership Representative for any taxable year, it shall either (i) affirm that it remains obligated as Partnership Representative with respect to any Tax Disputes arising with respect to such taxable year or (ii) resign simultaneous with any such exit and the Managing Member shall designate a replacement Partnership Representative as provided for herein.

11. Authority of Partnership Representative.

(c) The Partnership Representative shall have and perform all of the duties required under the Code, including the following duties:

(ii) within 15 calendar days after the receipt of any correspondence or communication relating to the Company or a Member from the IRS, shall forward to each Member a photocopy of all such correspondence or communications and shall within 15 calendar days thereafter, advise each Member in writing of the substance and form of any conversation or communication held with any representative of the IRS;

(iii) inform the Members of any matter which requires their consent pursuant to this Article XI, along with any applicable deadlines imposed pursuant to the Revised Partnership Audit Rules or the IRS in its conduct of any particular Tax Dispute;

(iv) provide the Investor Member with a draft copy of any correspondence, filing or other materials to be submitted by the Company or the Partnership Representative in connection with any administrative or judicial proceedings relating to the determination of Company items level reasonably in advance of such submission, incorporate all reasonable changes or comments to such correspondence or filing requested by the Investor Member to the extent such review and comments are provided in a timely manner such that it would allow the Company to comply with any deadline imposed under applicable law, and provide the Investor Member with a final copy of such correspondence, filing or other materials; and

(v) represent the Company in all dealings with the IRS and state and local taxing authorities in accordance with the obligations and restrictions imposed by this Agreement.

(d) The Partnership Representative shall, upon request by a Member, permit a Member to include its attorney in the power of attorney (Form 2848) for the Company for any taxable years under a tax audit or in a tax administrative appeals process, provided the inclusion is permitted by the Revised Partnership Audit Rules.

(e) The Partnership Representative shall not without the Consent of the Members:

(ii) extend the statute of limitations for assessing or computing any tax liability against the Company (or the amount of character of any Company tax items);

(iii) settle any audit with the IRS concerning the adjustment or readjustment of any partnership items or remit any imputed underpayment amounts (within the meaning of Revised Partnership Audit Rules);

(iv) file a request for an administrative adjustment with the IRS at any time or file a petition for judicial review with respect to any such request;

(v) initiate or settle any judicial review or action concerning the amount or character of any Company tax item;

(vi) intervene in any action brought by any other Member for judicial review of a final adjustment;

(vii) engage an accounting firm or counsel to represent the Company before the IRS; or

(viii) take any other action not expressly permitted by this Article XI on behalf of the Company or any Member in connection with any adjustment, election, or administrative or judicial tax proceeding.

(f) The Partnership Representative shall keep the other Members advised of any dispute the Company may have with any federal, state or local taxing authority (a “Tax Dispute”), shall consult with the Members regarding the nature and content of all actions to be taken and defenses to be raised and elections to be made by the Company in response to such Tax Dispute, shall not act without the Consent of the Members, and shall afford the other Members the opportunity to participate directly in the negotiation of the Tax Dispute, to the extent permitted by law. The Partnership Representative also shall consult with Members regarding the nature and content of any Tax Dispute instituted by or on behalf of the Company (including the decision to institute proceedings, whether administrative or judicial, and whether in response to a previous Tax Dispute against the Company, or otherwise), and shall not act without the Consent of the Members. Reasonable legal fees incurred in connection with any Tax Dispute (including any Tax Dispute arising at the Investor Member level, to the extent that such Tax Dispute is the result of a Tax Dispute of the Company) shall be paid solely from the assets of the Company, except that if the Company lacks sufficient funds to undertake or prosecute any litigation relating to such Tax Dispute (including, without limitation, any appeal) and either the Managing Member or Investor Member in good faith does not reasonably consent to a settlement or resolution of such tax dispute, then the legal fees and other costs and expenses associated with such litigation shall be funded by the Member(s) refusing to consent to such settlement or resolution, through one or more Subordinated Loans to the Company. The Partnership Representative shall take such actions as may be reasonably necessary in order for the Members and the Company to achieve the desired intent of this Section 11.08(d).

(g) If the Company or the Partnership Representative receives notice of a proposed Company Adjustment from the IRS, the Partnership Representative shall so notify the Members in accordance with the provisions of Section 11.08(a)(i) and, if requested to do so by a



Member, shall request modification of the Imputed Underpayment proposed in such notice in accordance with the Revised Partnership Audit Rules. Any such request by a Member shall describe the modifications or adjustment factors that the Member believes affect the calculation of the Imputed Underpayment in sufficient detail to substantiate the request for modification. All information required to support a requested modification shall be submitted by the Members to the Partnership Representative prior to the applicable deadline, subject to any extension granted by the IRS.

(h) If the Company receives notice of a final Company Adjustment from the IRS, the Partnership Representative shall so notify the Members in accordance with the provisions of Section 11.08(a)(i) and, if requested to do so by Investor Member, shall make an election (a “Push-Out Election”) under Section 6226 of the Code with respect to one or more Imputed Underpayments set forth in the final partnership adjustment notice. If a Push-Out Election is made, each Reviewed Year Member shall take into account its allocable share of the Company Adjustments that relate to the specified Imputed Underpayment (as determined with the Consent of the Investor Member for such Reviewed Year) and shall be liable for any taxes as described in Section 6226 of the Code and any applicable Treasury Regulations or other guidance prescribed by the IRS. Notwithstanding the foregoing, to the extent permitted by law, any Reviewed Year Member that is a partnership or S corporation may, at its option and in accordance with any applicable Treasury Regulations or other guidance prescribed by the IRS, elect (in lieu of paying its allocable share of such Company Adjustments) to push out the liability for taxes attributable to such Company Adjustments to its partners (including indirect partners). Any Push-Out Election shall be filed prior to the applicable deadline, shall be in such form, and shall contain such information, as required by the Revised Partnership Audit Rules. If a Push-Out Election is made, the Partnership Representative shall furnish to each Reviewed Year Member and the IRS, for each Reviewed Year prior to the applicable deadline, a statement that includes all items and information required under the Revised Partnership Audit Rules.

(i) If the Company becomes obligated to make an Imputed Underpayment, within 30 days after written notice from the Partnership Representative:

(ii) To the extent such Imputed Underpayment relates to an Excluded Event, each of the Members (including any Former Member) to whom such liability relates shall be obligated to pay an amount that is equal to its allocable share (determined in accordance with its Percentage Interest prior to the Adjustment Date) of such Imputed Underpayment to the Company;

(iii) To the extent such Imputed Underpayment is caused by Managing Member Acts or Omissions, the Managing Member shall be obligated to pay an amount that is equal to such Imputed Underpayment to the Company; and

(iv) Otherwise, each of the Members (including any Former Member) to whom such liability relates shall be obligated to make a Subordinated Loan to the Company in an amount that is equal to its allocable share of such Imputed Underpayment to the Company.

Any amount not paid by a Member (or Former Member) within such 30-day period shall accrue interest at the rate of the lesser of 18% annually and the maximum interest permitted

under Montana law until paid. Any such payment made by any Member pursuant to Section 11.08(g)(i) or 11.08(g)(ii) shall be treated as a Capital Contribution and, if and to the extent permitted by the Code and Regulations, any Capital Account reduction attributable to the Imputed Underpayment shall be allocated to the Members in proportion to such Capital Contributions. Any such payment made by any Former Partner pursuant to Section 11.08(g)(i) or 11.08(g)(ii) shall be treated as an indemnity payment and not as a Capital Contribution or loan to the Company, but any payment made pursuant to Section 11.08(g)(iii) shall be treated as a loan to the Company and subject to repayment pursuant to Sections 11.01 or 11.04 as if it were still a Member.

(h) The obligations of each Member or Former Member under Sections 11.07 and 11.08 shall survive the transfer, redemption or liquidation by such Member of its Company Interest and the termination of this Agreement or the dissolution of the Company. For the avoidance of doubt, to the extent a Former Member has potential liability for amounts pursuant to Sections 11.08(f) or 11.08(g) with respect to a Tax Dispute, such Former Member shall retain its rights pursuant Sections 11.07 and 11.08 to with respect to such Tax Dispute.

#### 11. Expenses of Partnership Representative.

The Company shall indemnify and reimburse the Partnership Representative and the Investor Member for all expenses, including legal and accounting fees, claims, liabilities, losses, and damages incurred in connection with any administrative or judicial proceeding with respect to the tax liabilities of the Members or Company. The payment of all such expenses shall be made before any distributions are made from Net Cash Flow or net proceeds from a Capital Transaction or any discretionary reserves are set aside by the Managing Member. The taking of any action and the incurring of any expense by the Partnership Representative in connection with any such proceeding, except to the extent required by law, is a matter in the sole discretion of the Partnership Representative and the provisions on limitations of liability of the Members and indemnification set forth in Sections 8.07 or 10.02 of this Agreement shall be fully applicable to the Partnership Representative in its capacity as such.

#### 11. Special Allocations.

(c) Notwithstanding any other provision of this Agreement, if there is a net decrease in the Company's minimum gain attributable to nonrecourse liabilities during any taxable year, each Member shall be specifically allocated a pro rata portion of each of the Company's items of income and gain for such year (and, if necessary for subsequent years) in proportion to, and to the extent of, an amount equal to such Member's share of the net decrease in such minimum gain during such taxable year as determined in accordance with the provisions of Treasury Reg. §§ 1.704-2(f), 1.704-2(g)(2).

(d) Notwithstanding any other provision of this Agreement, if there is a net decrease in the amount of the Company's minimum gain during any taxable year with respect to a Member nonrecourse debt, the Member bearing the economic risk of loss with respect to such Member nonrecourse debt shall be specially allocated a pro rata portion of each of the Company's items of income and gain for such taxable year (and, if necessary, for subsequent years) in proportion to, and to the extent of the amount of such Member's share of the net decrease in such

minimum gain during such taxable year as determined in accordance with the provisions of Treasury Reg. §§1.704-2(i)(4), 1.704-2(j)(2)(ii).

(e) If in any taxable year there is a net increase in the amount of Company minimum gain attributable to a Member nonrecourse debt, the Member bearing the economic risk of loss attributable to such Member nonrecourse debt shall be specially allocated items of Company deduction and loss in proportion to and to the extent of the excess of:

(ii) the amount of such net increase, over

(iii) the aggregate amount of any distributions during such taxable year to such Member of the proceeds of such Member nonrecourse debt that are allocable to such increase in Company minimum gain. Items to be so allocated shall be determined in accordance with Treasury Reg. §1.704-2(j)(1).

The allocations provided for in this Section 11.10(c) are intended to comply with the allocations required by Treasury Reg. §1.704-2(i) and shall be applied consistently therewith. The Company's minimum gain shall be determined in accordance with Treasury Reg. §1.704-2(d).

(f) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Treasury Reg. §§1.704-1(b)(2)(ii)(d)(4), (5) or (6) which cause or increase an Adjusted Capital Account Deficit (as defined below) of such Member, items of Company income and gain shall be specially allocated to each such Member in an amount and manner sufficient to eliminate (to the extent required by the Treasury Regulations under Code Section 704(b)) such Member's Adjusted Capital Account Deficit as quickly as possible.

(g) For purposes of this Section 11.10, the term "Adjusted Capital Account Deficit" means, with respect to any Member, the deficit balance, if any, in such Member's Capital Account as of the end of the relevant Company Fiscal Year, after giving effect to the following adjustments:

(ii) Credit to such Capital Account any amounts which such Member is obligated to restore pursuant to any provision of this Agreement or is otherwise treated as being obligated to restore under Treasury Reg. §1.704-1(b)(2)(ii)(c) or is deemed to be obligated to restore pursuant to the penultimate sentence of Treasury Reg. §§1.704-2(g)(1) and 1.704-2(i)(5); and

(iii) Debit to such Capital Account the items described in Treasury Reg. §1.704-1(b)(2)(ii)(d)(4), (5) and (6).

The foregoing definition of Adjusted Capital Account Deficit is intended to comply with the provisions of Treasury Reg. §1.704-1(b)(2)(ii)(d) and shall be interpreted consistently therewith.

(h) Notwithstanding any other provision of this Section 11.10, in no event shall Losses of the Company be allocated to any Member if such allocation would result in such Member having an Adjusted Capital Account Deficit at the end of any taxable year. All Losses in excess

of the limitation set forth in this Section 11.10(f) shall be allocated to each other Member that does not have an Adjusted Capital Account Deficit.

(i) Notwithstanding any other provision of this Article XI, in no event shall the Investor Member be allocated more than 99% or less than 5% of each material item of Company income, gain, loss, deduction, and credit (including Profits and Losses from a Capital Transaction, Operating Profits and Operating Losses, and Profits and Losses allocated pursuant to this Section 11.10).

(j) Any (i) downward adjustment to the Capital Accounts from the downward adjustment to the basis of the Project required under Treasury Reg. §1.704-1(b)(2)(iv)(j), and (ii) any upward adjustment to the Capital Accounts from the upward adjustment to the basis of the Project upon recapture of Federal Historic Tax Credits (which shall be made in the manner described in Treasury Reg. §1.704-1(b)(2)(iv)(j)), shall be allocated to the Members in accordance with their Percentage Interests as set forth in Schedule A.

(k) State Historic Tax Credits shall be specially allocated 100% to the Investor Member. Any taxable income, profit or gain of the Company resulting from the allocation, distribution, sale or deemed sale of State Historic Tax Credits shall be specifically allocated one hundred percent (100%) to the Managing Member as a nonrecurring item not affecting the allocation of general profits. Notwithstanding anything else to the contrary in this Agreement, in no event shall any profit, income or gain of the Company resulting directly or indirectly from the receipt, allocation, sale, deemed sale or transfer of the State Historic Tax Credits be allocated to the Investor Member. The Managing Member agrees, to the extent permitted by law, to protect, indemnify, defend, and hold harmless the Company and the Investor Member from and against any and all liabilities, costs and expenses actually incurred, including, but not limited to, any tax liability owed by the Investor Member, reasonable costs and expenses of litigation and appeal, reasonable attorneys' and accountants' fees, penalties, fines, loss or damage of any kind or nature, in connection with or resulting from, the allocation of income or gain to the Investor Member attributable to a sale, or deemed sale, of the State Historic Tax Credits (such calculation to be made assuming the Investor Member is subject to the highest federal and state rates imposed on corporate taxpayers under the Code and state tax law at that time for the taxable year of the Investor Member in which such payment is taken into income by the Investor Member). For the avoidance of doubt, nothing in this Section 11.10(i) shall be construed to obligate the Managing Member to incur any liability whatsoever in connection with any income recognized by the Investor Member as a result of the Investor Member or any of its members subsequently claiming the State Historic Tax Credits.

(l) Any taxable income of the Company resulting from its receipt of donations, contributions, grants, subsidies, or capital contributions of the Members shall be specifically allocated one hundred percent (100%) to the Managing Member as a nonrecurring item not affecting the allocation of general profits.

## **ARTICLE XII.**

### **SALE, DISSOLUTION AND LIQUIDATION**

. The Company shall be dissolved upon:

- (c) the sale or other disposition of all or substantially all of the assets of the Company;
- (d) any other event causing the dissolution of the Company under the laws of the State; or
- (e) the agreement of the Investor Member and the Managing Member.

## 12. Winding Up and Distribution.

(c) Upon the dissolution of the Company pursuant to Section 12.01, (i) Articles of Termination shall be filed in such offices within the State as may be required or appropriate, and (ii) the Company business shall be wound up and its assets liquidated as provided in this Section 12.02 and the net proceeds of such liquidation shall be distributed in accordance with Section 12.02(b).

(d) It is the intent of the Members, that upon liquidation of the Company, any liquidation proceeds available for distribution to the Members be distributed to the Members with positive Capital Accounts, pro rata in proportion to the balances in their respective positive Capital Accounts. The Members believe that distributions under Section 11.04 will effectuate such intent. In the event that, upon liquidation, there would otherwise be any conflict between a distribution pursuant to the Members' respective positive Capital Account balances and the intent of the Members with respect to distribution proceeds as provided in Section 11.04, the Liquidator shall, notwithstanding the provisions of Sections 11.01, 11.02 and 11.03 (but after all of the allocations provided for in Section 11.10 shall have been made) allocate the Company's items of income, gain, loss and deduction in a manner that will, as nearly as possible, cause the distribution of liquidation proceeds to the Members to be in accordance both with the Members' economic expectations as set forth in Section 11.04 and their respective Capital Account balances. If the Company's items of income, gain, loss and deduction are insufficient to cause the Members' Capital Accounts to be in such amounts as will permit liquidation proceeds to be distributed both in accordance with the Members' respective positive Capital Account balances and Section 11.04, then liquidation proceeds shall be distributed in accordance with the Members' respective positive Capital Account balances after the allocations described herein have been made.

(e) The Liquidator shall file all certificates and notices of the dissolution of the Company required by law. The Liquidator shall proceed without any unnecessary delay to sell and otherwise liquidate the Company's property and assets; provided, however, that if the Liquidator shall determine that an immediate sale of part or all of the Company property would cause undue loss to the Members, then in order to avoid such loss, the Liquidator may, except to the extent provided by the Act, defer the liquidation as may be necessary to satisfy the debts and liabilities of the Company to Persons other than the Members. Upon the complete liquidation and distribution of the Company assets, the Investor Member shall cease to be the Investor Member of the Company and the Managing Member shall cease to be Managing Member, and the Liquidator shall execute, acknowledge and cause to be filed all certificates and notices required by the law to terminate the Company.

(f) Upon the dissolution of the Company pursuant to Section 12.01, the Accountants shall promptly prepare, and the Liquidator shall furnish to each Member, a statement setting forth the assets and liabilities of the Company upon its dissolution. Promptly following the complete liquidation and distribution of the Company property and assets, the Accountants shall prepare, and the Liquidator shall furnish to each Member, a statement showing the manner in which the Company assets were liquidated and distributed.

**ARTICLE XIII.**  
**BOOKS AND RECORDS, ACCOUNTING TAX ELECTIONS, ETC.**

**13. Books and Records; Accounting Method.**

The books and records of the Company shall be maintained on an accrual basis in accordance with generally accepted accounting principles (“GAAP”) or federal income tax basis of accounting, consistently applied, and retained for such period required by law or if longer, such period recommended by the Accountants. These and all other records and financial statements of the Company, including information relating to the status of the Property and information with respect to the sale by any Developer Entity of goods or services to the Company, shall be kept at the principal office of the Company and shall be available for examination there by any Member or by any member of the Investor Member, or its duly authorized representative, at any and all reasonable times and upon reasonable advance notice. Any Member, or its duly authorized representative, upon paying the costs of collection, duplication, and mailing, shall be entitled to a copy of the list of names and addresses of Investor Member. The Managing Member agrees to cooperate with the Investor Member to provide information in a timely manner to facilitate audits conducted by independent auditors selected by the Investor Member in its sole discretion and expense.

**13. Bank Accounts.**

All funds of the Company not otherwise invested shall be deposited in one or more federally insured accounts maintained with FIB, and withdrawals shall be made only in the regular course of Company business on such signature or signatures as the Managing Member may, from time to time, determine. No funds of the Company shall be deposited in any financial institution in which any Developer Entity is an officer, director, or holder of a propriety interest.

**13. Accountants.**

(c) With the Consent of the Investor Member, the Managing Member, at the Company’s expense, shall hire the Accountants and provide them with such information in its possession and sign such documents as are necessary for the Company to make timely, accurate and complete submissions of federal and state income tax returns (and in all events such returns shall be filed with respect to the year of the Investor Member’s admission to the Company and each year thereafter). The Accountants shall be the accountants for the Company for the purposes of preparing income tax returns, the audit of the Company and the other relevant matters set forth in this Article XIII. The Managing Member and the Company hereby agree, authorize, and direct the Accountants to provide contemporaneous copies to the Investor Member of all tax returns,

audits, and any other information that the Accountants deliver to the Managing Member or to the Company.

(d) The Accountants shall annually prepare for execution by the Managing Member any tax returns of the Company, and shall certify, in accordance with GAAP, a balance sheet, a profits and losses statement, and a cash flow statement. The Accountants shall annually audit the books of the Company. With respect to each Company Fiscal Year during the Company's operations, at such time as the Accountants shall have prepared the proposed tax return for such year, the Accountants shall provide copies of such proposed tax return to the Investor Member's accountants for their review and comment. Any changes in such proposed tax return recommended by the Investor Member's accountants and consistent with this Agreement shall be made by the Accountants prior to the completion of such tax return for execution by the Managing Member. A full detailed statement shall be furnished to all Members, showing such assets, properties, and net worth and the profits and losses of the Company for the preceding Company Fiscal Year. All Members shall have the right and power to examine and copy, at any and all reasonable times upon reasonable advance notice, the books, records, and accounts of the Company.

### 13. Reports to Members.

The Managing Member shall, at Company expense, cause to be prepared and delivered to the Investor Member all such reports requested by the Investor Member as shall be necessary for the Investor Member to comply with its Tax Credit requirements in connection with the Company and:

- (c) Within 45 days after the end of each calendar quarter thereafter:
  - (ii) unaudited financial statements for the Company, including a balance sheet, statement of income or loss and statement of cash sources and applications;
  - (iii) reports of Company operations;
  - (iv) a report of any construction activity;
  - (v) a reconciliation of the differences between the tax basis and GAAP basis statements;
  - (vi) a report of any Excess Development Costs or Operating Deficits or anticipated Excess Development Costs or Operating Deficits of the Company and the manner in which such Excess Development Costs or Operating Deficits will be funded;
  - (vii) a report of any material default by the Company under any Operating Documents or in payment of any mortgage, taxes, interest, or other obligation on secured or unsecured debt;
  - (viii) a report of any reduction or termination of any reserve by application of funds therein for purposes materially different from those for which such reserve was established;

(ix) a report of any notice of a material fact which may substantially affect distributions pursuant to this Agreement;

(x) a report of any pledge or collateralization of any asset of the Company;

(xi) a report of fees, commissions, compensation, and other remuneration and reimbursed expenses paid by the Company to any Developer Entity and the services and goods provided to the Company; and

(xii) a report of the activities and investments of the Company during the quarter including a description of all transactions between the Company and any Developer Entity.

(d) Within 120 days after the expiration of each Company Fiscal Year:

(ii) all necessary tax reporting information regarding the Company required by the Investor Member for preparation of its respective federal, state, and local income or franchise tax or information returns, for the preceding Company Fiscal Year; provided, however, that if applicable extensions are filed with respect to any such reporting, such tax reporting information shall be provided no later than June 30 of the applicable Company Fiscal Year;

(iii) a copy of the Company's (if applicable), and Managing Member's federal, state, and local tax or information returns for the prior Company Fiscal Year, and proof of payment of property taxes and insurance premiums for the preceding Company Fiscal Year; provided, however, that if applicable extensions are filed with respect to any such returns, such returns shall be provided no later than June 30 of the applicable Company Fiscal Year;

(iv) with the first tax return prepared following Substantial Completion, a table comparing the actual total depreciable basis with the depreciable basis indicated in the Projections;

(v) a statement summarizing the distributions, fees, commissions, compensation and other remuneration and reimbursed expenses paid for such year to any Member or Developer Entity and the services performed or goods provided therefor;

(vi) a report on the balance of the Operating Reserve as of the end of the Company Fiscal Year;

(vii) a report on any Operating Deficit Loans and Subordinated Loans made during such year and repayments thereof; and

(viii) unaudited financial statements for the Company, including a balance sheet, statement of income or loss and statement of cash sources and applications.

(e) Within 30 days:



(ii) upon the occurrence of any natural disaster, incident, or widespread property damage having a material adverse impact on the Property, a report of the extent of the damage to the Property, any expected delay in the Rehabilitation, and the effect such damage might have on the operations or marketing and lease-up activity of the Property;

(iii) upon the occurrence of a Withdrawal Event;

(iv) from time to time, as may be reasonably requested by the Investor Member, information on the state of the business, financial condition, and affairs of the Company or the Property or any other information required to be delivered to the Investor Member;

(v) upon learning of a condition or circumstance which is expected to reduce below the projected levels the amount of Tax Credits available to the Company, a detailed statement describing such matters; or

(vi) upon learning of any violation of any health, safety, building code, or other statute or regulation by the Company that would have a material adverse effect on the Company or the Property, a detailed statement describing such matters along with any written notices thereof received by the Company from any federal, state, or local governmental entity.

(f) Within 10 Business Days after receipt by the Company:

(ii) copies of all reports, notices, filings or correspondence sent or received regarding the occurrence of any event which has or may have a material adverse effect on the Company or the Property (including any reports, notices, filings or correspondence with any governmental agency regarding the Tax Credits; default notices, notices of reductions or elimination of benefits under any federal, state, or local program previously enjoyed by the Company; any default or failure of compliance with respect to the Loan or any other financial, contractual or governmental obligation of the Company or the Managing Member; notice of any IRS or Secretary proceeding involving the Company; notice of any demand for payment or draw under any construction completion guarantee, performance bond, or letter of credit regarding the Company; and notices regarding the Property's compliance with any regulatory restrictions imposed thereon); and

(iii) copies of all lawsuits or legal proceedings or alleged violations of law, and notices of all actions taken, or proposed to be taken, affecting the Company or the Managing Member.

(g) It shall also furnish to the Investor Member within 10 Business Days of execution a copy of all amendments or changes to the articles, bylaws, certificate, partnership agreement, operating agreement or other organizational documents of the Managing Member and the Company. In addition, it shall promptly respond to any reasonable requests or inquiries made in writing by the Investor Member regarding matters affecting the Property or the Company;

(h) Prior to November 1 of each year, an estimate of the Investor Member's share of Tax Credits, Net Cash Flow, distributions and Profits or Losses of the Company for federal income tax purposes for the current Company Fiscal Year. Such estimate shall be prepared by the Managing Member or the Accountants.

(i) The Investor Member agrees that any of the reports required to be delivered in Sections 13.04(a) or 13.04(b) shall be deemed to be delivered to the Investor Member to extent such information is contained in public filings published by the Company, the Managing Member, or the City.

### 13. Tax Elections.

(c) In the event of a transfer of all or any part of the Interest of a Member (or a member or partner thereof), the Company shall elect, pursuant to Sections 743 and 754 of the Code (or any corresponding provision of succeeding law), to adjust the basis of the Company property if, in the opinion of the Investor Member, based upon the advice of the Accountants, such election would be most advantageous to the Investor Member, to the extent that it is not at the detriment of the Managing Member. Each Member agrees to furnish the Company with all information necessary to give effect to such election. The Managing Member shall not make other elections permitted under the Code unless it has received the direction or prior Consent of the Investor Member.

(d) The Company shall make an election to be treated as an “electing real property trade or business” under Section 163(j)(7)(B) of the Code and provide evidence of making such election effective no later than the end of the taxable year ending December 31, 2024. Except as expressly provided in this Agreement, the Company has not made and will not make any elections under the Code, including pursuant to the Tax Reform Act or the Treasury Regulations thereunder, without the Consent of the Investor Member. The Company will file an election to opt-out of bonus depreciation that is otherwise available with respect to property owned by the Company pursuant to Section 168(k) of the Code.

### 13. Company Fiscal Year.

Except as the Code may otherwise require, the Company Fiscal Year shall be the fiscal year of the Investor Member. The fiscal year of the Investor Member is currently the calendar year. The Investor Member will inform the Managing Member of any change in its fiscal year.

### 13. Investor Member Inspection.

The Investor Member shall have the right to physically inspect the interior and exterior of the Property and the Company’s books, records, and sublease documents during normal business hours. The Investor Member shall provide written notice to the Managing Member of any such inspection not less than two weeks prior to the inspection. The Managing Member shall correct any inaccuracies or deficiencies in the Company’s books and records as agreed by the Managing Member and the Investor Member.

**ARTICLE XIV.**  
**AMENDMENTS**

**14. Proposal and Adoption of Amendments.**

(c) This Agreement may be amended by the Managing Member with the Consent of the Investor Member or by the Investor Member with the Consent of the Managing Member.

(d) The Company shall bear the expense, including attorneys' fees and filing expenses, of amendments to this Agreement; provided, however, that if the Company does not have sufficient Operating Income to bear such expenses the party proposing an amendment to this Agreement shall bear the expenses thereof.

**ARTICLE XV.**  
**CONSENTS, VOTING AND MEETINGS**

**15. Method of Giving Consent.**

Any Consent required by this Agreement may be given by a written Consent of the consenting Member and received by the Managing Member at or prior to the doing of the act or thing for which the Consent is solicited.

**15. Submissions to Investor Member.**

The Managing Member shall give the Investor Member Notice of any proposal or other matter required by any provision of this Agreement or by law to be submitted for consideration and approval of such Investor Member. Such Notice shall include any information required by the relevant provision or by law.

**ARTICLE XVI.**  
**GENERAL PROVISIONS**

**16. Burden and Benefit.**

The covenants and agreements contained herein shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors and assigns of the respective parties hereto.

**16. Applicable Law.**

This Agreement shall be construed and enforced in accordance with the laws of the State.

**16. Safe Harbor.**

The Members acknowledge that IRS Revenue Procedure 2014-12 establishes a safe harbor (the "Safe Harbor") under which the IRS will not challenge a partnership's allocations of validly claimed Federal Historic Tax Credits provided the partnership and its partners satisfy all the

requirements of the Safe Harbor. The Members agree that each intends to satisfy each of the requirements of the Safe Harbor and that in that regard, Investor Member is intended to constitute an “Investor” and the Company is intended to constitute a Partnership, and more specifically a “Developer Partnership,” as those terms are defined in the Revenue Procedure. The Members also agree that this Agreement shall be interpreted in a manner that would tend to cause the Company and its Members to comply with the requirements of the Safe Harbor.

#### 16. Counterparts.

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

#### 16. Separability of Provisions.

Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

#### 16. Entire Agreement.

This Agreement and the documents referred to herein set forth all (and is intended by all parties to be an integration of all) of the representations, promises, agreements and understandings among the parties hereto with respect to the Company, the Company business and the property of the Company, and there are no representations, promises, agreements or understandings, oral or written, express or implied, among them other than as set forth or incorporated herein or therein.

#### 16. Liability of the Investor Member.

Notwithstanding anything to the contrary contained herein, neither the Investor Member nor any of its partners, general or limited, or members shall have any personal liability to any of the parties to this Agreement with regard to the representations and covenants extended, or the obligations undertaken, by the Investor Member under this Agreement. Except as otherwise expressly stated herein, in the event that the Investor Member shall be in default under any of the terms of this Agreement, the sole recourse of any party hereto for any indebtedness due hereunder, or for any damages resulting from any such default by the Investor Member, shall be against the unpaid Capital Contribution of the Investor Member.

#### 16. Notices.

(c) Any and all notices, consents, approvals and other communications required or permitted under this Agreement shall be deemed adequately given only if in writing delivered either in hand, by mail or by expedited commercial carrier which provides evidence of delivery or refusal, addressed to the recipient, postage prepaid and certified or registered with return receipt requested, if by mail, or with all freight charges prepaid, if by commercial carrier or by electronic transmission provided that such electronic transmission is received prior to 5:00 p.m. Mountain Time on a Business Day. All notices and other communications shall be deemed to have been

given for all purposes of this Agreement upon the date of receipt or refusal. All such notices and other communications shall be addressed to the Members at their respective addresses set forth below or at such other addresses as any of them may designate by notice to the other Members.

(d) Any Notice required by the provisions of this Agreement to be given to the Investor Member shall be addressed as follows:

FIB Battin, LLC  
c/o First Interstate Bank  
401 N. 31<sup>st</sup> Street  
P.O. Box 30918  
Billings, MT 59116  
Attention: [\_\_\_\_\_]   
Email: [\_\_\_\_\_]

With a copy to:

Kutak Rock LLP  
2405 Grand Boulevard, Suite 600  
Kansas City, MO 64108  
Attention: Nicholas Irmen  
Email: Nicholas.Irmen@kutakrock.com

(e) Any Notice required by the provisions of this Agreement to be given to the Company or the Managing Member shall be addressed as follows:

Former Federal Building Landlord, LLC  
c/o City of Billings  
PO Box 1178  
Billings, MT 59103  
Attention: Andy Zoeller  
Email: zoellera@billingsmt.gov

With a copy to:

Dorsey & Whitney LLP  
Millennium Building  
125 Bank Street, Suite 600  
Missoula, MT 59802-4407  
Attention: Erin McCrady  
Email: mccrady.erin@dorsey.com

(c) In the event an action, suit or proceeding is commenced by one Member against the other in connection with this Agreement or the transaction contemplated hereby, the non-prevailing Member shall be required to reimburse the prevailing Member for all reasonable legal fees, costs and expenses incurred by the prevailing Member in connection therewith.

(d) Except as provided in Section 16.09(a), the Managing Member shall pay for any and all reasonable legal fees or costs incurred by the Investor Member in connection with any waiver or amendment request made by the Managing Member or in connection with any default by the Managing Member hereunder.

(c) Unless otherwise specifically provided herein, the rights and remedies of any of the parties hereunder shall not be mutually exclusive, and the exercise of one or more of the provisions hereof shall not preclude the exercise of any other provisions hereof. Each of the parties confirms that damages at law may be an inadequate remedy for breach or threat of breach of any provisions hereof. The respective rights and obligations hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, but nothing herein contained is intended to limit or affect any rights at law or by statute or otherwise of any party aggrieved as against the other parties for a breach or threat of breach of any provision hereof, it being the intention by this paragraph to make clear that under this Agreement the respective rights and obligations of the Members shall be enforceable in equity as well as at law or otherwise.

(d) To the extent permitted by law, each Member hereby irrevocably:

(ii) consents to any suit, action, or proceeding with respect to this Agreement being, if brought by the Investor Member, brought in any State court of competent jurisdiction located in Billings, Montana, as the Investor Member may elect and, if brought by the Managing Member, brought in any State court of competent jurisdiction located in Billings, Montana as the Managing Member may elect;

(iii) waives any objection that it may have now or hereafter to the venue of any such suit, action or proceeding in any such court and any claim that any of the foregoing have been brought in any inconvenient forum;

(iv) (A) acknowledges the competence of any such court, (B) submits to the exclusive jurisdiction of any such court in any such suit, action or proceeding, and (C) agrees that the final judgment in any such suit, action or proceeding brought in any such court shall be conclusive and binding upon it and may be enforced in any court to the jurisdiction of which it is or may be subject by a suit upon such judgment, a certified copy of which shall be conclusive evidence of its liability;

(v) agrees that service of process in any suit, action or proceeding brought in any such court may be made at its address set forth in Section 16.08, or such other address designated by it pursuant to the terms of Section 16.08;

(vi) waives all claims of error by reason of any service effected in accordance with the provisions of subparagraph (iv) above and agrees that such service shall in every respect effect service upon it in any suit, action or proceeding and shall be taken and held to be valid personal service upon or personal delivery to it, to the fullest extent permitted by law; and

(vii) waives trial by jury in any action related to this Agreement.

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All monetary obligations of the Company or the Managing Member to the Investor Member hereunder shall survive the sale by the Investor Member of its Interest or the termination of the Company until satisfied by the Company or the Managing Member, as the case may be.

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Nothing contained in this Agreement is intended or shall be deemed to benefit any creditor of the Company or any creditor of any Member, and no creditor of the Company shall be entitled to require the Company or the Members to solicit or accept any Capital Contribution for the Company or to enforce any right which the Company or any Member may have against any Member under this Agreement or otherwise or under any guaranty.

*Signature page follows*

**IN WITNESS WHEREOF**, the parties have set their signatures to this Operating Agreement as of the date first written above.

**MANAGING MEMBER:**

**FORMER FEDERAL  
BUILDING MANAGER, LLC,**  
a Montana limited liability company

By: \_\_\_\_\_  
Andy Zoeller, Manager



**INVESTOR MEMBER:**

**FIB BATTIN, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **SCHEDULE A**

### **MEMBERS, CAPITAL CONTRIBUTIONS, AND PERCENTAGE INTERESTS**

|                                  | <u>Capital Contribution</u> | <u>Percentage Interest</u> |
|----------------------------------|-----------------------------|----------------------------|
| <u>Investor Member</u>           |                             |                            |
| FIB Battin, LLC                  | \$[_____]*                  | 99% Admission Date         |
| c/o First Interstate Bank        |                             | 5% Adjustment Date         |
| 401 N. 31st St.                  |                             |                            |
| P.O. Box 30918                   |                             |                            |
| Billings, MT 59116               |                             |                            |
| Attention: [_____]               |                             |                            |
| <u>Managing Member</u>           |                             |                            |
| Former Federal Building Manager, | \$[_____]                   | 1% Admission Date          |
| LLC                              |                             | 95% Adjustment Date        |
| 210 North 27th Street            |                             |                            |
| Billings, Montana 59101          |                             |                            |
| Attention: Andy Zoeller          |                             |                            |

\*Payable as and when provided in the Agreement. Subject to adjustment as provided for in the Agreement.

## **SCHEDULE A**

## **EXHIBIT A**

### **INSURANCE PROVISIONS**

#### **SUMMARY OF REQUIREMENTS**

Hazard insurance certificates and policy confirmations meeting the Investor Member's requirements should be obtained in favor of the Company and listing "*FIB Battin, LLC, and each of its members, successors and assigns, as their interests may appear*" as additional insureds, with respect to the following items: (i) Builder's Risk coverage in an amount at least equal to the amount of the hard cost construction contract (i.e., the Insurable Value); (ii) Workmen's Compensation insurance; (iii) fire and extended coverage insurance in an amount equal to at least the full replacement cost of the Project, or if under construction, to replace work completed to date; (iv) single limit comprehensive general liability insurance on an "occurrence basis" against claims for personal injury in an amount of at least \$1,000,000 for any single occurrence and \$5,000,000 in aggregate coverage for any single year.

All Asset Management and Insurance Notifications and Certificates should be identified and sent to:

FIB Battin, LLC  
c/o First Interstate Bank  
401 N. 31<sup>st</sup> Street  
P.O. Box 30918  
Billings, MT 59116  
Attention: [\_\_\_\_\_]   
Email: [\_\_\_\_\_]

#### **INSURANCE FORMAT**

Unless self-insurance is provided by the City, all insurance policies (or riders) required by this Exhibit A are to be taken out and maintained (i) with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State or (ii) with Montana Municipal Interlocal Authority.

***THESE REQUIREMENTS MAY BE FORWARDED TO YOUR INSURANCE AGENT OR BROKER AS WELL AS THE GENERAL CONTRACTOR.***

## **EXHIBIT A**

## **PROPERTY INSURANCE REQUIREMENT**

Evidence of Property Insurance **ACORD 27**, **ACORD 28** or equivalent which conveys to the Company all the rights and privileges afforded under the policy in a manner acceptable to the Investor Member. An endorsement naming FIB Battin, LLC as an additional insured is required in addition to acceptable evidence. The policy must contain provisions acceptable to the Investor Member.

Note: **ACORD 25** is **not** acceptable as evidence of property coverage. ACORD forms or other forms with disclaimers similar to ACORD 25 are not acceptable. Therefore, ACORD 27 & ACORD 28 forms (**version 07/2006**) are not acceptable.

### **Evidence of Property Insurance must indicate all of the following coverage:**

- Include a description of the property insured in addition to the property address.
- *Former Federal Building Landlord, LLC and its successors and assigns, as its interests may appear* must be listed as Named Insured.
- The policy limit for Hard Costs must be sufficient to cover the full cost to rebuild the building(s).
- Deductible of \$50,000 maximum.
- A certified copy of the insurance policy will be required prior to investment and loan closing. If this is a new insurance policy, a certified copy will be required within 90 days from the effective date.
- The insurance policy form must be Builders Risk.
- The policy must be written on Special Form (also known as All Risk).
- Acts of Terrorism—the insurance policy must not contain an exclusion for acts of terrorism. The evidence of insurance must include the following: *Acts of Terrorism are not specifically excluded.*
- Completed Value form is required. Reporting Form is not acceptable.
- Builders Risk policies void coverage when the building in the course of construction is partially occupied prior to being 100% complete. This clause is commonly known as the Occupancy Clause. We require this clause to be deleted by endorsement.
- 30-day cancellation clause, with 10 days for non-payment of premium.
- FIB Battin, LLC must be named as an additional insured.
- Vandalism and Malicious Mischief (V&MM) and Theft on construction materials on site prior to installation must be included.
- The Builders Risk policy must include coverage for Soft Costs including construction loan interest payments and other expenses that could be incurred again during the reconstruction period after a loss.

## EXHIBIT A

**PARTNERSHIP'S LIABILITY INSURANCE REQUIREMENTS**  
**(Use ACORD 25 form)**

*Primary liability insurance and excess liability insurance limits are acceptable to comply with the per occurrence policy limit requirement.*

- The Company must be a Named Insured.
- *FIB Battin, LLC and its successors and assigns, as its interests may appear* must be listed as an additional insured.
- Commercial General Liability insurance policy must be on Occurrence Form. Claims Made Form is not acceptable. The policy limit must be \$1,000,000 per occurrence and \$5,000,000 in the aggregate, and include the following coverage:
  - Products/Completed Operations coverage.
  - Protective Liability (a.k.a. Owners and Contractors Protective liability) covering borrower for liability claims stemming from the general contractor's actions.
- 30-day cancellation clause, with 10 days for non-payment of premium.

**BUILDER'S INSURANCE REQUIREMENTS**  
**(Use ACORD 25 form)**

*If a general contractor is hired to do the construction work, insurance from the contractor is required as follows:*

- The certificate of insurance must include a description of the property insured and the property address.
- Commercial General Liability insurance policy must be on Occurrence Form. Claims Made form is not acceptable. The policy limit must be **\$10,000,000** per occurrence and must include the following coverage:
- Products/Completed Operations coverage must be included.
- Protective Liability (a.k.a. Independent Contractors Protective liability) covering all subcontractors.
- *FIB Battin, LLC and its successors and assigns, as its interests may appear* must be listed as an additional insured.
- An additional insured endorsement naming the Company as an additional insured.
- 30-day cancellation clause, with 10 days for non-payment of premium.
- Statutory Workers' Compensation insurance.
- Employers' Liability coverage (**\$1,000,000** Minimum)
- FIB Battin, LLC must be the certificate holder.

EXHIBIT A

All of the conditions listed above are requirements of the Investor Member and must be indicated on the Proof of Insurance. The insurance requirements listed above do not modify any provisions of the loan or equity documents regarding insurance. They represent the minimum requirements of the Investor Member and should not be accepted as advice of counsel concerning an adequate property and casualty insurance program to meet your personal needs. We urge you to seek advice from your insurance adviser in this regard.

#### EXHIBIT A

**EXHIBIT B-1**

**FORM OF INSTALLMENT PAYMENT NOTICE**

[Date of Notice]

FIB Battin, LLC  
c/o First Interstate Bank  
401 N. 31<sup>st</sup> Street  
P.O. Box 30918  
Billings, MT 59116

Re: Capital Contribution as per the Operating Agreement of Former Federal Building Landlord, LLC (the "Agreement") dated [ ] by and between the undersigned and the addressee hereof ("Investor Member")

To whom it may concern:

The undersigned on behalf of Former Federal Building Landlord, LLC confirms that all of the requirements for the payment of the [First/Second/Third] Installment have been satisfied and requests, subject to the terms and conditions of the Agreement, that the Investor Member contribute \$[Installment Amount] constituting the [First/Second/Third] Installment and in accordance with the Agreement, on [Installment Payment Date].

Terms not otherwise defined herein shall have the meanings given them in the Agreement.

**FORMER FEDERAL BUILDING MANAGER,  
LLC**, a Montana limited liability company

By: \_\_\_\_\_

EXHIBIT B-1

**EXHIBIT B-2**

**FORM OF MANAGING MEMBER'S CERTIFICATE**

**[Note: This certificate must be revised when reissued in connection with a request for the Second or Third Installments to reflect the passage of time, closing on the permanent financing, receipt of updated title insurance documentation, and similar events]**

All capitalized terms used herein and not otherwise defined, shall have the meanings attributed to them in the Operating Agreement of Former Federal Building Landlord, LLC (the "Company"), dated as of [\_\_\_\_\_] (the "Operating Agreement").

The undersigned, Former Federal Building Manager, LLC, a Montana limited liability company (the "Managing Member"), as of [**Date of Certificate**] being the sole Managing Member of the Company, hereby represents, warrants, and covenants to the Company and to the Members that with respect to the Company:

All representations and warranties of the Managing Member contained in Section 4.01 of the Operating Agreement are true and correct in all material respects as of the date hereof. All covenants of the Managing Member as set forth in Section 4.02 of the Operating Agreement are true and correct in all material respects as of the date hereof.

No event shall have occurred entitling the Investor Member to convert the Managing Member's Interest to an Economic Interest pursuant to Section 8.12 of the Operating Agreement nor has any event occurred which, with the passage of time, would entitle the Investor Member to convert the Managing Member's Interest to an Economic Interest.

The Managing Member and the Company are in good standing and authorized to engage in the activities as set forth in the Operating Agreement. In addition, there have been no changes or amendments to the articles, by-laws, certificates, or other organizational documents, as appropriate, of the Managing Member and the Company, except as provided to the Investor Member.

All obligations of the Managing Member set forth in the Operating Agreement (including the delivery of all financial and other reports required to be delivered as of the date hereof pursuant to Article XIII of the Operating Agreement) have been satisfied.

**MANAGING MEMBER:**

**FORMER FEDERAL BUILDING  
MANAGER, LLC,**  
a Montana limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT B-2



**EXHIBIT C**

**ARCHITECT'S CERTIFICATE**

(See attached)

EXHIBIT C

**EXHIBIT D**  
**PROJECTIONS**

(See attached)

EXHIBIT D

---

**GROUND SUBLEASE AGREEMENT**

between

**CITY OF BILLINGS, MONTANA  
as Ground Lessor,**

and

**FORMER FEDERAL BUILDING LANDLORD, LLC  
as Ground Lessee**

Dated as of [\_\_\_\_], 2024

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## TABLE OF CONTENTS

|                                                                          | <u>Page</u> |
|--------------------------------------------------------------------------|-------------|
| ARTICLE I GROUND SUBLEASE AND TERM.....                                  | 1           |
| Section 1.1.    Ground Sublease, Rent and Term.....                      | 1           |
| ARTICLE II REPRESENTATIONS AND COVENANTS.....                            | 2           |
| Section 2.1.    Representations and Covenants of the City.....           | 2           |
| Section 2.2.    Representations and Covenants of the Landlord.....       | 3           |
| ARTICLE III TERMINATION.....                                             | 3           |
| Section 3.1.    Early Termination.....                                   | 3           |
| Section 3.2.    Surrender of Project.....                                | 3           |
| ARTICLE IV USE OF PROJECT; ADDITIONAL COVENANTS.....                     | 3           |
| Section 4.1.    Use of Project.....                                      | 3           |
| Section 4.2.    Quiet Enjoyment.....                                     | 3           |
| Section 4.3.    Assignment.....                                          | 3           |
| Section 4.4.    Further Assurances.....                                  | 3           |
| Section 4.5.    Alterations.....                                         | 4           |
| ARTICLE V TRIPLE NET LEASE.....                                          | 4           |
| Section 5.1.    Triple Net.....                                          | 4           |
| Section 5.2.    Utilities.....                                           | 4           |
| Section 5.3.    Taxes.....                                               | 4           |
| ARTICLE VI MISCELLANEOUS.....                                            | 5           |
| Section 6.1.    Severability.....                                        | 5           |
| Section 6.2.    Binding Effect.....                                      | 5           |
| Section 6.3.    Counterparts; Electronic Execution and Counterparts..... | 5           |
| Section 6.4.    Applicable Law.....                                      | 5           |
| Section 6.5.    Recording.....                                           | 5           |
| Section 6.6.    Amendments, Changes and Modifications.....               | 5           |
| Section 6.7.    Captions.....                                            | 6           |
| Section 6.8.    No Additional Waiver Implied by One Waiver.....          | 6           |
| Section 6.9.    Agreement to Pay Attorneys' Fees and Expenses.....       | 6           |
| Section 6.10.    No Merger of Title.....                                 | 6           |
| Section 6.11.    Subordination.....                                      | 6           |
| Section 6.12.    Estoppel Certificates.....                              | 6           |
| Section 6.13.    Notices.....                                            | 7           |
| SIGNATURE PAGES.....                                                     | S-1         |
| EXHIBIT A    Legal Description of the Land.....                          | A-1         |
| EXHIBIT B    Schedule of Rental Payments.....                            | B-1         |

This **GROUND SUBLEASE AGREEMENT** dated as of [\_\_\_\_], 2024 (this “Ground Sublease”), is executed by **CITY OF BILLINGS, MONTANA**, a duly organized municipality of the State of Montana (the “City”), as ground lessor, and **FORMER FEDERAL BUILDING LANDLORD, LLC**, a Montana limited liability company (the “Landlord”), as ground lessee.

## **RECITALS**

WHEREAS, the City owns the real property legally described in Exhibit A, located in Yellowstone County, Montana (the “Land”), together with the improvements thereon (collectively, the “Project”);

WHEREAS, the City has leased the Land to the Bank pursuant to that certain Ground Lease dated as of the date hereof by and between the City, as lessor, and the Bank, as lessee (the “Ground Lease”); and

WHEREAS, pursuant to that certain Lease Purchase Agreement, dated on or about the date hereof, by and between the Bank, as lessor, and the City, as lessee (the “Lease”), the City has subleased the Project from the Bank; and

WHEREAS, this Ground Sublease constitutes and evidences a loan in the principal amount of \$[\_\_\_\_] from the City to the Landlord (the “Loan”); and

WHEREAS, pursuant to this Ground Sublease, the City will sublease the Project to the Landlord, subject to the terms and conditions hereof.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

## **ARTICLE I**

### **GROUND SUBLEASE AND TERM**

. Subject to and upon the terms, conditions, covenants and undertaking hereinafter set forth, the City hereby subleases the Project to the Landlord, and the Landlord hereby leases the Project from the City. The Landlord agrees to pay the City rent on the dates and in the amounts set forth on Exhibit B hereto, as such Exhibit B may be amended from time to time by written agreement of the parties hereto. The rental payments to be made by the Landlord hereunder constitute repayment of the Loan. This Ground Sublease shall commence on [\_\_\_\_], 2024, and shall terminate on [\_\_\_\_], 2099 (the “Termination Date”), unless the term of this Ground Sublease is terminated earlier in accordance with the provisions of Section 3.1.

## **ARTICLE II**

### **REPRESENTATIONS AND COVENANTS**

. The City represents to and covenants with the Landlord that:

- (a) the City is a duly formed and validly existing municipality of the State of Montana (the “State”), governed by the Constitution and laws of the State;
- (b) the City is authorized under the Constitution and laws of the State to sublease the Project to the Landlord;
- (c) the City has authority to execute and deliver this Ground Sublease, to enter into the transactions contemplated hereby, and to perform all of its obligations hereunder;
- (d) the officers of the City executing and delivering this Ground Sublease have been duly authorized to do so under the terms and provisions of a resolution of the governing body of the City, or by other appropriate official action;
- (e) in authorizing and executing this Ground Sublease, the City has complied with all open meeting laws, all public bidding laws and all other State and federal laws applicable to this Ground Sublease;
- (f) the execution and delivery of this Ground Sublease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Ground Sublease by the City will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease, agreement or instrument to which the City is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the City or any of its property, of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the property or assets of the City under the terms of any instrument or agreement to which the City is a party;
- (g) the City has good and merchantable title to the Land, subject only to the Ground Lease, Lease and other Permitted Encumbrances (as such term is defined in the Lease);
- (h) all taxes, assessments or impositions of any kind with respect to the Land (if any), except current taxes (if any), have been paid in full;
- (i) the Land complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations;
- (j) to the best of the knowledge of the City, the Land is not located in a flood hazard area.

. The Landlord represents to and covenants with the City that the Landlord has authority to execute and deliver this Ground Sublease, to enter into the transaction contemplated hereby, and to perform all of its obligations hereunder; that the officers of the Landlord executing and delivering this Ground Sublease have been duly authorized to do so; and that the execution and delivery of this Ground Sublease, the consummation of the transactions contemplated hereby,

and the performance of or compliance with the terms and conditions of this Ground Sublease by the Landlord will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease, agreement or instrument to which the Landlord is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the Landlord or any of its property, of any court or governmental body.

### **ARTICLE III**

#### **TERMINATION**

. Subject to the other provisions of this Ground Sublease, this Ground Sublease shall terminate prior to the Termination Date only by written agreement of the parties hereto.

. The Landlord agrees that upon the termination of this Ground Sublease it will surrender the Project to the City, in reasonable order and condition in light of the use to which the Project will be put, ordinary wear and tear excepted, and free and clear of all liens and encumbrances created by or arising under Landlord or any assignee of Landlord.

. The Landlord shall use the Project solely for the purpose of the historic rehabilitation and leasing of the Improvements to the City or other tenants. The Landlord will not use the Project or knowingly permit the Project to be used for any unlawful purpose.

. During the term of this Ground Sublease, the City shall provide the Landlord with the quiet use and enjoyment of the Land and the Landlord shall peaceably and quietly have and hold and enjoy the Land, without suit, trouble or hindrance from the City.

. The Landlord may assign its interests in this Ground Sublease and may use, sublease and/or lease the Project without the consent of the City.

. The City shall, upon the reasonable request by the Landlord, execute and deliver any and all documents and instruments required to effectuate the provisions hereof, provided that such further acts shall not adversely affect the rights or obligations of the City as contemplated hereby.

. The Landlord shall be permitted to perform any alterations, additions or improvements to the Project provided that such alterations, additions or improvements shall be performed in a satisfactory manner and shall not weaken or impair the structural strength, or materially lessen the value of, the Project; provided that the Landlord shall not undertake any rehabilitation, repairs or other work on the Project inconsistent with the Secretary's Standards; or construct any new or replacement capital improvements on the Project which substantially alter the Project or its use, except (A) replacements and remodeling in the ordinary course of business or under emergency conditions, or (B) reconstruction paid for from insurance proceeds. The Landlord will, within 60 days after filing of a lien, pay and discharge any mechanic's, materialmen's or other lien against the Project resulting from the Landlord's failure to make payment for any improvements in the Project made by the Landlord or at its direction. The Landlord will immediately notify the City of any claim of lien or other action of which it has knowledge which relates to any improvements in

the Project made by the Landlord or at its direction. As used herein, “Secretary’s Standards” means the standards for rehabilitation set forth in Title 36 of the Code of Federal Regulations, Part 67.7, or any successor provisions, as amended from time to time. The parties agree that the rehabilitation and improvement project being undertaken at the Project pursuant to the plans and specifications provided to the Landlord as of the date hereof does not violate this Section 11.

## **ARTICLE II**

### **TRIPLE NET LEASE**

. This Lease is a triple net lease requiring payment by the Landlord of all operating expenses including without limitation all taxes (as provided in Section 5.3), utilities, costs applicable to the Project under any restrictive covenants, costs of improvements (as permitted herein), maintenance, repairs, alterations, additions, replacements, and insurance relating to the Project shall be at the sole cost and expense of the Landlord. The Landlord acknowledges and agrees that the City shall not have any obligation to make any improvements, repairs, alterations, additions, or replacements whatsoever to the Project.

. The Landlord shall pay the providers of metered utilities directly.

.

- (a) The Landlord shall pay (or cause to be paid) on or before the last day on which payment may be made without penalty or interest, all taxes, assessments, or other governmental charges that shall or may be imposed during the term of this Ground Sublease upon, or arise in connection with the use of, the Project by the Landlord. Notwithstanding the foregoing, the City may elect to pay all such taxes, charges, or other assessments and obtain reimbursement from the Landlord within 30 days after written verification of all such taxes, charges, or assessments paid by the City. The foregoing shall not require payment by the Landlord of any income taxes assessed against the City or of any capital levy, franchise, estate, succession, inheritance or transfer tax due from the City.
- (b) The Landlord shall pay (or cause to be paid) to the proper taxing authority, on or before their due date, all real property taxes payable with respect to the Project for the term of this Ground Sublease. All real property taxes with respect to tax periods in which the commencement date or termination date of the term of this Ground Sublease fall will be prorated between the City and the Landlord in their appropriate shares, calculated based on the lease term and the pre-lease and post-lease time periods associated with such tax periods. Notwithstanding the foregoing, the City may elect to pay such real property taxes and obtain reimbursement from the Landlord within 30 days after written verification of such taxes paid by the City.
- (c) Notwithstanding the foregoing, taxes shall not include any income, capital levy, capital gains, transfer, recordation, mortgage, franchise, capital stock, gift, estate or inheritance tax; taxes or assessments on the personal property of the City or any



subtenants; or any penalty, interest, delinquency, charge or other addition to the amount of the actual tax or assessment.

### **ARTICLE III**

#### **MISCELLANEOUS**

. If any term or provision of this Ground Sublease, or the application thereof to any person or circumstance, is to any extent deemed to be invalid or unenforceable, the remainder of this Ground Sublease or the application of such term or provision to persons or circumstance other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Ground Sublease will be valid and enforceable to the fullest extent permitted by law.

. This Ground Sublease is binding upon, and inures to the benefit of, the parties hereto, and their respective successors and assigns.

. This Ground Sublease may be executed in counterparts, each of which shall constitute one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be received, sent or stored by electronic means copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that electronic signatures shall be binding upon the parties.

. This Ground Sublease will be interpreted and enforced in accordance with the laws of the State of Montana without regard to its conflicts of law provisions.

. The City shall record this Ground Sublease or an abstract hereof in the real property records where the Land is located in the manner prescribed by law.

. This Ground Sublease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the City and the Landlord.

. The captions or headings in this Ground Sublease are for convenience only and in no way define, limit or describe the scope or intent of any provision, article, section or clause of this Ground Sublease.

. In the event any covenant hereunder should be breached by either party and thereafter waived by the other party, the parties agree that such waiver is limited to the particular breach so waived and not deemed to waive any other breach hereunder.

. In the event either party to this Ground Sublease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefore pay to the non-defaulting party the reasonable fee of such attorneys and such other expenses so incurred by the non-defaulting party.

. There shall be no merger of this Ground Sublease or the leasehold created by this Ground Sublease with any other estate in the Land or any part thereof by reason of the fact that the same entity may acquire or own or hold, directly or indirectly, (a) the Land or any part thereof or any interest therein or (b) the Improvements or any part thereof or any interest therein, and no such merger shall occur unless and until all persons having any interest in the Improvements or any part thereof, shall join in a written instrument effecting such merger and shall duly record the same.

. This Ground Sublease will be subject and subordinate to the Ground Lease and the Lease Purchase Agreement and, at the request of any ground lessor, this Ground Sublease will be subject and subordinate to any mortgage or other ground lease that may hereafter encumber the premises. Upon request, the Landlord will execute, acknowledge and deliver to the City a commercially reasonable subordination, attornment and non-disturbance agreement evidencing such subordination and the Landlord's agreement to attorn to such mortgagee or ground lessor if such mortgagee or ground lessor acquires title to the Project; provided, however, that this Ground Sublease remains unmodified and that the mortgagee or ground lessor agrees in such subordination, attornment and non-disturbance agreement that the Landlord's peaceable and quiet possession of the Project under this Ground Sublease will not be disturbed so long as the Landlord is not in default under this Ground Sublease. In no event will the Landlord's possession of the Project be disturbed as long as the Landlord is not in default beyond applicable cure periods under this Ground Sublease.

. Each of the parties to this Ground Sublease shall, without charge, at any time and from time to time, within twenty (20) days after written request by the other party, deliver a written instrument to such party or to any other person specified by such party, duly executed and acknowledged, certifying that this Ground Sublease is unmodified and in full force and effect or, if there has been any modification, that the said Ground Sublease is in full force and effect as modified, stating any and all such modifications, and specifying the dates to which the rental and other charges provided for herein have been paid.

. All written notices to be given under this Ground Sublease are to be delivered by first class mail, postage prepaid, to the addresses specified below.

|  |                     |  |                                                                                                                  |
|--|---------------------|--|------------------------------------------------------------------------------------------------------------------|
|  | If to the City:     |  | City of Billings, Montana<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attention: City Finance Director        |
|  |                     |  |                                                                                                                  |
|  | If to the Landlord: |  | Former Federal Building Landlord, LLC<br>P.O. Box 1178<br>Billings, Montana 59103<br>Attn: City Finance Director |

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Ground Sublease as of the date first above written.

FORMER FEDERAL BUILDING LANDLORD,  
LLC,

a Montana limited liability company

By: FORMER FEDERAL BUILDING  
MANAGER, LLC, its managing member

By: \_\_\_\_\_

Name: Andy Zoeller

Its: Manager

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_

Its: Mayor

By: \_\_\_\_\_

Its: City Administrator

## **EXHIBIT A**

### **LEGAL DESCRIPTION OF THE LAND**

**Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, Block 43, of the Original Town (now City) of Billings, in the City of Billings, Yellowstone County, Montana, according to the official plat on file in the office of the Clerk and Recorder of said County, under Document No. 16312.**

**EXHIBIT B**  
**SCHEDULE OF RENTAL PAYMENTS**

RETURN TO:

Nicholas Irmen, Esquire  
Kutak Rock LLP  
2405 Grand Boulevard, Suite 600  
Kansas City, MO 64108

### **FORBEARANCE AGREEMENT**

This Forbearance Agreement (this “Agreement”) is made and entered into as of this [\_\_\_\_\_] day of [\_\_\_\_\_] , 2024, by and among **FIRST INTERSTATE BANK**, a national banking corporation, with an address of 401 N. 31<sup>st</sup> St., P.O. Box 30918, Billings, MT 59116 (“FIB”); **CITY OF BILLINGS, MONTANA**, a duly organized municipality of the State of Montana, with an address of PO Box 1178, Billings, MT 59103 (the “City”); **FORMER FEDERAL BUILDING LANDLORD, LLC**, a Montana limited liability company, with an address of PO Box 1178, Billings, MT 59103 (“Landlord”); and **FIB BATTIN, LLC**, a Delaware limited liability company, with an address c/o First Interstate Bank, 401 N. 31st St., P.O. Box 30918, Billings, MT 59116 (“Investor”).

#### WITNESSETH THAT:

WHEREAS, the City is the fee owner of that certain building located at 316 N. 26th Street, in Billings, Montana and commonly known as the James F. Battin Federal Building (the “Building”) as well as certain other improvements, and the tract(s) of land upon which the Building is located (together with the Building collectively, the “Premises”), as further described on Exhibit A attached hereto; and

WHEREAS, FIB leases the Premises from the City pursuant to that certain Ground Lease Agreement dated on or about the date hereof, by and between the City, as lessor, and FIB, as lessee (the “Ground Lease”); and

WHEREAS, the City subleases the Premises from FIB pursuant to that certain Lease-Purchase Agreement dated on or about the date hereof, by and between FIB, as lessor, and the City, as lessee (the “Ground Sublease”); and

WHEREAS, Landlord sub-subleases the Premises from the City pursuant to that certain [Ground Sublease Agreement] dated on or about the date hereof, by and between the City, as lessor, and Landlord, as lessee (the “Ground Sub-sublease” and together with the Ground Lease and the Ground Sublease, collectively, the “Leases”); and

WHEREAS, each Lease has been recorded in the land records of Yellowstone County, Montana; and

WHEREAS, Landlord is governed by that certain Operating Agreement of Landlord dated as of the date hereof (the “Operating Agreement”), pursuant to which Investor acquired an interest in Landlord and has and will make certain equity investments, as described therein; and



WHEREAS, Landlord intends to rehabilitate the historic Building in a manner that qualifies for the historic rehabilitation tax credit allowed for qualified rehabilitation expenditures incurred in connection with the “certified rehabilitation” of a “certified historic structure” (the “Federal Historic Tax Credits”) pursuant to Sections 47 and 50 of the Internal Revenue Code of 1986, as amended from time to time, or any corresponding provision or provisions of prior or succeeding law (the “Code”) and the tax credit allowable pursuant to Section 15-31-151 of the Montana Code Annotated (the “State Historic Tax Credits” and together with the Federal Historic Tax Credits, collectively, the “Historic Tax Credits”).

NOW, THEREFORE, for and in consideration of the Premises and the mutual promises herein and also in consideration of the Leases, the parties hereto agree hereby as follows:

1. FORBEARANCE. During the HTC Recapture Period (as hereinafter defined), each of FIB, the City, and Landlord (each a “Lease Party” and collectively, the “Lease Parties”) shall forbear from exercising any of its respective rights to (x) take possession of the Premises or realize upon any collateral interest in the Premises or any rights or privileges attendant thereto, (y) terminate a Lease, or (z) commence any legal proceedings to facilitate any of the preceding actions described in clauses (x) or (y) (each, a “Lien Enforcement Action”), nor shall any rights or remedies exercised under a Lease result in a transfer of Landlord’s sub-subleasehold interest in the Premises to a Disqualified Person (as defined below), through the end of the HTC Recapture Period, regardless of whether or not there is any past, current or future default in the performance by a Lease Party of any terms, covenants or conditions of a Lease. Notwithstanding the limits on enforcement herein, nothing shall prohibit or prevent a Lease Party from giving notice of a default under a Lease or pursuing a collection or other legal action other than any action which could result in a Lien Enforcement Action.

For purposes of this Section, a “Disqualified Person” means (a) any federal, state, or local government (or any political subdivision, agency, or instrumentality thereof); (b) any organization described in Section 501(c) of the Code and exempt from tax under Section 501(a) of the Code; (c) any person who is not a “United States person” as defined in Section 7701(a)(3) of the Code (other than a foreign partnership or foreign pass-through entity), unless such person is a foreign person or entity that is subject to United States federal income tax on more than 50% of the gross income for the taxable year derived by such person from the Premises; (d) any entity described in Treasury Regulation Section 1.48-4(a)(1)(v) (e.g., a real estate investment trust, regulated investment company, certain domestic building and loan associations, a mutual savings or cooperative bank or a cooperative described in Section 1381(a) of the Code); and (e) any partnership or other pass-through entity (including a single-member disregarded entity) and any partner (or other holder of an equity or profits interest) of which is a Disqualified Person; the parties recognize that the Master Lease (as defined in the Operating Agreement) (and the County Lease referenced in the Master Lease) does not violate this provision). For purposes of this Agreement, the “HTC Recapture Period” shall mean the period of time commencing on the date on which any of the Qualified Rehabilitation Expenditures (as that term is defined in Section 47(c)(2) of the Code) on which Investor shall have claimed Historic Tax Credits was first placed in service (as that term is used in the Code and the regulations thereunder in connection with Historic Tax Credits), and concluding on the fifth (5th) anniversary of the date on which any of

such Qualified Rehabilitation Expenditures was last placed in service.

2. RIGHT TO CURE DEFAULTS.

A. The Lease Parties agree to give notice to Investor of any default by a Lease Party under a Lease, simultaneous with delivery of notice of such default to the applicable Lease Party, specifying the nature of such default, and thereupon Investor shall have the right (but not the obligation) to cure such default (and the applicable Lease Party shall accept performance by or on behalf of Investor as though and with the same effect as if such has been performed by the applicable Lease Party), and if a Lease Party is entitled to terminate a Lease or abate any rent payable thereunder by reason of such default, such Lease Party shall not terminate such Lease, abate the rent payable thereunder or exercise any other remedy under such Lease by reason of such default unless and until it has afforded Investor thirty (30) days after Investor's receipt of such notice to cure such default and a reasonable period of time in addition thereto (x) if the circumstances are such that the default cannot reasonably be cured within the thirty (30) day period and Investor has commenced and is diligently pursuing such cure, or (y) during and after any litigation action. Notwithstanding anything in this Agreement or the Leases, nothing herein or therein shall prohibit the City from, or delay the City in, terminating the Ground Sublease by Nonappropriation (as defined in the Ground Sublease) pursuant to and in accordance with the Ground Sublease.

B. The Lease Parties agree that any transfer of Investor's interest in Landlord pursuant to the Put Option (as defined in the Operating Agreement) shall not in and of itself constitute a default under any Lease.

3. LEASE PAYMENTS. If in the future there is a default by a Lease Party in the performance and observance of the terms of a Lease (after the expiration of any applicable grace, notice and cure periods), such Lease Party (to the extent acting in its capacity as a landlord under a Lease) may require that all rents and other payments due under each subordinate Lease be paid directly to it. Upon notification to that effect by a Lease Party, each subordinate Lease Party agrees to pay any payments due under the terms of the subordinate Leases to the notifying Lease Party. Any payments by a subordinate Lease Party to a senior Lease Party in accordance with this Agreement shall be deemed and shall constitute a payment of rental under the applicable Lease(s).

4. RESTRICTION ON SALE OF PREMISES. The Lease Parties agree that during the HTC Recapture Period, and subject to the other provisions of this Agreement, neither the Premises nor any improvements thereon (or any interest therein) can be sold or otherwise transferred by a Lease Party to a governmental or other tax-exempt entity or to any other entity, the transfer to which would cause the recapture of the Historic Tax Credits under Section 50 of the Code; the parties recognize that the Master Lease (as defined in the Operating Agreement) (and the County Lease referenced in the Master Lease) does not violate this provision).

5. FURTHER ASSURANCES. The Lease Parties shall not, without obtaining the prior written consent of each other Lease Party, which consent shall not be unreasonably withheld, (i) enter into any agreement amending, modifying or terminating a Lease, (ii) prepay any of the rents, additional rents or other sums due under a Lease for more than one month in advance of the

due dates thereof, (iii) voluntarily surrender the Premises demised by a Lease or terminate a Lease or shorten the term thereof other than pursuant to the provisions of such Lease, (iv) assign a Lease or sublet the Premises or any part thereof other than pursuant to the provisions of such Lease or the Operating Agreement, or (v) pledge, mortgage, grant a lien, assign or transfer or otherwise encumber such Lease Party's right, title or interest in or to any sublease, license, contract or other agreement for use and/or occupancy of the Premises or any part thereof, or in any rents, proceeds, payments, or other consideration or amounts arising from the Premises on any proceeds of any of the foregoing, except as otherwise permitted by the Operating Agreement or otherwise consented to in writing by Investor such consent not to be unreasonably withheld.

6. REPRESENTATIONS AND WARRANTIES. Each Lease Party hereby represents and warrants to Investor that as of the date hereof, with respect to each Lease that such Lease Party is party to, (i) such Lease Party is the owner and holder of the lessor's or lessee's interest, as applicable, under such Lease, (ii) such Lease has not been modified or amended, (iii) such Lease is in full force and effect, (iv) no Lease Party is in default under any of the terms, covenants or provisions of such Lease and such Lease Party knows of no event which but for the passage of time or the giving of notice or both would constitute an event of default by a Lease Party under such Lease, (v) such Lease Party has not commenced any action or given or received any notice for the purpose of terminating such Lease, (vi) all rents, additional rents and other sums due and payable under such Lease have been paid in full and no rents, additional rents or other sums payable under such Lease have been paid for more than one month in advance of the due dates thereof, and (vii) to the knowledge of the Lease Party, there are no existing offsets or defenses to the payment by a Lease Party of the rents, additional rents, or other sums payable under such Lease.

7. SUCCESSORS AND ASSIGNS. This Agreement and each and every covenant, agreement and other provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their heirs, administrators, representatives, successors, and assigns, including without limitation each and every, from time to time, holder of an interest in a Lease or any other person having an interest therein.

8. CHOICE OF LAW. This Agreement is made and executed under and in all respects is to be governed and construed by the laws of the State of Montana (the "State").

9. CAPTIONS AND HEADINGS. The captions and headings of the various sections of this Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

10. MISCELLANEOUS.

A. This Agreement may not be modified or terminated except by an agreement in writing signed by the parties or their respective successors in interest.

B. All notices, demands or requests made pursuant to, under, or by virtue of this Agreement must be in writing sent by either hand delivery service providing dated evidence of delivery, overnight courier service providing dated evidence of delivery, or mailed by certified

or registered mail, return receipt requested, to the party to whom the notice, demand or request is being made at its address set forth herein. Any party may change the place that notices and demands are to be sent by written notice delivered in accordance with this Agreement.

C. If any of the terms of this Agreement or the application thereof to any person or entity or circumstances shall to any extent be invalid or unenforceable, the remainder of this Agreement or the application of any such terms to any person or entity or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby, and each term of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

D. To the fullest extent permitted by law, the parties hereto each hereby irrevocably and unconditionally:

(i) agree that any action, suit or proceeding by any person or entity arising from or relating to this Agreement or any statement, course of conduct, act, omission, or event in connection therewith (collectively, “Related Litigation”) shall be brought in any state court of competent jurisdiction sitting in Billings, Montana, submit to the jurisdiction of such courts, and agree not to bring any Related Litigation in any other forum;

(ii) acknowledge that such courts will be the most convenient forum for any Related Litigation, waive any objection to the laying of venue of any Related Litigation brought in any such court, waive any claim that any Related Litigation brought in any such court has been brought in an inconvenient forum, and waive any right to object, with respect to any Related Litigation, that such court does not have jurisdiction over it;

(iii) consent and agree to service of any summons, complaint, or other legal process in any Related Litigation by registered or certified U.S. mail, postage prepaid, to it at the address for notices described in this Agreement, and consent and agree that such service shall constitute in every respect valid and effective service (but nothing herein shall affect the validity or effectiveness of process served in any other manner permitted by law); and

(iv) to the extent permissible under applicable law, waive the right to trial by jury in any Related Litigation.

E. This Agreement may be executed in one or more counterparts by some or all of the parties hereto, each of which counterparts shall be an original and all of which together shall constitute a single agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have set their hands to this Forbearance Agreement this day and year first above written.

**FIB:**

**FIRST INTERSTATE BANK,**  
a national banking corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
CITY/COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year 2024, before me personally appeared \_\_\_\_\_, as \_\_\_\_\_ of First Interstate Bank, a national banking corporation, known to me to be the person who executed this Agreement on behalf of said national banking corporation and acknowledged to me that they executed the same for the purposes therein stated.

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have set their hands to this Forbearance Agreement this day and year first above written.

**CITY:**

**CITY OF BILLINGS, MONTANA,**  
a duly organized municipality of the State of  
Montana

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
CITY/COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year 2024, before me personally appeared \_\_\_\_\_, as \_\_\_\_\_ of City of Billings, Montana, a duly organized municipality of the State of Montana, known to me to be the person who executed this Agreement on behalf of said duly organized municipality of the State of Montana and acknowledged to me that they executed the same for the purposes therein stated.

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have set their hands to this Forbearance Agreement this day and year first above written.

**LANDLORD:**

**FORMER FEDERAL BUILDING  
LANDLORD, LLC,**  
a Montana limited liability company

By: Former Federal Building Manager, LLC,  
a Montana limited liability company,  
its managing member

By: \_\_\_\_\_  
Name: Andy Zoeller  
Title: Manager

STATE OF \_\_\_\_\_ )  
 ) ss.  
CITY/COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year 2024, before me personally appeared Andy Zoeller, as Manager of Former Federal Building Manager, LLC, a Montana limited liability company, the managing member of Former Federal Building Landlord, LLC, a Montana limited liability company, known to me to be the person who executed this Agreement on behalf of said Montana limited liability company and acknowledged to me that they executed the same for the purposes therein stated.

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_

IN WITNESS WHEREOF, the parties hereto have set their hands to this Forbearance Agreement this day and year first above written.

**INVESTOR:**

**FIB BATTIN, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.  
CITY/COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_ in the year 2024, before me personally appeared \_\_\_\_\_, as \_\_\_\_\_ of FIB Battin, LLC, a Delaware limited liability company, known to me to be the person who executed this Agreement on behalf of said Delaware limited liability company and acknowledged to me that they executed the same for the purposes therein stated.

Witness my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public  
My Commission Expires: \_\_\_\_\_



**EXHIBIT A**

**LEGAL DESCRIPTION**

(See attached)

EXHIBIT A

## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is made and entered into as of [\_\_\_\_\_, 2024], by and between Former Federal Building Landlord, LLC, a Montana limited liability company (the “Lessor”), and the City of Billings, Montana (the “Developer”).

### RECITALS

WHEREAS, the Lessor is the owner of a sub-leasehold interest in the building located at 316 North 26th Street, in Billings, Montana and commonly known as the James F. Battin Federal Building (the “Building”), as well as certain other improvements, and the tract(s) of land upon which the Building is located (collectively, the “Land” and, together with the Building, the “Property”); and

WHEREAS, the rehabilitation of the Building will help ensure the preservation and protection of a historic building through the restoration of the historic interior and exterior of the Building, and the development of the Building into office space and other related amenities and improvements that will qualify for Historic Tax Credits (collectively, the “Project”); and

WHEREAS, the Lessor is governed by that certain Operating Agreement of the Lessor, dated as of even date herewith (the “Operating Agreement”), by and between FIB Battin, LLC, a Delaware limited liability company (the “Investor”), and Former Federal Building Manager, LLC, a Montana limited liability company (the “Managing Member”); and

WHEREAS, the Lessor desires to appoint the Developer to provide certain services for the Lessor with respect to overseeing the development of the Building until all development work is completed.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises of the parties hereto, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Appointment. The Lessor hereby appoints the Developer to render services for the Lessor, and confirms and ratifies the appointment of the Developer with respect to services rendered for the Lessor to date, in supervising and overseeing the rehabilitation of the Building as herein contemplated.

2. Authority. The Developer shall have, and has had, the authority and the obligation to:

(a) act on behalf of the Lessor in its relation with any governmental agency or authority and any lender with respect to all matters relating to the Rehabilitation;

(b) help select the Architect, coordinate the preparation of the plans and specifications (the “Plans and Specs”) and recommend alternative solutions whenever design details affect construction feasibility or schedules;

(c) ensure that the Plans and Specs are in compliance with all applicable codes, laws, ordinances, rules and regulations;

(d) negotiate all necessary contracts and subcontracts (including the Construction Contract) for the Rehabilitation;

(e) choose the products and materials necessary to equip the Building in a manner which satisfies all requirements of the Plans and Specs;

(f) monitor disbursement and payment of amounts owed the Architects and the subcontractors;

(g) insure that the Building is rehabilitated free and clear of all mechanics' and materialmen's liens;

(h) obtain an Architect's certificate that the work on the Building is substantially complete, and inspect the Architect's work;

(i) secure all building code approvals and obtain certificates of occupancy for the Building;

(j) cause the Rehabilitation to be completed in a prompt and expeditious manner, consistent with good workmanship, and in compliance with the following:

(i) the Plans and Specs as they may be amended by the agreement of the parties hereto;

(ii) any and all obligations of the Lessor under any financing transaction; and

(iii) any and all zoning regulations, county ordinances, including health, fire and safety regulations, and any other requirements of federal, state and local laws, rules, regulations and ordinances applicable to construction of the Building;

(k) cause to be performed in a diligent and efficient manner the following:

(i) Rehabilitation of the Building; and

(ii) general administration and supervision of the Rehabilitation, including but not limited to activities of subcontractors and their employees and agents, and others employed as to the Building in a manner which complies in all respects with the Plans and Specs;

(l) keep, or cause to be kept, accounts and cost records as to the Rehabilitation;

(m) maintain, or cause to be maintained, at its expense, all office and accounting facilities and equipment necessary to adequately perform the foregoing functions;

(n) make available to the Lessor, during normal business hours and upon the Lessor's written request, copies of all material contracts and subcontracts;

(o) deliver to the Lessor a dimensioned as-built survey of the real property and as-built drawings of the Building construction;

(p) provide, and periodically update a Building construction time schedule which coordinates and integrates the Architect's services with construction schedules;

(q) investigate and recommend a schedule for purchase by the Lessor of all materials and equipment requiring long lead time procurement, coordinate the schedule with the Architect and expedite and coordinate delivery of such purchases;

(r) prepare pre-qualification criteria for subcontractors interested in the Rehabilitation, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with the bidding documents and management techniques with any special systems, materials or methods;

(s) receive bids, prepare bid analyses and make recommendations to the Lessor for award of contracts or rejection of bids;

(t) coordinate the work of the Architect to complete the Rehabilitation in accordance with the objectives as to cost, time and quality, and provide sufficient personnel at the Property with authority to achieve such objectives;

(u) provide a detailed schedule of realistic activity sequences and durations, allocation of labor and materials and processing of shop drawings and samples;

(v) provide regular monitoring of the schedule as construction progresses, identify potential variances between scheduled and probable completion dates, review the schedule for work not started or incomplete, recommend to the Lessor adjustments in the schedule to meet the probable completion date, provide summary reports of such monitoring, and document all changes in the schedule;

(w) recommend courses of action to the Lessor when requirements of subcontracts are not being fulfilled;

(x) revise and refine the approved estimate of Rehabilitation cost, incorporate changes as they occur, and develop cash flow reports and forecasts as needed;

(y) provide regular monitoring of the approved estimate of Rehabilitation cost, show actual costs for activities in process and estimates for uncompleted tasks, identify variances between actual and budgeted or estimated costs and advise the Lessor whenever projected costs exceed budgets or estimates;

(z) develop and implement a system for review and processing of change orders as to the Rehabilitation;

(aa) develop and implement a procedure for the review and processing of applications by subcontractors for progress and final payments;

(bb) in collaboration with the Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples;

(cc) record the progress of the Building and, upon Lessor's written request, submitting written progress reports to the Lessor, including the percentage of completion and the number and amounts of change orders;

(dd) select the preservation consultant for the historical components of the development and Rehabilitation, if necessary;

(ee) complete and submit all forms necessary for the Part 1 and Part 2 designations, and incorporate all recommendations from the National Park Service in the plans and specifications as they relate to the Building;

(ff) assist with the documentation of the pre-rehabilitation conditions of the interior and exterior of the Building; and

(gg) coordinate and consult with the State Historic Preservation Office to fulfill the eligibility requirements of the Rehabilitation.

3. Development Fee. For services performed and to be performed under Sections 1 and 2 of this Agreement (which services do not include, and the Developer shall take no actions which pertain to, the acquisition of the Land, the admission of the Investor as a member of the Lessor and/or the obtaining of any loan), the Lessor agrees to pay the Developer a development fee in the aggregate amount of \$[ ] (the "Development Fee"), subject to the terms and conditions of the Operating Agreement. The entire Development Fee shall be deemed to have been earned upon Placement in Service of the Building. Any Development Fee remaining after application of all Development Sources shall be deferred with interest at the applicable federal rate and shall be paid as provided in the Operating Agreement. Notwithstanding the foregoing, the entire unpaid balance of the Development Fee shall be due and payable in all events by the Lessor not later than the fifth anniversary of Placement in Service of the Building in accordance with the Projections and the Operating Agreement.

4. Withholding of Fee Payments. In the event that the Developer shall not have substantially complied with any material provisions under this Agreement, then the Developer shall be in default of this Agreement. In the event that the Developer shall remain in default of this Agreement after Notice and a sixty (60) day opportunity to cure such default (unless a longer period is reasonably required for such cure and Developer is diligently pursuing such cure, such longer period not to exceed one hundred twenty (120) additional days), the Lessor may terminate this Agreement and/or withhold any payments due hereunder.

All amounts so withheld by the Lessor under this Section 4 shall be promptly released to the Developer only after the Developer has cured the default justifying the withholding, as demonstrated by evidence reasonably acceptable to the Lessor.

5. Accounts and Records.

(a) The Developer on behalf of the Lessor, shall keep such books of account and other records as may be required and approved by the Managing Member, including, but not limited to, records relating to the costs of construction advances. The Developer shall keep vouchers, statements, receipted bills and invoices and all other records, in the form approved by the Managing Member, covering all collections, if any, disbursements and other data in connection with the Project prior to final completion of construction and rehabilitation. All accounts and records relating to the Project, including all correspondence, shall be surrendered to the Lessor, upon demand without charge therefor.

(b) All books and records prepared or maintained by the Developer shall be kept and maintained at all times at the place or places approved by the Managing Member, and shall be available for and subject to audit, inspection and copying by the Managing Member or any representative or auditor thereof or supervisory or regulatory authority, at the times and in the manner set forth in the Operating Agreement.

6. Assignment of Fees. The Developer shall not assign, pledge or otherwise encumber, for security or otherwise, the Development Fee set forth above to be made by the Lessor, or any portion(s) thereof or any right(s) of the Developer thereto, without prior Consent of and Notice to the Lessor.

7. Reserved.

8. Termination. If the Managing Member withdraws from the Lessor for any reason whatsoever, including the removal of the Managing Member as the managing member of the Lessor and/or the Managing Member interest in Lessor being converted into a non-managing member interest, this Agreement shall terminate effective on the date of such withdrawal (an “Early Termination”) unless the Lessor and the Investor otherwise elect in writing. Notwithstanding any Early Termination, the Developer shall be entitled to receive payments of the Development Fee to the extent earned when and as specified under this Agreement. The Developer shall have no right to terminate this Agreement without the Consent of the Lessor and the Investor, which Consent may be withheld in the sole discretion of either party.

9. No Lien Filings. The Developer hereby represents, warrants and covenants that neither it nor its Affiliates shall file a mechanic’s lien, materialmen’s lien or other lien against the Project or any other assets of the Lessor (other than as permitted by the Operating Documents or the Lease Purchase Finance Documents), and hereby waives and releases any right it may have or may hereafter acquire to file such a lien against the Project or any other assets of the Lessor. The Developer shall indemnify and hold harmless the Lessor and the Investor from any losses, damages, and/or liabilities, to or as a result of a breach of this provision.

10. Successors and Assigns, Termination. This Agreement shall be binding on the parties hereto, their heirs, successors, and assigns. However, this Agreement may not be assigned by any party hereto without the Consent of the Lessor and the Investor, nor may it be terminated without the Consent of the Lessor and the Investor.

11. Defined Terms. Capitalized terms used in this Agreement and not specifically defined herein shall have the meanings assigned to them in the Operating Agreement.

12. Separability of Provisions. Each provision of this Agreement shall be considered separable and if for any reason any provision which is not essential to the effectuation of the basic purposes of this Agreement is determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those provisions of this Agreement which are valid.

13. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original copy and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all the parties shall not have signed the same counterpart.

14. No Continuing Waiver. The waiver by any party of any breach of this Agreement shall not operate or be construed to be a waiver of any subsequent breach.

15. Applicable Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Montana.

16. Waiver of Jury Trial. **EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THIS AGREEMENT, INCLUDING WITHOUT LIMITATION, ANY PRESENT OR FUTURE AMENDMENT THEREOF, OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.**

17. Third Party Beneficiary. The Investor is a third-party beneficiary of this Agreement, and the Lessor and the Developer hereby expressly agree that any amendment to this Agreement shall not be effective unless and until same is Consented to by the Investor.

*Signature page follows*

**IN WITNESS WHEREOF**, the parties have caused this Development Agreement to be duly executed as of the date first written above.

**LESSOR:**

**FORMER FEDERAL BUILDING  
LANDLORD, LLC,**  
a Montana limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DEVELOPER:**

**CITY OF BILLINGS, MONTANA**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## CONTRIBUTION AND REIMBURSEMENT AGREEMENT

This CONTRIBUTION AND REIMBURSEMENT AGREEMENT (this “*Agreement*”) dated as of [\_\_\_\_], 2024 (the “*Effective Date*”), is by and among CITY OF BILLINGS, MONTANA, a municipality and political subdivision of the State of Montana (“*Owner*”), FORMER FEDERAL BUILDING MANAGER, LLC, a Montana limited liability company (the “*Manager*”), and FORMER FEDERAL BUILDING LANDLORD, LLC, a Montana limited liability company (the “*Landlord*”).

### RECITALS

A. Owner is the owner of all of that tract of land located at 316 N. 26<sup>th</sup> Street, Billings, MT 59101, together with all rights, alleys, ways, waters, privileges, roads, appurtenances, and advantages, to the same belonging or in any way appertaining thereto (collectively, the “*Land*”) and the historic building or buildings located on the Land, together with all fixtures and personal property, all off-street parking areas on the Land, all common areas at the Land, and all replacements, additions, and alterations thereto (collectively, the “*Improvements*” and, together with the Land, the “*Property*”).

B. Owner has agreed to lease to Landlord pursuant to that certain Ground Lease Agreement dated as of the date hereof (the “*Ground Lease*”) with respect to the Property.

C. Landlord desires to cause the acquisition, renovation, rehabilitation, construction, and development of the Property into a city hall and related uses (the “*Project*”), and for the financing of the Project.

D. Prior to the date hereof, Owner has expended certain funds in connection with the Project in the amount of \$\_\_\_\_\_, including, but not limited to, costs incurred in connection with the construction contract, architect’s agreement and all other contracts entered into in connection with the Project (the “*Pre-Incurred Costs*”), as summarized on **Exhibit A**, attached hereto and incorporated herein by this reference.

E. Owner is the managing member and sole member of Manager.

F. Manager owns a 1% membership interest in the Landlord and is the managing member of Landlord.

G. The parties desire for the Pre-Incurred Costs to be transferred to Landlord (the “*Contribution*”), as a capital contribution from Owner to Manager and Manager desires to make a capital contribution to the Landlord in the amount of the Pre-Incurred Costs in connection with its membership interest in the Landlord.

H. Accordingly, the parties are accounting for the Pre-Incurred Costs as a capital contribution from Owner to Manager in the amount of \$\_\_\_\_\_, followed by net capital contribution by Manager to Landlord in the same amount pursuant to Section 721(a) of the Internal Revenue Code of 1986, as amended (the “*Code*”).

I. THEREFORE, for and in consideration of the foregoing Recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Contribution of Pre-Incurred Costs. The parties hereto agree that the Pre-Incurred Costs will be deemed to be a capital contribution from Owner to Manager and from Manager to Landlord.

2. Capital Account Credit. The parties agree that Manager will receive capital account credit on the books of Landlord in the amount of the Pre-Incurred Costs.

3. Governing Law. This Agreement is governed by and construed in accordance with the internal, substantive laws of the State of Montana applicable to agreements made and to be performed entirely within such State, without regard to its conflicts of law provisions.

4. Severability. In the event that any covenant, condition, or other term herein contained is held to be invalid, void, or illegal by any court of competent jurisdiction, the same will be deemed to be severable from the remainder of this Agreement and will in no way affect, impair, or invalidate any other covenant, condition, or other term contained herein.

5. Further Assurances. From time to time on and after the date hereof, each party hereto will promptly execute and deliver all such further instruments and assurances, and will promptly take all such further actions, as the other parties hereto may reasonably request (but at the requesting party's expense) in order more effectively to effect or confirm the transactions hereby contemplated and to carry out the purposes of this Agreement.

6. Tax Treatment. All of the parties will treat and report the transactions contemplated in accordance with this Agreement in the manner described herein. The parties will not take any actions or positions which are inconsistent with this Agreement and the obligations set forth herein.

7. No Third-Party Beneficiaries. This Agreement binds and inures to the benefit of the parties hereto and their respective successors and permitted assigns. Except as expressly set forth herein, nothing in this Agreement is intended to or does confer any rights or remedies on any person other than the parties hereto and their respective successors and permitted assigns.

8. Counterparts. This Agreement may be executed by the parties in separate counterparts, each of which when so executed and delivered will be an original, but all of which together will constitute one and the same agreement. In pleading or proving this Agreement, it will not be necessary to produce or account for more than one copy of this Agreement executed (in counterparts or otherwise) by all of the parties.

(The remainder of this page is intentionally left blank.)

**IN WITNESS WHEREOF**, parties have caused this Contribution and Reimbursement Agreement to be duly executed effective as of the Effective Date.

OWNER:

CITY OF BILLINGS, MONTANA,  
a municipality and political subdivision of the State of  
Montana

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MANAGER:

FORMER FEDERAL BUILDING MANAGER, LLC,  
a Montana limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

LANDLORD:

FORMER FEDERAL BUILDING LANDLORD, LLC, a  
Montana limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **EXHIBIT A**

### **DESCRIPTION OF PRE-INCURRED COSTS**

All costs to date incurred by Landlord in connection with the rehabilitation of the Project including, but not limited to, costs incurred in connection with the construction contract, architect's agreement and all other contracts entered into in connection with the Project.

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Billings, Montana (the “City”), hereby certify that the attached resolution is a true copy of a Resolution entitled: “RESOLUTION RELATING TO A HISTORIC TAX CREDIT TRANSACTION; APPROVING THE TERMS AND CONDITIONS OF THE TRANSACTION AND AUTHORIZING THE EXECUTION OF DOCUMENTATION RELATING THERETO” (the “Resolution”), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a meeting on November 12, 2024, and that the meeting was duly held by the City Council 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 Council Members voted in favor thereof: \_\_\_\_\_; voted against the same: \_\_\_\_\_; abstained from voting thereon: \_\_\_\_\_; or were absent: \_\_\_\_\_.

WITNESS my hand and seal officially this 12th day of November, 2024.

(SEAL)

\_\_\_\_\_  
City Clerk

RESOLUTION NO. \_\_\_\_\_

RESOLUTION RELATING TO A HISTORIC TAX CREDIT  
TRANSACTION; APPROVING THE TERMS AND  
CONDITIONS OF THE TRANSACTION AND AUTHORIZING  
THE EXECUTION OF DOCUMENTATION RELATING  
THERE TO

BE IT RESOLVED by the City Council (the “Council”) of the City of Billings, Montana (the “City”), as follows:

Section 1. Recitals.

Section 1.01 This Council has previously determined to purchase the former federal courthouse building located at 316 North 26<sup>th</sup> Street in the City (the “Building”), and to undertake renovations of and improvements to the Building to make it suitable for use as a new City Hall and related uses (the “Project”). The City, in consultation with Brian Wishneff and Associates, LLC, its tax credit consultant, has determined that the Project will qualify for the federal historic rehabilitation tax credit allowed for qualified rehabilitation expenditures incurred in connection with the “certified rehabilitation” of a “certified historic structure” pursuant to Sections 47 and 50 of the Internal Revenue Code of 1986 (the “Federal Tax Credits”) and the State of Montana tax credit allowable pursuant to Section 15-31-151, Montana Code Annotated (the “State Tax Credits”).

Section 1.02 Pursuant to Resolution No. 24-11207, adopted by the Council on June 24, 2024, City staff have negotiated with a historic tax credit investor, FIB Battin, LLC (the “HTC Investor”), the terms of a historic tax credit transaction with respect to the Project, and have negotiated with First Interstate Bank (“FIB”), an affiliate of the HTC Investor, the terms of a long-term lease purchase financing with respect to the Project. The terms of the long-term lease purchase financing are presented to the Council by separate resolution substantially simultaneously herewith.

Section 1.03 In connection with the lease purchase financing, the City will enter into a Ground Lease with FIB (the “Ground Lease”), pursuant to which the City leases the real property underlying the Project to FIB, and a Lease Purchase Agreement with FIB (the “Lease Purchase Agreement”), pursuant to which the City leases the Project and underlying real property back from FIB.

Section 1.04 In connection with the historic tax credit transaction:

(a) the City will form a Montana limited liability company, designated “Former Federal Building Manager, LLC” (the “Company”), of which the City shall be the sole member, and the City shall enter into an operating agreement with respect to the Company (the “Company Operating Agreement”), pursuant to which Andy Zoeller, the City Finance Director, will serve as the manager of the Company;

(b) the Company and the HTC Investor will form a Montana limited liability company, designated “Former Federal Building Landlord, LLC” (the “Landlord”), of which the

Company and the HTC Investor will be the sole members, and the City and the HTC Investor will enter into an operating agreement with respect to the Landlord (the “Landlord Operating Agreement”), pursuant to which the Company will serve as the managing member of the Landlord (the “Managing Member”);

(c) the City will enter into (i) a Ground Sublease Agreement, by and between the City and the Landlord (the “Ground Sublease”), pursuant to which the City will grant a sub-leasehold interest in the Property to the Landlord and which will evidence a loan from the City to the Landlord as provided therein (the “Loan”); (ii) a Master Lease Agreement, by and between the Landlord and the City (the “Master Lease”), pursuant to which the Landlord will grant a further sub-leasehold interest in the Property to the City; (iii) a Forbearance Agreement, by and among the City, the Landlord, the Bank and the HTC Investor (the “Forbearance Agreement”), pursuant to which the City, the Landlord and the Bank will agree to temporarily forbear from exercising certain rights with respect to the Property under the Ground Lease, the Lease Purchase Agreement and the Ground Sublease; (iv) a Development Agreement, by and between the City and the Landlord (the “Development Agreement”), pursuant to which the City is appointed by the Landlord to oversee the Project; and (v) a Contribution Agreement, by and among the City, the Company and the Landlord (the “Contribution Agreement”), pursuant to which the City will contribute to the Company its capital expenses with respect to the Project (the “Pre-Incurred Costs”) and thereafter the Company will contribute the Pre-Incurred Costs to the Landlord in exchange for an interest in the Landlord (the “Company Contribution”); and

(d) The HTC Investor will make a capital contribution to the Landlord in one or more installments pursuant to the Landlord Operating Agreement (the “Investor Member Contribution”). The Investor Member Contribution shall equal the sum of (i) with respect to the Federal Tax Credits allocated to the Investor Member, 20% of the federal qualified rehabilitation expenses multiplied by 89% and (ii) with respect to the State Tax Credits allocated to the Investor Member, 25% of the amount the Investor Member claims with respect to the Federal Tax Credits multiplied by 92%, in each case subject to adjustment as set forth in the Landlord Operating Agreement.

Section 1.05 Forms of Documents. Forms of the following documents and agreements have been provided to this Council (collectively, the “Transaction Documents”):

- (a) Company Operating Agreement;
- (b) Landlord Operating Agreement;
- (c) Ground Sublease;
- (d) Master Lease;
- (e) Forbearance Agreement;
- (f) Development Agreement; and
- (g) Contribution Agreement.

Section 2. Approval of Historic Tax Credit Transaction. This Council hereby determines that it is in the best interests of the City and the Project to enter into, undertake and perform the historic tax credit transaction described in Section 1.04 hereof and in the Transaction Documents (collectively, the “Transaction”) in order to provide additional financing for the Project.

Section 3. Approvals Relating to the Transaction and the Transaction Documents.

3.01. In furtherance of the Transaction, this Council hereby authorizes and directs City staff to do all things necessary or desirable to form the Company. This Council further approves the Company Consent, in substantially the form attached hereto as Exhibit A, and the Company Operating Agreement in substantially the form provided to this Council, and authorizes and directs the Mayor, City Administrator and City Clerk to execute and deliver the Company Consent and Company Operating Agreement in the name and on behalf of the City and authorizes and directs the City Finance Director, as Manager of the Company, to execute and deliver the Company Consent and Company Operating Agreement as Manager, in each case with such modifications as may be necessary or desirable and approved by the City Finance Director, the execution and delivery of any such document to conclusively establish approval thereof. Following execution of the Company Consent and the Company Operating Agreement, this Council acknowledges, approves, directs, ratifies and consents to the City Finance Director, as Manager of the Company, taking such actions and executing such documents (including execution of the Transaction Documents to which the Company is a party), for and on behalf of the Company and as Manager of the Company as may be necessary or desirable in connection with the Transaction and in accordance with the Company Operating Agreement.

3.02. In furtherance of the Transaction, this Council hereby authorizes and directs City staff to do all things necessary or desirable to form the Landlord. This Council further approves the Landlord Consent, in substantially the form attached hereto as Exhibit B, and the Landlord Operating Agreement in substantially the form provided to this Council, and authorizes and directs the City Finance Director, as Manager of the Company, to execute and deliver the Landlord Consent and Landlord Operating Agreement in the name and on behalf of the Company, in each case with such modifications as may be necessary or desirable and approved by the City Finance Director, the execution and delivery of any such document to conclusively establish approval thereof. Following execution of the Landlord Consent and the Landlord Operating Agreement, this Council acknowledges, approves, directs, ratifies and consents to the City Finance Director, as Manager of the Company, taking such actions and executing such documents (including execution of the Transaction Documents to which the Landlord is a party), for and on behalf of the Landlord and in the Company’s capacity as Managing Member of the Landlord as may be necessary or desirable in connection with the Transaction and in accordance with the Landlord Operating Agreement.

3.03. Council hereby adopts, approves and confirms the Transaction and the Transaction Documents in substantially the forms provided to this Council, and authorizes and directs the Mayor, City Administrator and City Clerk to execute and deliver the Transaction Documents to which the City is a party, for and on behalf of the City, in each case with such modifications as may be necessary or desirable and approved by the Mayor, City Administrator



and City Clerk, the execution and delivery of any such document to conclusively establish approval thereof.

Each of the Mayor, the City Administrator, the City Clerk and the City Finance Director is also authorized to execute, enter into and deliver such other documents and certificates as may be necessary or desirable in connection therewith, in the opinion of Dorsey & Whitney LLP, as special counsel to the City, or as may be reasonably required by the HTC Investor. All actions taken to date by officers and staff of the City on behalf of the City in connection with the Transaction are hereby ratified and confirmed.

Section 5. Costs and Expenses. The City approves and authorizes payment of costs and expenses of the Transaction, including out-of-pocket costs and expenses of the HTC Investor and FIB; fees and costs of counsel to the City, the HTC Investor and FIB; fees, costs and expenses of consultants and other third parties; recording and filing fees; title insurance premiums; and other costs and expenses as are reasonably related to the Transaction, the closing of the Transaction, and performance by the City, the Manager and the Managing Member of their respective obligations in connection with the Transaction.

Section 6. Limitation of Liability. The obligations of the City, the Manager and the Managing Member under the Transaction Documents shall not constitute or be construed to be debts of the City in contravention of any constitutional or statutory limitation or requirements concerning the creation of indebtedness by the City, nor shall anything contained in the Transaction Documents constitute a pledge of the City's general tax revenues, funds or money. The City has not pledged the full faith and credit or taxing power of the City with respect to any obligations under the Transaction Documents.

Section 7. Transcript Certification. The officers of the City are directed to furnish to Dorsey and to the HTC Investor certified copies of all proceedings and information in their official records relevant to the authorization of the Transaction, 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 enforceability of the Transaction Documents, and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations and recitals of the City as to the correctness of all facts stated therein and the completion of all proceedings stated therein to have been taken.

Section 8. Effective Date. This Resolution shall become effective upon passage and all provisions of ordinances, resolutions and other actions and proceedings of the City 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 City Council of the City of Billings, Montana, this 12th day of November, 2024.

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Mayor

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

## EXHIBIT A

### FORM OF COMPANY CONSENT

#### JOINT WRITTEN CONSENT OF THE MEMBER AND MANAGER OF FORMER FEDERAL BUILDING MANAGER, LLC

The undersigned, constituting the sole member and the manager of Former Federal Building Manager, LLC, a Montana limited liability company (the “Company”), as required by the Montana Limited Liability Company Act, does each hereby consent to, authorize and adopt the following resolutions, and shall file this written consent (this “Written Consent”) with the records and minutes of the Company. This Written Consent is to be effective as of \_\_\_\_\_, 2024.

#### ADOPTION OF OPERATING AGREEMENT AND APPOINTMENT OF MANAGER

**WHEREAS**, the City of Billings, Montana (the “City”), deems it advisable and in the best interests of the Company and the City to adopt and enter into the Operating Agreement of the Company, substantially in the form attached hereto as Exhibit A (the “Operating Agreement”), to govern the affairs of the Company, the conduct of the Company’s business, and the relations of its members.

**NOW, THEREFORE, BE IT RESOLVED**, that the form, terms, and provisions of the Operating Agreement are hereby authorized, adopted, approved, and confirmed in all respects, with such changes thereto as the Manager shall approve, the execution and delivery of any such document or taking of any such action to conclusively establish the approval by the Manager with respect thereto.

**RESOLVED FURTHER**, that the Company shall issue 1,000 membership interest units to the City as set forth in the Operating Agreement.

**RESOLVED FURTHER**, that the City hereby appoints Andy Zoeller to serve as the manager of the Company (the “Manager”) pursuant to the terms of the Operating Agreement and the Managing Member is authorized and directed to perform the obligations of the Manager under the Operating Agreement.

#### FINANCING OF THE PROJECT – LEASE PURCHASE FINANCING AND HISTORIC TAX CREDIT FINANCING

**WHEREAS**, the City is the owner of a fee interest in the building located at 316 North 26th Street, in Billings, Montana, and commonly known as the James F. Battin Federal Building (the “Building”), and the real property upon which the Building is located (the “Land” and, together with the Building, the “Property”).

**WHEREAS**, rehabilitation of the Building will help ensure the preservation and protection of a historic building through the restoration of the historic interior and exterior of the Building, and the development of the Building into office space and other related amenities (the “Project”) will qualify for the federal historic rehabilitation tax credits allowed for qualified rehabilitation expenditures incurred in connection with the “certified rehabilitation” of a “certified historic structure” pursuant to Sections 47 and 50 of the Internal Revenue Code of 1986 and the State of Montana tax credit allowable pursuant to Section 15-31-151, Montana Code Annotated.

**WHEREAS**, in connection with the Project, Company and FIB Battin, LLC, a Delaware limited liability company (the “Investor Member”), will enter into that certain Operating Agreement of the Former Federal Building Landlord, LLC (the “Landlord”), substantially in the form attached hereto as Exhibit B

(the “Landlord Operating Agreement”), to govern the affairs of the Landlord, the conduct of the Landlord’s business, and the relations of its members.

**WHEREAS**, the Company will serve as the Managing Member of the Landlord pursuant to the terms of the Landlord Operating Agreement (the “Managing Member”).

**WHEREAS**, in connection with the Project, the City will enter into (i) a Ground Lease Agreement, by and between the City and First Interstate Bank, a national banking corporation and an affiliate of the Investor Member (the “Bank”), substantially in the form attached hereto as Exhibit C (the “Ground Lease”), pursuant to which the City will grant a leasehold interest in the Land to the Bank and (ii) a Lease Purchase Agreement, by and between the Bank and the City, substantially in the form attached hereto as Exhibit D (the “Lease Purchase Agreement”), pursuant to which the Bank will lease the Property to the City.

**WHEREAS**, in connection with the Project, the City will enter into (i) a Ground Sublease Agreement, by and between the City and the Landlord, substantially in the form attached hereto as Exhibit E (the “Ground Sub-Lease”), pursuant to which the City will grant a sub-leasehold interest in the Property to the Landlord and which will evidence a loan from the City to the Landlord as provided therein, (ii) a Master Lease Agreement, by and between the City and the Landlord, substantially in the form attached hereto as Exhibit F (the “Master Lease”), pursuant to which the Landlord will grant a further sub-leasehold interest in the Property to the City, (iii) a Forbearance Agreement, by and among the City, the Landlord, the Bank and the Investor Member, substantially in the form attached hereto as Exhibit G (the “Forbearance Agreement”), pursuant to which the City, the Landlord and the Bank will agree to temporarily forbear from exercising certain rights with respect to the Property under the Ground Lease, the Lease Purchase Agreement and the Ground Sub-Lease, and (iv) a Development Agreement, by and between the City and the Landlord, pursuant to which the City is appointed by the Landlord to oversee the Project (the “Development Agreement”).

**WHEREAS**, in connection with the Project, the Investor Member will make a capital contribution to the Landlord in one or more installments pursuant to the Landlord Operating Agreement (the “Investor Member Contribution”) in exchange for an interest in the Landlord as set forth on Schedule A to the Landlord Operating Agreement.

**WHEREAS**, in connection with the Project, the City, the Landlord and the Company will enter into that certain Contribution Agreement, substantially in the form attached hereto as Exhibit H (the “Contribution Agreement”), pursuant to which the City will contribute to the Company its capital expenses with respect to the Project (the “Pre-Incurred Costs”) and thereafter the Company will contribute the Pre-Incurred Costs to the Landlord in exchange for an interest in the Landlord as set forth on Schedule A to the Landlord Operating Agreement (the “Company Contribution”).

**WHEREAS**, the City deems it advisable and in the best interests of the Company and the City that the Landlord undertake the Project.

**NOW, THEREFORE, BE IT RESOLVED**, that the form, terms and provisions of the Landlord Operating Agreement, and the transactions contemplated thereby, are in the best interests of the Company and the City and are hereby authorized, adopted, approved, and confirmed in all respects.

**RESOLVED FURTHER**, that the Manager is hereby authorized to execute and deliver, in the name and on behalf of the Company, the Landlord Operating Agreement, with such changes thereto as the Manager shall approve, the execution and delivery thereof to conclusively establish the approval by the Manager with respect thereto.

**RESOLVED FURTHER**, that the Company will serve as the Managing Member of the Landlord pursuant to the terms of the Landlord Operating Agreement and the Manager is hereby authorized to execute and deliver, in the name and on behalf of the Managing Member of the Landlord, any such documents and undertake any such actions and transactions contemplated by the Landlord Operating Agreement, the execution and delivery of any such documents or taking of any such actions and transactions to conclusively establish the approval by the Managing Member of the Landlord with respect thereto.

**RESOLVED FURTHER**, that the form, terms and provisions of the Ground Lease, the Lease Purchase Agreement, the Ground Sub-Lease, the Master Lease, the Forbearance Agreement, the Development Agreement and the Contribution Agreement (collectively, the “Transaction Documents”), and the transactions contemplated thereby, are in the best interests of the Company and the City and are hereby authorized, adopted, approved, and confirmed in all respects.

**RESOLVED FURTHER**, that the Manager is hereby authorized to execute and deliver, in the name and on behalf of the Company, the Transaction Documents to which the Company is a party, each with such changes thereto as the Manager shall approve, and to cause the Company to perform the obligations of the Company under the Transaction Documents, and to take all other actions as may be necessary or desirable, in the discretion of the Manager and pursuant to the authority and limitations set forth in the Operating Agreement, to fully effectuate and consummate the transactions contemplated by the Transaction Documents, the execution and delivery of any such document or taking of any such action to conclusively establish the approval by the Manager with respect thereto.

**OMNIBUS RESOLUTIONS**

**RESOLVED FURTHER**, that that the Manager is hereby authorized and empowered, in the name and on behalf of the Company, to prepare, execute, deliver and file, as applicable, any and all documents, certificates or instruments and to take any and all actions as may be necessary or appropriate in order to carry out the intent or accomplish the purposes of the foregoing resolutions, the execution and delivery of any such document or taking of any such action to conclusively establish its authority with respect thereto.

**RESOLVED FURTHER**, that that any action taken by the Manager prior to the date hereof that, if taken after the date hereof, would have been authorized by the foregoing resolutions, is hereby affirmed, ratified, confirmed, authorized and approved in all respects.

**RESOLVED FURTHER**, that this Consent may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

*[Signature page follows]*

This joint action by written consent shall be effective as of the date first written above. By executing this joint action by written consent, each of the undersigned is giving written consent in favor of the above resolutions and consents. This joint action by written consent may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Any copy, facsimile or other reliable reproduction of this joint action by written consent may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used. This joint action by written consent shall be filed with the minutes of the proceedings of the Company.

**MEMBER:**

**CITY OF BILLINGS, MONTANA**

**By:** \_\_\_\_\_  
**Its: Mayor**

**By:** \_\_\_\_\_  
**Its: City Administrator**

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

**MANAGER:**

\_\_\_\_\_  
**Andy Zoeller**

**Exhibit A**

**Form of Operating Agreement**

*[See Attached]*

**Exhibit B**

**Form of Landlord Operating Agreement**



**Exhibit C**

**Form of Ground Lease**

*[See Attached]*

**Exhibit D**

**Form of Lease Purchase Agreement**

*[See Attached]*

**Exhibit E**

**Form of Ground Sub-Lease**

*[See Attached]*

**Exhibit F**

**Form of Master Lease**

*[See Attached]*

**Exhibit G**

**Form of Forbearance Agreement**

*[See Attached]*

**Exhibit H**

**Form of Contribution Agreement**

*[See Attached]*

## EXHIBIT B

### FORM OF LANDLORD CONSENT

#### WRITTEN CONSENT OF THE MEMBERS OF FORMER FEDERAL BUILDING LANDLORD, LLC

The undersigned, constituting all of the members of Former Federal Building Landlord, LLC, a Montana limited liability company (the “Company”), as required by the Montana Limited Liability Company Act, do hereby consent to, authorize and adopt the following resolutions, and shall file this written consent (this “Written Consent”) with the records and minutes of the Company. This Written Consent is to be effective as of [\_\_\_\_], 2024.

#### ADOPTION OF OPERATING AGREEMENT AND APPOINTMENT OF MANAGING MEMBER

**WHEREAS**, Former Federal Building Manager, LLC, a Montana limited liability company (the “Managing Member”) and FIB Battin, LLC, a Delaware limited liability company (the “Investor Member”) and, together with the Managing Member, the “Members”), deem it advisable and in the best interests of the Company and the Members to adopt and enter into the Operating Agreement of the Company, substantially in the form attached hereto as Exhibit A (the “Operating Agreement”), to govern the affairs of the Company, the conduct of the Company’s business, and the relations of its members.

**NOW, THEREFORE, BE IT RESOLVED**, that the form, terms, and provisions of the Operating Agreement are hereby authorized, adopted, approved, and confirmed in all respects, with such changes thereto as the Members shall approve, the execution and delivery of any such document or taking of any such action to conclusively establish the approval by the Members with respect thereto.

**RESOLVED FURTHER**, that the Members hereby appoint the Managing Member to serve as the Managing Member of the Company pursuant to the terms of the Operating Agreement and the Managing Member is authorized and directed to perform the obligations of the Managing Member under the Operating Agreement.

#### FINANCING OF THE PROJECT – LEASE PURCHASE FINANCING AND HISTORIC TAX CREDIT FINANCING

**WHEREAS**, the City of Billings, Montana (the “City”) is the owner of a fee interest in the building located at 316 North 26th Street, in Billings, Montana, and commonly known as the James F. Battin Federal Building (the “Building”), and the real property upon which the Building is located (the “Land” and, together with the Building, the “Property”).

**WHEREAS**, rehabilitation of the Building will help ensure the preservation and protection of a historic building through the restoration of the historic interior and exterior of the Building, and the development of the Building into office space and other related amenities (the “Project”) will qualify for the federal historic rehabilitation tax credits allowed for qualified rehabilitation expenditures incurred in connection with the “certified rehabilitation” of a “certified historic structure” pursuant to Sections 47 and 50 of the Internal Revenue Code of 1986 and the State of Montana tax credit allowable pursuant to Section 15-31-151, Montana Code Annotated.

**WHEREAS**, in connection with the Project, the City will enter into (i) a Ground Lease Agreement, by and between the City and First Interstate Bank, a national banking corporation and an affiliate of the Investor Member (the “Bank”), substantially in the form attached hereto as Exhibit B (the “Ground Lease”), pursuant to which the City will grant a leasehold interest in the Land to the Bank and (ii) a Lease-Purchase Agreement, by and between the Bank and the City, substantially in the form attached hereto as Exhibit C (the “Lease Purchase Agreement”), pursuant to which the Bank will lease the Property to the City.

**WHEREAS**, in connection with the Project, the Company will enter into (i) a Ground Sublease Agreement, by and between the City and the Company, substantially in the form attached hereto as Exhibit D (the “Ground Sub-Lease”), pursuant to which the City will grant a sub-leasehold interest in the Property to the Company and which will evidence a loan from the City to the Company as provided therein, (ii) a Master Lease Agreement, by and between the Company and the City, substantially in the form attached hereto as Exhibit E (the “Master Lease”), pursuant to which the Company will grant a further sub-leasehold interest in the Property to the City, (iii) a Forbearance Agreement, by and among the City, the Company, the Bank and the Investor Member, substantially in the form attached hereto as Exhibit F (the “Forbearance Agreement”), pursuant to which the City, the Company and the Bank will agree to temporarily forbear from exercising certain rights with respect to the Property under the Ground Lease, the Lease Purchase Agreement and the Ground Sub-Lease, and (iv) a Development Agreement, by and between the City and the Landlord, pursuant to which the City is appointed by the Landlord to oversee the Project (the “Development Agreement”).

**WHEREAS**, in connection with the Project, the Investor Member will make a capital contribution to the Company in one or more installments pursuant to the Operating Agreement (the “Investor Member Contribution”) in exchange for an interest in the Company as set forth on Schedule A to the Operating Agreement.

**WHEREAS**, in connection with the Project, the City, the Company and the Managing Member will enter into that certain Contribution Agreement, substantially in the form attached hereto as Exhibit G (the “Contribution Agreement”), pursuant to which the City will contribute to the Managing Member its capital expenses with respect to the Project (the “Pre-Incurred Costs”) and thereafter the Managing Member will contribute the Pre-Incurred Costs to the Company in exchange for an interest in the Company as set forth on Schedule A to the Operating Agreement (the “Managing Member Contribution”).

**WHEREAS**, the Members deem it advisable and in the best interests of the Company and the Members that the Company undertake the Project.

**NOW, THEREFORE, BE IT RESOLVED**, that the form, terms and provisions of the Ground Lease, the Lease Purchase Agreement, the Ground Sub-Lease, the Master Lease, the Forbearance Agreement, the Development Agreement and the Contribution Agreement (collectively, the “Transaction Documents”), and the transactions contemplated thereby, are in the best interests of the Company and the Members and are hereby authorized, adopted, approved, and confirmed in all respects.

**RESOLVED FURTHER**, that the Managing Member is hereby authorized to execute and deliver, in the name and on behalf of the Company, the Transaction Documents to which the Company is a party, each with such changes thereto as the Managing Member shall approve, and to cause the Company to perform the obligations of the Company under the Transaction Documents, and to take all other actions as may be necessary or desirable, in the discretion of the Managing Member and pursuant to the authority and limitations set forth in the Operating Agreement, to fully effectuate and consummate the transactions contemplated by the Transaction Documents, the execution and delivery of any such document or taking of any such action to conclusively establish the approval by the Managing Member with respect thereto.



**OMNIBUS RESOLUTIONS**

**RESOLVED FURTHER**, that that the Managing Member is hereby authorized and empowered, in the name and on behalf of the Company, to prepare, execute, deliver and file, as applicable, any and all documents, certificates or instruments and to take any and all actions as may be necessary or appropriate in order to carry out the intent or accomplish the purposes of the foregoing resolutions, the execution and delivery of any such document or taking of any such action to conclusively establish its authority with respect thereto.

**RESOLVED FURTHER**, that that any action taken by the Managing Member prior to the date hereof that, if taken after the date hereof, would have been authorized by the foregoing resolutions, is hereby affirmed, ratified, confirmed, authorized and approved in all respects.

**RESOLVED FURTHER**, that this Consent may be executed in one or more counterparts, each of which shall be deemed an original, and all of which shall constitute one and the same instrument.

*[Signature page follows]*

This action by written consent shall be effective as of the date first written above. By executing this action by written consent, each of the undersigned is giving written consent in favor of the above resolutions and consents. This action by written consent may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one action. Any copy, facsimile or other reliable reproduction of this action by written consent may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used. This action by written consent shall be filed with the minutes of the proceedings of the Company.

**MEMBERS:**

**FORMER FEDERAL BUILDING MANAGER, LLC,  
a Montana limited liability company**

---

**Andy Zoeller, Manager**

**FIB BATTIN, LLC,  
a Delaware limited liability company**

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**[name], [title]**

**Exhibit A**

**Form of Operating Agreement**

*[See Attached]*

**Exhibit B**

**Form of Ground Lease**

*[See Attached]*

**Exhibit C**

**Form of Lease Purchase Agreement**

*[See Attached]*

**Exhibit D**

**Form of Ground Sub-Lease**

*[See Attached]*

**Exhibit E**

**Form of Master Lease**

*[See Attached]*

**Exhibit F**

**Form of Forbearance Agreement**

*[See Attached]*



**Exhibit G**

**Form of Contribution Agreement**

*[See Attached]*

**City Council Regular**

**Date:** 11/12/2024  
**Title:** EBURD Tax Increment Assistance - 1616 1st Avenue North - Billings Animal Family Hospital  
**Presented by:** Wyeth Friday  
**Department:** Planning & Community Services  
**Presentation:** Yes  
**Legal Review:** No  
**Project Number:** NA

**RECOMMENDATION**

The Billings Industrial Revitalization District (BIRD) Board of Directors recommends the City Council approve up to a maximum reimbursement of up to \$475,000 from the EBURD tax increment finance district funds to Billings Animal Family Hospital (ERB Properties, LLC) to assist in the construction of a 6,943 square foot veterinary hospital at 1616 1st Avenue North. Actual reimbursement will be based upon 100% of the actual costs incurred for qualified expenses for the improvements made to property subject to the following conditions:

1. The Applicant shall sign a development agreement with the City of Billings and BIRD within 180 days of City Council's approval.
2. This TIFD reimbursement is the maximum that can be received pending satisfactory submission of all paid invoices showing the completion of expenditures related to this project.
3. If funds are not available, reimbursement can be carried over to the next fiscal year.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The Billings Industrial Revitalization District (BIRD) Board of Directors is presenting this recommendation to the City Council for allocating \$475,000 in tax increment finance funds (TIF) from the East Billings Urban Renewal District (EBURD) to provide financial assistance to Billings Animal Veterinary Hospital for construction of a new 6,943 square foot veterinary clinic at 1616 1st Avenue North. The property is at the northeast corner of the intersection of North 17th Street and 1st Avenue North. This new hospital will be a second companion hospital to the existing Billings Animal Family Hospital located at 1321 North 27th Street across from the MSU-B campus north of the intersection of Poly Drive and North 27th Street. The BIRD Review Committee considered this application and recommended approval to the full BIRD Board. The BIRD Board reviewed and recommended approval of this project to the City Council at its board meeting on September 10 and then reconsidered it on October 2 due to a re-evaluation of the EBURD financial projections after receiving the MT Department of Revenue annual values for the District.

The subject property is vacant and the new veterinary clinic will include a new building, site work, parking, sidewalks, landscaping, fencing and water and sewer utility connections. The total cost of fees, site improvements, site work and building construction for the project is \$3,378,413 less the land cost and \$4,053,413 with the land cost included. The BIRD Board found that this project was in line with the EBURD Master Plan and Urban Renewal Plan, particularly in the areas of economic growth, infrastructure improvements and increasing land use in the district. The project will result in 6 construction positions during the project and add 6 new full time positions for the new veterinary hospital.

The BIRD Board's recommendation of \$475,000 toward the improvements results in about a 14:1 investment in private to public funds for the project based on a total project cost of \$3,378,413 that does not include the land cost (there is no reimbursement for land expenses). This 14:1 ratio exceeds the 5:1 recommended ratio in the City's TIF Policy. The payback for this investment based on property tax increases is estimated at about 17 years. The BIRD Board noted several reasons for its support of the project:

- With the reuse and redevelopment of this property, this project is in alignment with the EBURD Urban Renewal Plan under its Business Programs and Projects and Infrastructure Improvements goals (See Pages 3 and 4, item I and IV of the Urban Renewal Plan Attached), and the EBURD Master Plan's principles of fostering economic growth, and ensuring industrial operations continue. Reuse and improvement of this property in the EBURD aligns well with the urban renewal efforts of the City and the EBURD.

**Table 1.**

|  |  |  |               |         |
|--|--|--|---------------|---------|
|  |  |  | Urban Renewal | MT Code |
|--|--|--|---------------|---------|

| Qualified Improvements                                                                                                         | Recommended TIF Reimbursement | City TIF Policy | Plan                                                                                                 | Annotated              |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------------|-----------------|------------------------------------------------------------------------------------------------------|------------------------|
| Facade Work<br>Site Work<br>Electrical and Mechanical Systems<br>Water and Sewer Utility Connections<br>Landscaping<br>Fencing | \$475,000                     | Section 1(c)    | Section 2 (I)<br>Business Programs and Projects<br><br>Section 2 (IV)<br>Infrastructure Improvements | 7-15-4233<br>7-15-4288 |

This process and action of the BIRD is under its authority per the Memorandum of Understanding between the City of Billings, Big Sky Economic Development, and the BIRD, Inc. approved by the City Council on May 13, 2019 nd renewed for one year on April 22, 2024.

## ALTERNATIVES

The City Council is the final authority in disbursing TIF funding. This proposed use of TIF funds conforms to the City's TIF Policy and aligns with the EBURD Urban Renewal Plan and Montana Code for urban renewal projects and programs. The City Council may:

- Approve the recommendation from the BIRD Board for the expenditure of these TIF funds, or;
- Modify and approve the recommendation from the BIRD Board for the expenditure of these TIF funds
- Disapprove of the recommendation from the BIRD Board for the expenditure of these TIF funds. If the Council does not approve of this TIF expenditure, providing reasons for the denial to the BIRD Board and staff and City staff will be helpful for future TIF applications.

## FISCAL EFFECTS

The request is for a total of up to a maximum of \$475,000 to be reimbursed to Billings Family Veterinary Hospital only upon completion of the work and submittal of the invoices for the cost incurred. It is expected that this project will be completed in late FY26 and this expenditure will be programmed in the FY26 EBURD Budget. If this award is approved, and the project is completed in FY26, there will be sufficient budget available.

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## Attachments

Animal Hospital TIF Application  
Veterinary Hospital BIRD Recommendation  
Project Renderings  
EBURD URD Plan  
City TIF Policy  
BIRD Board Minutes



BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INC.  
EBURD APPLICATION

Project Name: Billings Animal Family Hospital Date Submitted: \_\_\_\_\_

APPLICANT INFORMATION

1. Name: Edie R. Best, DVM
2. Address: 1321 North 27<sup>th</sup> Street, Billings, MT 59101
3. Telephone Number: (406) 245-4772 Cell# (406) 861-0899

PROJECT INFORMATION

1. Building Address: 1616 1<sup>st</sup> Ave N, Billings, MT 59101
2. Legal Description: S33, T01N, R26E, Block 120, Lot 19-24 & Vac Alley
3. Ownership: ERB Properties, LLC

Address: 826 Pryor Creek Road, Huntley, MT 59037

4. If property is not owned by the APPLICANT, list leasehold interests (Attach evidentiary materials.)

Name: ERB Properties, LLC

Address: 826 Pryor Creek Road, Huntley, MT 59037

5. Existing/Proposed Business: Billings Animal Family Hospital

Business Description: Small Companion Animal Veterinary Hospital

6. Employment: Existing FTE Jobs 11

New Permanent FTE Jobs created by project 6 Construction FTE Jobs 6

7. Architectural Firm: HGFA Architects, PLLC

Address: 222 N. 32<sup>nd</sup> Street, #800, Billings, MT 59101

Architect: Michael Burke, AIA, NCARB and Sherril Burke, AIA, LEED

8. Description of Project: (Attach narrative explanation & plans.)

This project consists of the construction of 6,943sf veterinary clinic on N 17<sup>th</sup> & 1<sup>st</sup> Ave in Billings, MT. This project is understood to include site work, parking lot, sidewalks, landscaping, fencing, and utilities, new electrical service, and domestic water services, and sanitary sewer services. The project site is approximately one half of a city block but will only use the west 1/2 block on the corner of N 17<sup>th</sup> and 1<sup>st</sup> Ave. The building layout will follow the schematic plan attached with Owner modifications as directed. Architect will work with owner to maximize E-Birds contribution to Owner's project.

9. Rehabilitation/construction plans: (Attach schematics, site, and landscaping plans.)

See Construction Document attached hereto.

10. Project Schedule: (Attach timeline or schedule through completion.)

PROJECT COSTS

Land and Site Improvements (Itemized)

|                                              |    |            |
|----------------------------------------------|----|------------|
| 1. Land                                      | \$ | 675,000.00 |
| 2. See Land and Site Improvements, Section C | \$ |            |
| 3.                                           | \$ |            |
| 4.                                           | \$ |            |
| Subtotal                                     | \$ | 675,000.00 |

Construction/Rehabilitation Costs (Use general construction trade divisions)

SEE ATTACHED ITEMIZED CONSTRUCTION ESTIMATE DATED 4/26/2024

|          |    |              |
|----------|----|--------------|
| 1.       | \$ |              |
| 2.       | \$ |              |
| 3.       | \$ |              |
| 4.       | \$ |              |
| 5.       | \$ |              |
| 6.       | \$ |              |
| 7.       | \$ |              |
| 8.       | \$ |              |
| Subtotal | \$ | 3,149,399.00 |

## Fees

|                                     |    |                     |
|-------------------------------------|----|---------------------|
| 1. Architectural/Engineering        | \$ | 188,000.00          |
| 2. Plan Review and Building Permits | \$ | 9,014.36            |
| 3. System Development Fees (1.5")   | \$ | 32,000.00           |
| Subtotal                            | \$ | 229,014.36          |
| Total Project Development Costs     | \$ | <b>4,053,413.36</b> |

## PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

### A. Applicant Equity

|                                                                                                                   |    |            |
|-------------------------------------------------------------------------------------------------------------------|----|------------|
| Cash Invested                                                                                                     | \$ | 295,000.00 |
| Land & Buildings<br>(if value is more than State of Montana valuation then a current appraisal must be submitted) | \$ |            |
| Other                                                                                                             | \$ |            |
|                                                                                                                   | \$ |            |
|                                                                                                                   | \$ |            |
| Subtotal Applicant Equity                                                                                         | \$ | 295,000.00 |

### B. Lender Commitments (Attach Bank Loan Commitment letter, Letters of Credit, or other documentation.)

| Lender            | Loan Amount     | Interest | Term | Payment/Period  |
|-------------------|-----------------|----------|------|-----------------|
| FIB               | \$ 1,569,725.00 | 7.98 %   | 25   | \$ 11,185       |
| SBA/BSEDA         | \$ 1,607,000.00 | 6.7 %    | 25   | \$ 10,795       |
|                   | \$              | %        |      | \$              |
|                   | \$              | %        |      | \$              |
| Total Loan Amount |                 |          |      | \$ 3,176,725.00 |

### C. TIFD request for funds for eligible public improvements

MCA Statute (office use only)

|                                                |    |            |  |
|------------------------------------------------|----|------------|--|
| Site Demolition/Prep (Not incl. Bldg Ex)       | \$ | 62,835.00  |  |
| Sidewalks, Curb/Gutter, Hardscapes             | \$ | 160,815.00 |  |
| Water, Sanitary Sewer, Storm Sewer             | \$ | 113,955.00 |  |
| Perm Elec. Service, Nat Gas, Tele/Comm.        | \$ | 56,283.00  |  |
| Landscaping & Irrigation                       | \$ | 67,287.00  |  |
| Fencing & Gates                                | \$ | 49,359.00  |  |
| LED Lighting, Energy Saving Controls           | \$ | 36,924.00  |  |
| Street Side Facing Finishes<br>(Siding/Fascia) | \$ | 105,168.00 |  |
| Street Side Facing Windows/Glazing             | \$ | 19,134.00  |  |
| High Efficiency RTUs, DOA System               | \$ | 91,590.00  |  |
| Subtotal TIFD Funds Requested                  | \$ | 763,350.00 |  |

D. Other Source of Funding

|       |    |       |
|-------|----|-------|
| _____ | \$ | _____ |
| _____ | \$ | _____ |

-----

Sources of Funds Summary (Post totals from above.)

|                         |    |              |
|-------------------------|----|--------------|
| A. Applicant Equity     | \$ | 295,000.00   |
| B. Lender Commitments   | \$ | 3,176,725.00 |
| C. TIFD Funds Request   | \$ | 763,350.00   |
| D. Other Funds          | \$ |              |
| Total Project Financing | \$ | 4,235,075.00 |

APPLICANT STATEMENT OF QUALIFICATIONS  
AND FINANCIAL RESPONSIBILITY

APPLICANT

1. Name: Edie R. Best, DVM

Address: 862 Pryor Creek Rd, Huntley, MT 59037

2. If the APPLICANT is not an individual doing business under his/her own name, the APPLICANT has the status indicated below and is organized or operating under the laws of \_\_\_\_\_.

3. X corporation/LLC. ERB Property, LLC

\_\_\_\_\_ nonprofit or charitable institution

\_\_\_\_\_ partnership known as \_\_\_\_\_

\_\_\_\_\_ Other (explain): \_\_\_\_\_

Date of organization: \_\_\_\_\_

4. Names, address, title of position (if any), and nature and extent of the interest of the officers and principal members, principal shareholders, investors, or partners of the APPLICANT.

Name and Address

Nature and Extent of Interest

Edie R. Best, DVM  
862 Pryor Creek Road  
Huntley, MT 59037

100% Owner

FINANCIAL CONDITION

1. Provide a current financial statement (consisting of a Balance Sheet and Profit & Loss Statement) & Current Tax Return for each private entity involved in the project. This application and all financial information become part of the public record when submitted to the BIRD and is available upon request under the State of Montana Public Information Rules.



2. Has the APPLICANT or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten (10) years?

No   X   Yes        If yes, give date, place, and under what name

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3. Has the APPLICANT or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years:

No   X   Yes        if yes, give date, charge, place, court and action taken for each case.

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## CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.

Name: Jones Construction

Address: 123 Regal Street, Billings, MT 59101

2. Has named contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?

No X Yes \_\_\_\_\_ if yes, explain.

3. Attach copies of bids to application: See attached.

4. If Applicant intends to do any of the construction themselves then APPLICANT shall provide three (3) independent contractor bids which must accompany this application for the work to be provided.

## CERTIFICATION

I, Edie R. Best, DVM, certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my knowledge and belief. I certify that I will make no application for any other tax abatement that may be available for this real property or building.

Signature: Edie R. Best

Title: President/Owner

Address: 862 Pryor Creek Road

Huntley, MT 59037

Date: 7/18/24

|                                            |                                                          |               |           |           |              |            |            |
|--------------------------------------------|----------------------------------------------------------|---------------|-----------|-----------|--------------|------------|------------|
| Billings Animal Family Vet                 |                                                          |               |           |           |              |            |            |
| Tax Increment Application Analysis-Summary |                                                          |               |           |           |              |            |            |
|                                            |                                                          | Project Costs |           |           | Allowability |            |            |
|                                            |                                                          | Per           | Per       | Total     | MT Code      | MT Code    | MT Code    |
|                                            |                                                          | Contractor    | Applicant | Costs     | 7-15-4233    | 7-15-4288  | Total      |
| Approved                                   |                                                          |               |           |           |              |            |            |
| Allowable TIF Expenditures                 |                                                          |               |           |           |              |            |            |
| Site Improvements                          |                                                          |               |           |           |              |            |            |
|                                            | Landscaping & Site Prep                                  | 63,181        | -         | 63,181    | -            | 63,181     | 63,181     |
|                                            | Engineering / Architect                                  | 197,014       | -         |           | 197,014      | -          | 197,014    |
|                                            |                                                          |               |           | -         |              |            |            |
| Building                                   |                                                          |               |           |           |              |            |            |
|                                            | Non-Structural demo, general regs                        | -             |           | -         |              | -          | -          |
|                                            | Façade                                                   | 339,525.00    |           | 339,525   |              | 124,302.00 | 124,302.00 |
|                                            | Doors & Windows                                          | 110,851.00    |           | 110,851   |              | -          | -          |
|                                            | Exterior non-street facing                               | 18,296.00     |           | 18,296    |              |            | -          |
| Metals                                     |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 23,132.00     |           | 23,132    |              |            | -          |
| Wood & Plastic                             |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 413,838.00    |           | 413,838   |              | 205,545.00 | 205,545.00 |
| Thermal                                    |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 249,887       |           | 249,887   |              | -          | -          |
| Electrical                                 |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 165,220       |           | 165,220   |              | 93,207     | 93,207.00  |
| Mechanical                                 |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 432,055       |           | 432,055   |              | 432,055    | 432,055.00 |
| Finishes                                   |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 227,615.00    |           | 227,615   |              |            | -          |
| Special Construction                       |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 25,903.00     |           | 25,903    |              |            |            |
| Site Work                                  |                                                          |               |           |           |              |            |            |
|                                            | Earthwork                                                | 387,711       | -         | 387,711   | -            | 223,650    | 223,650.00 |
|                                            | Water system development fees                            | 32,000        |           | 32,000    |              | 32,000     | 32,000.00  |
|                                            | Concrete & Asphalt                                       | 82,859        |           | 82,859    | -            | -          | -          |
|                                            | Fence                                                    | 46,347        |           | 46,347    |              | 46,347     | 46,347.00  |
| Site Overhead                              |                                                          |               |           |           |              |            |            |
|                                            |                                                          |               |           | -         |              |            | -          |
|                                            | Taxes, Bonds, and Insurance                              | 17,124        | -         |           | -            | -          | -          |
|                                            | Contingency                                              | 91,731        | -         |           | -            | -          | -          |
|                                            | Gen Labor and Supervision                                | 185,055       | -         |           | -            | -          | -          |
|                                            |                                                          |               | -         | -         | -            | -          | -          |
| Building Overhead                          |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 269,069       |           |           | -            |            | -          |
|                                            | Total Project Cost                                       | 3,378,413     | -         | 2,618,420 | 197,014      | 1,220,287  | 1,417,301  |
| Land                                       |                                                          |               |           |           |              |            |            |
|                                            |                                                          | 675,000.00    |           |           |              |            |            |
|                                            | Total Project Cost with Land                             | 4,053,413.36  |           |           |              |            |            |
|                                            |                                                          |               |           |           |              |            |            |
|                                            |                                                          |               |           |           |              |            |            |
|                                            |                                                          |               |           |           |              |            |            |
|                                            | Total Project Cost                                       |               |           | 3,378,413 |              |            |            |
|                                            | Maximum TIF Assistance (16.67% of Total Project Cost)    |               |           | 563,182   |              |            |            |
|                                            | Requested TIF Assistance                                 |               |           | 545,448   |              |            |            |
|                                            | Approved TIF Assistance                                  |               |           | 475,000   |              |            |            |
| Payback Period                             |                                                          |               |           |           |              |            |            |
|                                            | Expected Increase in Taxable Value (80% of Project Cost) |               |           | 2,094,736 |              |            |            |
|                                            | Commercial Tax Rate (1.89%)                              |               |           | 39,591    |              |            |            |
|                                            | Annual Tax Increment (69 mills)                          |               |           | 27,318    |              |            |            |
|                                            | Payback Period (years)                                   |               |           | 17        |              |            |            |



**Street View from Corner**



**View from parking lot on East side**

# **2015 EXPANSION OF THE BILLINGS, MONTANA EAST BILLINGS URBAN RENEWAL DISTRICT, WITH TAX INCREMENT, AND AMENDMENT TO THE URBAN RENEWAL PLAN**

**FOR CITY OF BILLINGS AND PLANNING REVIEW  
February 2015**

Prepared by



Billings Industrial Revitalization District, Inc. (BIRD)  
1413 4<sup>th</sup> Ave. N., Ste. C – Billings, MT 59101  
[pattynordlund@billingsbird.com](mailto:pattynordlund@billingsbird.com)      [kelly@billingsbird.com](mailto:kelly@billingsbird.com)

## **SECTION 1 – INTRODUCTION**

On November 16, 2006, the City Council adopted Ordinance #06-5395 that (a) created the East Billings Urban Renewal District (EBURD) and (b) adopted an urban renewal plan for the district. For reasons discussed in this Amendment to the East Billings Urban Renewal District Plan (“Plan”), it has been determined that the EBURD should be expanded to include other contiguous blighted properties in need of redevelopment. Further, it has been determined that this area has been and is in need of expanded public parking, enhanced pedestrian connections and experiences, improved public safety, and infrastructure improvements to public and private properties that will alleviate flooding issues and lead to increased taxable values. The existing urban renewal plan may be modified by ordinance in accordance with the procedure described in M.C.A. § 7-15-4221. The Urban Renewal Plan of the EBURD approved by the City Council on November 16, 2006, is included by reference as part of this amended Plan and shall remain applicable except to the extent the original plan is explicitly or impliedly amended by this Plan. It is recognized as part of this Plan that the basic vision of the document known as EBURD Master Plan, adopted by the Billings City Council on September 14, 2009 (Resolution #09-18878) and by the Yellowstone County Commissioners on September 29, 2009 (Resolution #09-66), remains valid and should be considered a part. In addition, it is recognized that as part of this amended Plan, the basic vision of the document known as the Exposition Gateway Plan, approved by the Yellowstone County Commissioners on May 28, 2013, and adopted by the Billings City Council on June 24, 2013 (Resolution #13-19289) also remains valid and should be considered a part. The terms defined in “Part A.III – DEFINITIONS” of the EBURD Urban Renewal Plan shall have the same meanings in this Plan unless a contrary meaning is expressed. The expanded district proposed in this Plan is hereafter referred to as the 2015 Expanded EBURD.

## **SECTION 2 – BACKGROUND**

The original East Billings Urban Renewal District, a tax increment finance district, was created on November 16, 2006, by a resolution which stated that it was desirable for the City to consider an urban renewal project within the District, and found that the area contains structures and property in states of substantial deterioration, properties that are obsolete or defective, posing unsanitary or unsafe conditions, are vacant and unused, and have inappropriate uses, and that the present condition of the area substantially impairs the sound functioning of the area and its environs. The Council found that the area is a blighted area within the meaning of MCA 7-15-4210, and stated that “rehabilitation, redevelopment, or a combination thereof is necessary in the interest of public health, safety and welfare of the residents.” The

Council found that undertaking measures to eradicate or diminish the blight will help to foster a more dynamic, livable, and vibrant neighborhood.

Progress has occurred within the District, as evidenced by: 1) increase in taxable value: base year value of \$1,800,794, increased to a 2014 value of \$2,502,968 (*Montana Department of Revenue Form AB-72T, 8-4-2014*); 2) successful approval of both the EBURD Master Plan and the Exposition Gateway Plan; 3) successful implementation of the recommended Parking Overlay District; 4) accomplishment of the recommended two-way streets conversion; 5) completion of EPA Brownfields Program environmental assessments on 23 parcels; 6) successful adoption of the EBURD Zoning Code; 7) completion of a Hospitality Corridor Study; and 8) approval of a project to address flooding, storm water management, and infrastructure improvements in the eastern-most portion of the District. However, many of the undesirable conditions continue to exist, and several out-of-City properties adjacent to the District have now petitioned and been approved for annexation into the City (City Council meeting, 1-26-2015). Therefore, it would be in the best interest of the City to expand the District to encompass adjacent properties, construct needed public infrastructure improvements, increase growth of the tax base, increase the parking inventory, increase the inventory of residential property, stimulate mixed-use development, and further implement the visions of the EBURD Master Plan and the Exposition Gateway Plan, both of which are consistent with the adopted City-County Growth Policy.

Although there has been improvement in the valuation of property in much of the District, the area defined by this proposed expanded tax increment district still has pockets of neglect and blight. The 2015 Expanded EBURD creates an opportunity to continue redevelopment in the center of Billings with a mixture of public and private investment.

The 2015 expansion of the EBURD is essential to planned development along Exposition Drive/Main Street, across from the MetraPark facilities. Public infrastructure construction within this expanded District will spur private investment consistent with the EBURD Master Plan, and especially pertinent to the vision of the Exposition Gateway Plan. It is expected that the expanded District may help fund the following projects:

**I. Business Programs and Projects**

- a. Business Retention and Recruitment
  - i. Targeted assistance to existing and potential businesses
  - ii. Development of “The EBURD Advantage” marketing materials



- iii. Collaboration with and referral to Big Sky Economic Development and its business assistance programs

## **II. Parking and Transportation**

- a. Facilitate public transit and bicycle/pedestrian-friendly growth and development
- b. Collaborate with City regarding parking management practices and programs consistent with the Parking Overlay District
- c. Plan for future needs regarding parking lots and/or structures

## **III. Management, Implementation and Maintenance**

- a. Billings Industrial Revitalization District, Inc. or its successor, management agreement
  - i. Project development
  - ii. Public awareness
  - iii. Advocacy and liaison between public and private sectors
- b. Potential future development of Business Improvement District
  - i. Development and promotion of a MetraPark-to-Downtown Corridor through the EBURD
  - ii. Crime prevention and public safety:  
Cooperative Security and/or Business Watch Program

## **IV. Infrastructure Improvements**

- a. Public
  - i. Public parking
  - ii. Landscaping and park development
  - iii. Street construction/improvements
  - iv. Streetscapes and traffic calming plans
  - v. Sidewalks, curbs and gutter improvements
  - vi. Storm water management
  - vii. Water and waste-water line construction/improvements
  - viii. Relocation of public and private utility lines

In order to make it possible to move forward with the much-needed infrastructure improvement projects referenced above, the Yellowstone County Board of County Commissioners transferred any interest it had in the public right of way on several streets within the Exposition Gateway area to the City of Billings, with Resolution 15-23, passed on March 10, 2015.

- b. Public infrastructure improvements will support investments in:
  - i. Workforce housing development
  - ii. Parking facilities
  - iii. Lodging facilities
  - iv. Conference facilities
  - v. Entertainment venues
  - vi. Retail and restaurant enterprises

## **V. Housing Improvements**

- a. Increase in workforce housing and live-work mixed-use projects

- b. Revitalization and redevelopment of sub-standard residential housing stock

### **SECTION 3 – SUMMARY OF BLIGHT FINDINGS**

The area in the proposed 2015 expansion of the EBURD contains blight, particularly those parcels directly west of the MetraPark facilities which host events that attract hundreds of thousands of visitors each year. Within the district there is structural deterioration, under-utilized structures and vacant lots, and a railroad spur line that is little used. A major issue that rises to the forefront in every planning discussion is that of inadequate storm water management. Without curb and gutter to direct its flow, water pools in low spots and floods buildings. Several of the commercial buildings in the district are deteriorated and/or vacant and need demolition or renovation. Sidewalks are cracked or non-existent; alleys are deteriorated, and, in general, much of the area is below accepted standards. In contrast to the above, there are certain properties within the district in good repair but included in the district to allow for a contiguous block of land within the district and because pockets of revitalization cannot be sustained if areas of neglect and blight surround them. Over time, without ongoing managed urban renewal, even these success stories could once again decline in taxable value.

### **SECTION 4 – DESCRIPTION OF BLIGHTED AREA**

The 2015 expanded urban renewal area described for this amended Plan incorporates most of the Exposition Gateway area, including those properties annexed in January 2015. Major flooding problems occur with rainstorms, as the infrastructure is inadequate for storm water flow and drainage. The subject properties have been used as car sales lots, truck and truck parts sales, vacant lots partially used for equipment storage, as well as some active business enterprises. Many of these structures are unsuited to their current uses because of age obsolescence and physical deterioration.

Montana's Urban Renewal Law (Montana Code Annotated Title 7, Chapter 15, Parts 42 and 43) provides the authority to declare the existence of blighted areas and to target them for improvements. "Blighted area" is defined in Section 7-15-4206(2), M.C.A., as follows:

*[A]n area that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime; substantially impairs or arrests the sound growth of the city or its environs; retards the provision of housing accommodations; or constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:*

- (a) *the substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential;*
- (b) *inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality;*
- (c) *inappropriate or mixed uses of land or buildings;*
- (d) *high density of population and overcrowding;*
- (e) *defective or inadequate street layout;*
- (f) *faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (g) *excessive land coverage;*
- (h) *unsanitary or unsafe conditions;*
- (i) *deterioration of site;*
- (j) *diversity of ownership;*
- (k) *tax or special assessment delinquency exceeding the fair value of the land;*
- (l) *defective or unusual conditions of title;*
- (m) *improper subdivision or obsolete platting;*
- (n) *the existence of conditions that endanger life or property by fire or other causes; or*
- (o) *any combination of the factors listed in this subsection (2).*

The land being added to the Plan area in 2015 includes 14 property tax codes, as listed in Exhibit A, with total assessed value of \$4,871,639. As noted in the 2006 approved Urban Renewal Plan, there are specific “target areas” that should be immediately considered for redevelopment. The properties on Exposition Drive represent an immediate opportunity to capitalize on the traffic generated by MetraPark events.

The EBURD area is part of Census Tract 2, with a population of 3,751. Within the tract, 28.98 percent of residents live below the Federal Poverty Line, with an estimated 2014 median family income of \$30,263. By comparison, in the greater Billings population of 109,059, only 13.1 percent live below the Federal Poverty Line. ([www.ffiec.gov/geocode/CensusDemo 07-01-2014](http://www.ffiec.gov/geocode/CensusDemo%2007-01-2014) & <http://quickfacts.census.gov>.)

There are 1,995 housing units in Tract 2, with 61.7 percent of the units (1,231) built prior to 1960 (55 years ago or more). Of those 1,231 older units, 546 were built in 1939 or earlier. Of the 446 owner-occupied housing units in the tract, 96 percent (428) are valued at less than \$200,000. In fact, 85 of the 446 units (19.1 percent) are valued at less than \$100,000. Indeed, there are a few occupied housing units (16) that lack complete plumbing and/or kitchen facilities. The tract holds 1,243 units where occupants are paying rent. The majority of renters (52.4 percent) pay between \$500 and \$749 per month. However, 29.2 percent (363 renters) pay between \$200 and \$499 per month. There are even a number of renters (23) living in units at less than \$200 per month. Census Tract 2 has a somewhat transient population. Of the 1,689 households, 83.9 percent, or 1,418 householders, moved into the current unit in 2000 or more recently.

Only 16 percent, or 271 householders, have resided in the current unit since 1999 or prior years. (*U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates, Table DP04 10-22-14.*)

Public transit, walking and bicycling facilities are important for the area, as 21.6 percent of households (365) do not have a vehicle available. Moreover, the tract houses 406 students in kindergarten through eighth-grade, along with 25 high school attendees and 248 college students. In commuting to work, although the majority of those age 16 and over drove or carpooled to work (72.6 percent), a significant number - 14.9 percent (285 people) - walked to work, and 11.1 percent (212 people) used public transportation or other means of getting to work. (*U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates, Tables DP03 & S1401 10-22-14.*)

The EBURD census tract, along with the nearby Heights-Main Street area, is designated by the Billings Police Department as “Beat 3,” or the “East” patrol beat. The East Beat has experienced, over the past three years, increasing numbers of calls for service. In the year 2011, the East Beat had 7,756 calls. Number of calls increased to 9,804 in 2012, and jumped to 10,507 (third highest beat of the nine in the City) for 2013. (*Billings Police Department 2013 Annual Report, [www.ci.billings.mt.us](http://www.ci.billings.mt.us).*) Unfortunately, there have recently been two murder incidents in the area as well. Parks personnel, during the October conference on addressing homeless/transient issues, mentioned that homeless individuals are congregating under the Rims in the EBURD, as well as in North Park.

Brownfields, defined as areas with actual or perceived environmental contamination issues, can contribute to unsafe and dangerous conditions, as well as discourage redevelopment efforts. Big Sky Economic Development, in a cooperative agreement with the U.S. Environmental Protection Agency, has secured funding for environmental assessments of properties in the EBURD. With its first round of funding, Big Sky Economic Development contracted with an environmental engineering firm to assess 23 parcels of land in the EBURD to determine “Phase I” conditions (looking at the historical uses of the property and assessing any observed potential contamination issues). In addition, nine parcels were examined with more in-depth “Phase II” assessments, where soil and water testing took place. While none of the completed Phase II assessments pointed to remediation requirements, there are still a number of sites that are advised for Phase II assessment, and many parcels that have not received any environmental assessment to date. Big Sky Economic Development has secured additional EPA Brownfields Program funding with which to accomplish additional environmental assessments in the EBURD beginning in spring 2015, at no cost to property owners who volunteer for the program.

## **SECTION 5 – DETERMINATION OF BLIGHT**

The proposed EBURD Expansion area contains a number of underdeveloped properties and substandard facilities. The Council previously determined that the property included in the EBURD was “blighted” within the meaning of the Act in its adoption of Ordinance #06-5395 that (a) created the East Billings Urban Renewal District (EBURD) and (b) adopted an urban renewal plan for the district (November 16, 2006). Deficiencies in public and private properties located in the district lead to a determination of blight, as defined by state statute. As cited in the original Urban Renewal Plan, the area still meets several definitions of blight:

Deficient Structures in Area *(the substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential; deterioration of site)*

There are several buildings and residential structures that are over 50 years in age and do not qualify as being historically significant. Many are in poor repair and may contain potentially hazardous asbestos and lead paint.

While streets, curbs, gutters and sidewalks in some of the area are in satisfactory repair, there are areas without such improvements. Sewer and water utilities in the area are aging and/or inadequate. Flooding occurs within public right-of-way as well as on private property during heavy rain events. Several parking lots generally do not meet code requirements for paving, striping and landscaping. Many of them are cracked and crumbling. Demand for parking will continue and District managers will collaborate with the City to accommodate commercial growth in alignment with the adopted Parking Overlay District.

Deficient Land Use *(inappropriate or mixed uses of land or buildings; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness)*

In general, the 2015 expansion area is under-utilized due to the significant amount of surface used as storage or left vacant. Most structures are single-story. There are vacant lots, storage lots, and auto sales lots directly across the street from Montana’s largest indoor entertainment complex and trade-show facilities. The taxable value of this district must be stabilized and encouraged to grow.

Protecting Public Health & Safety (*unsanitary or unsafe conditions; the existence of conditions that endanger life or property by fire or other causes*)

The conditions of blight, crime, vagrancy and potential brownfields, as described above, reduce “social capital” and community connectedness. Flooding promotes mold growth and related health problems.

## **SECTION 6 – THE SITE AND ITS RELATIONSHIP TO THE CITY**

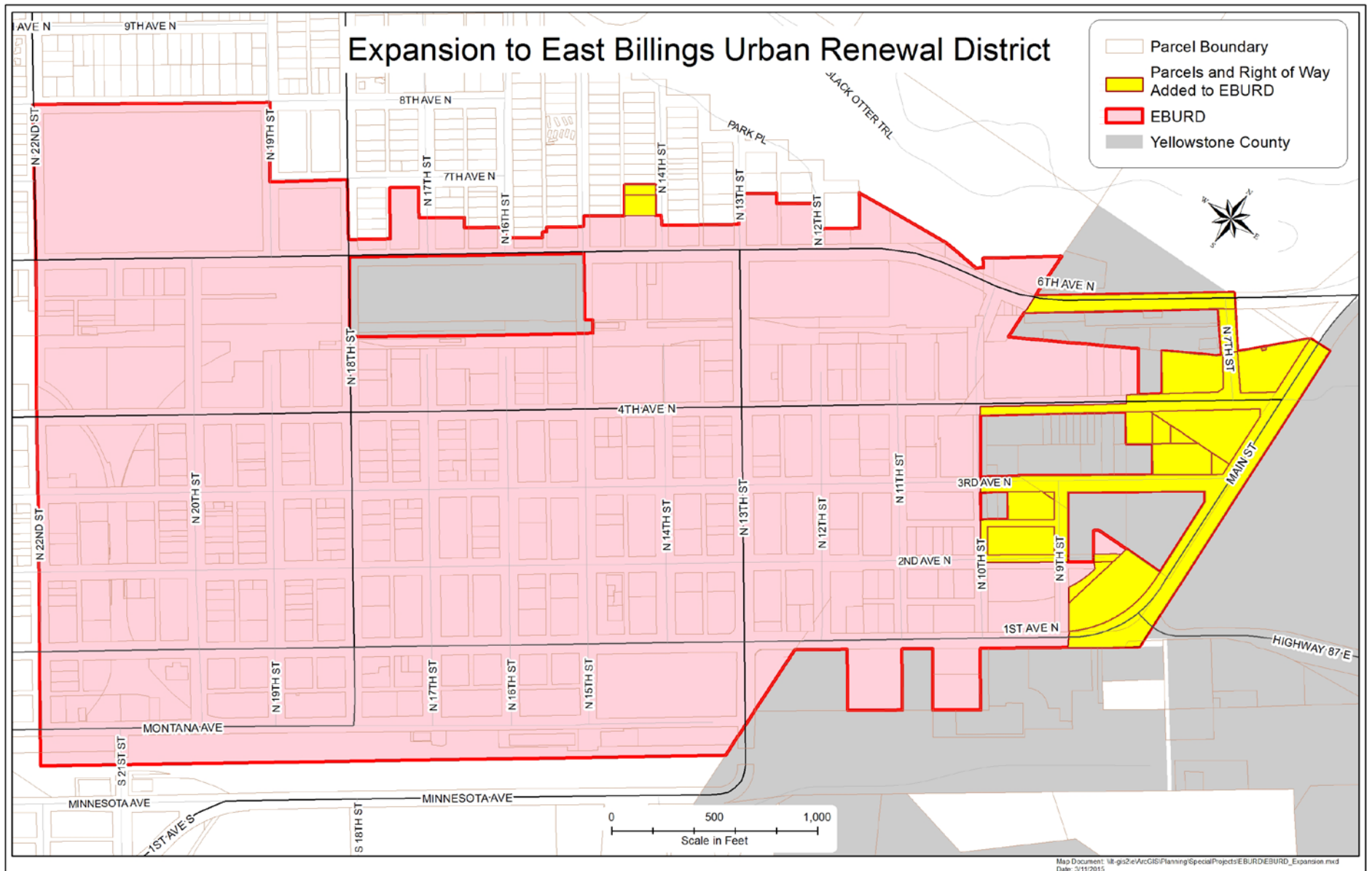
The Expanded EBURD occupies the center of the City of Billings, adjacent to the Downtown Central Business District and the medical corridor to the west; connecting to the Billings Heights area via Main Street to the northeast; welcoming visitors from Lockwood and beyond via 1<sup>st</sup> Avenue North to the southeast; and meeting up with the Rimrocks to the north.

## **SECTION 7 – LEGAL DESCRIPTION**

The legal description of the proposed 2015 Expanded East Billings Urban Renewal District is as follows: Beginning at a point at the centerlines of the intersection of 1<sup>st</sup> Avenue North and North 10<sup>th</sup> Street and proceeding east to the centerline of Exposition Drive/Main Street, and proceeding north from the intersection of 1<sup>st</sup> Avenue North and Exposition Drive/Main Street to the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street, and from the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street, proceeding west to the intersection of 6<sup>th</sup> Avenue North and North 10<sup>th</sup> Street, and proceeding south from the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street to the intersection of 1<sup>st</sup> Avenue North and North 10<sup>th</sup> Street, encompassing all parcels and tax codes therein.

Please see map on following page.

In addition, we propose to add property designated as Tax Code A12053 (North Park Subd., S33, T01N, R 26E, Block 2, Lot 11-12) and property designated as Tax Code A12052 (North Park Subd., S33, T01 N, R26E, Block 2, Lot 7-10).. These lots, are slated for expansion of the Billings Carpet Cleaning activities.



## **SECTION 8 – PROPERTY DEVELOPERS**

New development and revitalization in the proposed 2015 expanded urban renewal district will be accomplished with private investment and public-private partnerships, through the implementation of the EBURD Master Plan and the Exposition Gateway Plan. As outlined in Section 2 above, improvements in infrastructure will spur investments in workforce housing development, parking facilities, lodging facilities, conference facilities, entertainment venues, as well as retail and restaurant enterprises.

## **SECTION 9 – PROJECT RELATIONSHIP TO THE EBURD MASTER PLAN & EXPOSITION GATEWAY PLAN**

The proposed urban renewal area and expanded tax increment district is located generally in the center of the City and encompasses several “districts” as defined by the EBURD Master Plan and the EBURD Code. The EBURD Master Plan contemplated eventual annexation of County properties adjacent to the original urban renewal district, and this Amended Urban Renewal Plan seeks to accomplish that end.

One goal of the EBURD Plan was to develop a zoning code unique to the vision of the EBURD. The new code was established and adopted in October 2012, following several months of committee work and public meetings, with consultation from a professional firm known for, literally, writing the book on form-based code options. Form-based code considers the look of the facility and its surrounding landscape, rather than basing zoning purely on the use of the facility. The new code allows for increased flexibility in uses, which was desired by landowners and developers in the area.

Generally, the EBURD Master Plan stressed the area’s ability to make a positive impact on the entire city. The Plan also recommended a private non-profit organization to assist the City of Billings with the management of the Tax Increment District through an annual work plan and contract. This expanded EBURD may be managed in a similar manner and could make use of the redevelopment and facilitation established through that management entity, the Billings Industrial Revitalization District, Inc.

The Plan names housing as an important priority, and recommends that the City continue to work with builders and developers to encourage downtown housing through various methods. Specifically, the plan encourages housing in the Rail Spur Village. However, live-work space is allowed in several EBURD districts, as outlined in the adopted EBURD Code. The formation of an expanded tax increment district will



increase funding for construction or rehabilitation of public infrastructure necessary to attract, retain, and improve housing in the area.

The guiding principles developed through the EBURD Master Plan were built upon the goals of the original Urban Renewal Plan, and continue to guide today's efforts: 1) Foster economic growth; 2) Foster distinct mixed-use, industrial, and hospitality centers; 3) Create affordable housing opportunities and choices; 4) Ensure existing industrial uses can continue to operate as desired; 5) Improve the natural beauty of the District by reintroducing trees and other features; 6) Extend pedestrian and bike trail connections to downtown, Heights, MetraPark and the Yellowstone River; 7) Integrate edges of the District with North Park neighborhood, medical corridor, and downtown; 8) Provide a variety of transportation choices and connections; 9) Complete sewer and storm water infrastructure; and 10) Understand and reduce environmental risks.

Guided by the above principles, several critical action plan steps have already been accomplished: successful approval of both the EBURD Master Plan and the Exposition Gateway Plan; successful implementation of the recommended Parking Overlay District; accomplishment of the recommended two-way streets conversion; completion of EPA Brownfields Program environmental assessments on 23 parcels, with more to take place beginning in 2015; successful adoption of the EBURD Zoning Code; completion of a transportation corridor study; and development of a plan to address flooding, storm water management, and infrastructure improvements in the eastern-most portion of the District. This amendment to the Plan and the urban renewal projects that it contemplates will continue to act upon the Plan's guiding principles.

## **SECTION 10 – CONFORMANCE TO THE GROWTH POLICY**

One of the requirements of Montana's Urban Renewal Law (Title 7, Chapter 15, Parts 42 and 43) is that the urban renewal plan must conform to the community's growth policy. The Yellowstone County and City of Billings 2008 Growth Policy ("Growth Policy") aligns with EBURD redevelopment in a variety of ways. This amendment to the East Billings Urban Renewal Plan is consistent with the current Growth Policy. Specifically, the expanded EBURD revitalization efforts meet several Community Goals and Objectives outlined on pages 6-16 of the 2008 Growth Policy:

A. Revitalization in the EBURD meets the goal of contiguous development and of the City's Infill Policy. Revitalization also helps to address the issue stated in the Growth Policy that urban sprawl threatens the rural character of land surrounding Billings, increases the cost of providing public services and threatens the

vitality of the city core and downtown area.

B. Development in the EBURD, especially in the Rail Spur Village area, works toward the goal of affordable housing for all income levels dispersed throughout the City and County. Development of housing helps to address the Growth Policy issue which stated that there is a serious lack of affordable housing for low to moderate income households.

C. Adoption of the more-flexible EBURD Code and continued development efforts in the expanded area help achieve the goal of more housing and business choices within each neighborhood. Moreover, continued development in accordance with the new code assists in addressing the stated issue that there is a desire for more mixed-use neighborhoods.

D. Addition of the Exposition Gateway area to the existing TIF District helps achieve goals to encourage economic development in the neighborhood, encourage new businesses to locate in a prime gateway area, and sets the stage for enhancement of both the functionality and the visual appeal of the entrance to Billings from Lockwood (1<sup>st</sup> Avenue North & Exposition Drive/Main Street). As noted in the Growth Policy, entryways to our communities should be attractive and not present physical barriers discouraging economic development.

E. The EBURD is adjacent to downtown Billings, and revitalization of the area, as it continues to develop, will contribute toward the vitality and increased safety for visitors and shoppers. As stated in the Growth Policy, safety is an important element.

F. Expansion of the EBURD TIF District assists in meeting the goal of more visually appealing communities, improving the image of the area across the street from the MetraPark facilities and instilling pride in this area of town. Enhancing visual appeal helps to address the Growth Policy's stated issue that there are areas in the City and County that are unattractive and present a poor image of the community.

G. Improvements to the area as envisioned in the Exposition Gateway Plan can lead to a visually appealing design that incorporates the needs not only of vehicular traffic entering the area from Lockwood and from Main Street, but also improves pedestrian access between the MetraPark facilities and new development in the Expo Gateway. Improvements in the proposed expansion area will aid in addressing the Growth Policy's issue that the design of roads, streets, and pedestrian facilities can be more attractive and functional.

H. Expansion of the EBURD TIF District will contribute toward the goal of a well-maintained network of safe and interconnected sidewalks by addressing the critical need for sidewalks, curb and gutter in the Expo Gateway area. As noted in the Growth Policy, the sidewalk system in the City needs upgrading; many sidewalks are cracked and broken, several critical sections are missing, and important sidewalk routes are not adequately maintained.

I. Expansion of the District to include the Expo Gateway area assists the City toward its goal of sanitary and

safe properties, with an improved community image and an increase in property values. Advancing toward this goal helps to address the stated issue that there are dilapidated and unsafe properties in neighborhoods. J. Expansion of the District allows access to TIF District funding for a long-neglected infrastructure upgrade, moving the City toward its goal of equitable collection and distribution of funding for public services and facilities. Moreover, the expansion assists the City in achieving its objective to ensure that facilities and services are maintained in existing neighborhoods as new neighborhoods are added. The Growth Policy notes that funding for community facilities and infrastructure is very limited; prudent use of TIF District funds assists in solving the limited funding issue.

K. Expansion of the TIF District to include the Expo Gateway area aligns with the City's goal of adaptive reuse of vacant structures, conserving resources, preserving landmarks, preserving neighborhood integrity, and taking advantage of economic development opportunities. Adaptive reuse helps to address the stated issue that there are vacant structures around Billings and in the County that could be reused.

L. Expansion of the EBURD TIF District, leading to development of live-work enterprises and additional workforce housing options, helps move toward the goal of adequate affordable housing and more options for housing, potentially in an area very near to work opportunities. Achievement of these goals assists in solving the stated Growth Policy issue that poor housing and lack of living wage jobs puts the health of residents at risk.

The Growth Policy lists Urban Renewal Districts as an implementation strategy to revitalize neighborhoods, and expansion of the EBURD aligns well with that revitalization strategy.

## **SECTION 11 – CERTAIN PLAN FEATURES AND FINANCIAL MATTERS**

Section 7-15-4217, M.C.A., of the Act requires cities to make certain findings when they adopt an urban renewal plan and approve Urban Renewal Projects. These are addressed below:

1. The existing EBURD contains 133 housing units that are home to 305 people (*U.S. Census 2010, per Leslie Zolman, GISP, Montana Dept. of Commerce Census and Information Center, 5-7-2014*). For the entire Census Tract, including the North Park neighborhood, there are 1,995 housing units, of which 1,689 are occupied and 306 are vacant (*U.S. Census Bureau, American Community Survey Table DP04, 10-22-14*). Planned projects would not displace any persons from housing. Accordingly, there is no need to have a workable and feasible plan for substitute housing until and unless such a project is developed in the future.

2. This amended East Billings Urban Renewal Plan conforms to the Growth Policy for the City as a whole, and also to the EBURD Master Plan and the Exposition Gateway Plan.
3. This Modified Plan affords maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment of the Expanded EBURD by private enterprise. It is unreasonable to expect that the district will be stabilized and/or redeveloped without substantial public support. Some properties within the area are dilapidated. As presently constituted, property in the district is not conducive to any sort of uniform or integrated development and, as presently existing, cannot compete with other areas of the City for substantial developments, particularly areas at the outskirts of the City. This amended Plan is intended to facilitate the identification and construction of significant Urban Renewal Projects, which would not be possible without this Plan.
4. A sound and adequate financial program exists for financing projects, which include the sale and issuance by the City of tax increment finance bonds. Subsequent approved development projects will require commitments of substantial private financing that will provide the primary means for funding construction of the improvements and revitalization efforts.
5. This 2015 Expanded EBURD may be modified at any time by the City Council as necessary to eliminate and prevent the development or spread of blighted areas, and encourage urban rehabilitation. The process for plan modification shall follow the procedures set forth in 7-15-4212 through 7-15-4219 MCA, with respect to initial adoption of this plan. For purposes of urban renewal district boundary changes only, the notice of public hearing, as described in 7-15-4215 MCA, may be mailed only to those owners whose properties are situated within the area of expansion of the Urban Renewal District boundaries. Notice will be mailed to those property owners whose properties are within the area of expansion.

## **SECTION 12 – TAX INCREMENT**

Tax increment financing is necessary to encourage private reinvestment within the District, which will further encourage economic growth in the District and the City, create substantial employment opportunities, and increase the tax base of the City and other taxing jurisdictions. The 2015 Expanded EBURD is hereby established as a tax increment financing urban renewal area within the meaning of the

Act, and, in particular, Section 7-15-4282 through 7-15-4293 of the Act. This Section constitutes a tax increment provision within the meaning of the Act. In connection with the expansion:

1. For the purpose of calculating the incremental taxable value each year for the life of the district, the base taxable value shall be calculated as base taxable value of the original district as of [January 1, 2006] plus the base taxable value of all real and personal property added to the district by this amended plan and as shown in Exhibit A as of January 1, 2015.
2. The City is hereby authorized to segregate the tax increment derived in the district and use and deposit such increment into the tax increment fund of the district for use as authorized by the Act and as authorized herein from time to time, including, without limitation, pledging the tax increment to repayment of Bonds.
3. The tax increment received from the district may be used to pay directly costs of an approved Development Project as may from time to time be approved by the Council. The Council also hereby authorizes the use of tax increment in the district to pay debt service on bonds issued to finance a portion of the costs of these development projects, and costs associated with the sale and security of such bonds (including any necessary reserve funds) in compliance with the Act, subject to any limitations imposed by the Montana Constitution and federal law.
4. The tax increment provision of the district will terminate upon the latter of:
  - a. The fifteenth (15<sup>th</sup>) year following the original creation of the district; or
  - b. The payment or provision for payment in full or discharge of all bonds, and the payment of interest thereon, for which the tax increment has been pledged.

After termination of the tax increment provision, all taxes shall continue to be levied upon the actual taxable value of the taxable property in the district, but shall be paid into funds of the taxing bodies levying taxes within the district.

### **SECTION 13 – CONCLUSIONS**

The creation of this expanded East Billings Urban Renewal District will have a positive impact on central Billings, and is an essential first step in completing what may be a number of urban renewal projects.

Estimates calculated by ECO-Northwest in preparation of the Exposition Gateway Plan indicate that development in the Expo Gateway has a potential new value of nearly \$65 million, with potential TIFD revenues of slightly more than \$1 million (*Financial Analysis, ECO-Northwest, April 8, 2013*). The figures are preliminary estimates; actual values and tax revenue will vary based on type, size and timing of development. Expansion of the district, in addition to further stabilizing the tax base, eliminating blight and providing renaissance to the EBURD, will also bring new employees and residents to the area.

ECO-Northwest states that the Expo Gateway District offers desirable locational attributes:

The Gateway District has several important locational advantages relative to other areas in Billings that make it a prime area for development in the hospitality and retail sectors.

- Proximity to downtown. It is centrally located near employment and commercial uses in the Central Business District, the medical campuses, and the University (directly to the west).
- Proximity to MetraPark. The county-owned multi-function facility has an indoor arena, rodeo grounds, a horse track, open space and other facilities. MetraPark has a long history of successful operation (850,000 to 1 million visitors per year, with 30% coming from over 100 miles away, per Sandra Hawke, MetraPark, February 2009), and provides opportunities for complementary meeting space and catering facilities.
- Proximity to the airport. It is closer to Billings Logan Airport (3 miles) than many areas in the Central Business District as well as areas in south and east Billings.
- Proximity to amenities and commercial areas. It is in close proximity to commercial areas downtown and in Billings Heights, which is a commercial and residential hub to the north.
- Proximity to regional highways. The District lies at the intersection of 212, I-90 and I-94.

The key comparative advantage for the area is its central location *between* downtown and MetraPark (and between the West End and the Heights) on flat land with urban services. It is a good location for urban development. (*ECO-Northwest, Existing Market Conditions Assessment, May 22, 2013*)

As stated in the Exposition Gateway Plan and as stated herein, the Exposition Gateway area requires repair and improvement to streets, curbs, gutters and sidewalks and the water and sewer utilities are inadequate. The City hereby approves, as an urban renewal project for the District, the reconstruction of the streets from Main Street to North 11<sup>th</sup> Street and between 1<sup>st</sup> Avenue North to 4<sup>th</sup> Avenue North in accordance with the Exposition Gateway Concept Plan. The streets included in the construction limits are North 9<sup>th</sup> Street, North 10<sup>th</sup> Street, 2<sup>nd</sup> Avenue North, and 3<sup>rd</sup> Avenue North. Construction includes full street construction, sidewalk, bulb-outs at the corners, on-street parking, new sanitary sewer, new water mains, and storm drain upgrades. In order to make it possible to move forward with this much-needed infrastructure improvement project, the Yellowstone County Board of County Commissioners transferred any interest it had in the public right of way on streets within the Exposition Gateway area to the City of Billings, with Resolution 15-23, passed on March 10, 2015.

The Council through adoption of the modified East Billings Urban Renewal District hereby approves financing of the improvement project described above with proceeds of tax increment bonds payable from tax increment generated by the District. Such bonds will be issued in a principal amount such that the debt service thereon can be paid from tax increment generated by the District over a period of 25 years. The City hereby finds that there is a feasible and workable plan for financing the improvements.

Expansion of the East Billings Urban Renewal District to include the property described in this amended Plan will have a positive effect on the area and on the City. Improvements to infrastructure will surely be the catalyst in attracting the desired types of development, and will spur further achievement in reaching the goals of the overall EBURD Master Plan.

Please see Exhibit A on next page.

## EXHIBIT A

## 2015 EBURD Expansion

| TAXID                | ASSESSED<br>VALUE  | TAXID                    | MARKET<br>VALUE    | TAXABLE<br>VALUE | TAXID   | LOT SIZE<br>(Approx.<br>Sq. Ft.) |
|----------------------|--------------------|--------------------------|--------------------|------------------|---------|----------------------------------|
| <b>1002286 Total</b> | \$1,720.00         | <b>1002286<br/>Total</b> | \$912.00           | \$23.00          | 1002286 | 0                                |
| <b>A09340 Total</b>  | \$792,286.00       | <b>A09340 Total</b>      | \$621,944.00       | \$15,362.00      | A09340  | 44344.08                         |
| <b>A09343 Total</b>  | \$688,400.00       | <b>A09343 Total</b>      | \$540,394.00       | \$13,347.00      | A09343  | 29403                            |
| <b>A09355 Total</b>  | \$265,451.00       | <b>A09355 Total</b>      | \$208,379.00       | \$5,147.00       | A09355  | 42383.88                         |
| <b>A09355B Total</b> | \$45,930.00        | <b>A09355B<br/>Total</b> | \$36,055.00        | \$891.00         | A09355B | 6403.32                          |
| <b>A09373 Total</b>  | \$498,600.00       | <b>A09373 Total</b>      | \$391,401.00       | \$9,667.00       | A09373  | 19035.72                         |
| <b>A09374 Total</b>  | \$71,910.00        | <b>A09374 Total</b>      | \$56,449.00        | \$1,394.00       | A09374  | 10628.64                         |
| <b>A09375 Total</b>  | \$43,862.00        | <b>A09375 Total</b>      | \$34,432.00        | \$850.00         | A09375  | 6054.84                          |
| <b>D05887 Total</b>  | \$358,428.00       | <b>D05887 Total</b>      | \$281,366.00       | \$6,949.00       | D05887  | 56628                            |
| <b>D05888 Total</b>  | \$444,941.00       | <b>D05888 Total</b>      | \$349,279.00       | \$8,628.00       | D05888  | 69260.4                          |
| <b>D05893 Total</b>  | \$593,800.00       | <b>D05893 Total</b>      | \$466,133.00       | \$11,513.00      | D05893  | 56628                            |
| <b>D05897 Total</b>  | \$14,973.00        | <b>D05897 Total</b>      | \$11,754.00        | \$290.00         | D05897  | 1306.8                           |
| <b>D05898 Total</b>  | \$917,363.00       | <b>D05898 Total</b>      | \$720,129.00       | \$17,787.00      | D05898  | 91911.6                          |
| <b>I01092A Total</b> | \$19,200.00        | <b>I01092A<br/>Total</b> | \$15,072.00        | \$372.00         | I01092A | 0                                |
| <b>Total</b>         | \$4,756,864.00     | <b>Total</b>             | \$3,733,699.00     | \$92,220.00      |         |                                  |
|                      |                    |                          |                    |                  |         |                                  |
| A12052               | \$92,800.00        | A12052                   | \$49,184.00        | \$1,215.00       | A12052  | 15000                            |
| A12053               | <u>\$21,975.00</u> | A12053                   | <u>\$11,647.00</u> | <u>\$ 201.00</u> | A12053  | 7500                             |
| Grand Total          | \$4,871,639.00     |                          | \$3,794,530.00     | \$93,636.00      |         |                                  |

Exhibit A figures provided by Yellowstone County GIS



**RESOLUTION NO. 18-10750****A RESOLUTION OF THE CITY OF BILLINGS FORMING A  
POLICY FOR THE ADMINISTRATION OF URBAN  
RENEWAL AREAS OR DISTRICTS (URD) IN THE CITY.**

WHEREAS, MCA, Title 7, Chapter 15, Part 42, Section 51 declares: General powers of municipalities in connection with urban renewal. Every municipality shall have all the power necessary or convenient:

- (1) To carry out and effectuate the purposes and provisions of this part and part 43;
- (2) To undertake and carry out urban renewal projects within the municipality, to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this part and part 43, and to disseminate blight clearance and urban renewal information;
- (3) To organize, coordinate, and direct, within the municipality, the administration of the provisions of this part and part 43 as they apply to such municipality in order that the objective of remedying blighted areas and preventing the causes thereof within such municipality may be most effectively promoted and achieved and to establish such new office or offices of the municipality or to reorganize existing offices in order to carry out such purpose most effectively;
- (4) To exercise all or any part or combination of powers granted in this part or part 43; and

WHEREAS, the City of Billings reviews and adopts Urban Renewal Plans for each of its Urban Renewal Districts, and those Plans specify goals for each Urban Renewal District; and

WHEREAS, the City of Billings may establish local policies that guide the establishment, operations, funding and governance of urban renewal districts; and

WHEREAS, development of TIF (Tax Increment Financing) Policies would be in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

That the City Council now makes and adopts the following TIF Policy:

## CITY OF BILLINGS TAX INCREMENT FINANCE POLICY

1. PERMITTED USES OF TIF FUNDS. TIF funds may be used for costs outlined in MCA, Title 7, Chapter 15, Part 42, Section 88. Urban Renewal Plans adopted by the City may limit what TIF funds may be spent on in any Urban Renewal District. Eligible costs may include, but are not limited to:
  - a. Land acquisition and assemblage, demolition and removal of structures, relocation of occupants, analysis to determine needs of an urban renewal area, administrative cost for redevelopment activities.
  - b. Public infrastructure, including, but not limited to: streets, storm drains, parking, public buildings, water and sewer lines, sidewalks, utility connections.
  - c. Private infrastructure with public benefit, including, but not limited to, building façades, windows, doors, fire suppression or alarm systems, storm drainage, environmental remediation, parking, and ADA access.
  
2. FINANCIAL ASSISTANCE THROUGH TIF. All financial assistance must be approved by the City Council prior to any activity receiving funding. Financial assistance should be requested prior to beginning construction. All activity (design and construction) must be completed prior to issuance of TIF funds from the City Finance Department. Financial thresholds and assistance tools are as follows:
  - a. A minimum of  $\geq$  \$5 of private investment for every \$1 of public investment is the preferred threshold to be met for each TIF application. The City Council reserves the right to approve any application that does not meet this minimum. The City Council also may make exceptions for projects of less than \$100,000, and for publicly owned projects, properties or facilities.
  - b. Grants may be made for uses listed in Part 1 above benefitting any government owned-land or buildings and for profit and non-profit businesses.
  - c. Bonding may be available at the discretion of the City Council.
  - d. All TIF grants will be formalized by a development agreement that must be signed by the grantee before the City will reimburse eligible expenses.
  
3. URD MANAGEMENT. Each URD in the City of Billings will be managed as follows:
  - a. Each URD should maintain a non-profit advisory board to make recommendations to the City Council regarding TIF expenditures. Unless specifically authorized by a Memorandum of Understanding (MOU) referenced in 3(b) below, a majority of board members must own or lease property within the district, or must represent such owner or lessee, and may include representation from residential or commercial property owners or lessees. Advisory Boards must carry insurance for their members and provide proof of insurance to the City.
  - b. A MOU must be executed between the advisory board and the City Council that defines the board's roles, responsibilities, authority, and processes, including for hiring and maintaining board support staff. The MOU must

contain language addressing conflict of interest situations for board members whose property may directly benefit from a TIF expenditure and for board support staff. The MOU also must include language that if there is the appearance of a conflict of interest the issue will be reviewed by City legal staff before moving forward.

- c. Training for all URD advisory boards will be conducted biannually in coordination with City staff and URD support staff. The training must include, but is not limited to: review of URD and TIF laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- d. URD financial reporting will be consistent across all URDs and be set by coordination between the City Finance Director and the Planning and Community Services Director, and URD support staff.
- e. TIF application review and City Council staff report preparation will be conducted by the Planning and Community Services Department Director, in coordination with the Assistant City Administrator, Finance Director, and URD support staff.

PASSED by the City Council and APPROVED this 9<sup>th</sup> day of July, 2018.



CITY OF BILLINGS

BY: William A Cole  
William A. Cole, Mayor

ATTEST

BY: Denise R. Bohlman  
Denise R. Bohlman, City Clerk

# BIRD

## MEETING

## AGENDA

 **DATE: 2 OCTOBER 2024**

 **TIME: 4PM - 5:15PM**

### BOARD

Sam Westerman: President  
Keith Robinson: Vice President  
Lucy Aspinwall: Treasurer

Melissa Zimmermann: Secretary  
Absent- Matt McDonnell

### STAFF

Michelle Harkins

| AGENDA                        | TOPIC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIF                           | <ul style="list-style-type: none"><li>• 17 years remaining</li><li>• Priority to have all paybacks end 5 years before then end now, after 15 left, 3 years, 5 years 1 year left.</li><li>• Ground up new build or complete redo of property - needed<ul style="list-style-type: none"><li>◦ 12 years max- try to keep around 10</li></ul></li><li>• Ground up new build or complete redo of property - not needed<ul style="list-style-type: none"><li>◦ 10 years max- try to keep around 8</li></ul></li><li>• Smaller projects- facade, fence, landscaping etc.- needed or visible<ul style="list-style-type: none"><li>◦ 8 years max- try to keep around 6</li></ul></li><li>• Smaller projects- facade, fence, landscaping etc.- not as needed or visible<ul style="list-style-type: none"><li>◦ 6 years max- try to keep around 4</li></ul></li></ul> |
| Priorities                    | We need to discuss our priorities moving forward with the EBURD. Heather and I are currently are re-reading the mater plan. Please do so as well. This will help help work with A&E, and this will help as we move forward with TIFs and programming.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Change in board approved TIFs | We need to discuss a decrease for the approved board TIFs that have not been presented to council- this is due to the decrease and the continued sucuess of the EBURD. They will be given in a lump sum instead of over 3-4 years. They will be saving on interest over the years they would be waiting on repayments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Board approved TIFs           | <ul style="list-style-type: none"><li>• Billings Brownstones<ul style="list-style-type: none"><li>◦ Board Approved : \$779,221 - 22 years - 16.67% - payback 4 years</li><li>◦ Updated Recommendation: \$540,000 - 15 years - 11.5% - 1 lump sum</li></ul></li><li>• Billings Animal Family Vet<ul style="list-style-type: none"><li>◦ Board Approved : \$563,182 - 16 years - 16.67% - payback 3 years</li><li>◦ Updated Recommendation: \$475,000 - 13.5 years - 14% - 1 lump sum</li></ul></li><li>• Vemco<ul style="list-style-type: none"><li>◦ Board Approved : \$36,000 - 15 years - 12% - payback 1 lump sum</li><li>◦ Updated Recommendation: \$26,000 - 8.8 years - 9% - 1 lump sum</li></ul></li></ul> <p><b>All approved of changes</b></p>                                                                                                    |

**City Council Regular**

**Date:** 11/12/2024  
**Title:** EBURD Tax Increment Assistance - 2016 2nd Avenue North - Vemco, Inc.  
**Presented by:** Wyeth Friday  
**Department:** Planning & Community Services  
**Presentation:** Yes  
**Legal Review:** No  
**Project Number:** NA

**RECOMMENDATION**

The Billings Industrial Revitalization District (BIRD) Board of Directors recommends the City Council approve up to a maximum reimbursement of \$26,000 from the EBURD tax increment finance district funds to Vemco, Inc. (DDG Partnership, LLP) to assist in the exterior remodel improvements of the property at 2016 2nd Avenue North for its commercial plumbing and HVAC supply business. Actual reimbursement will be based upon 100% of the actual costs incurred for qualified expenses for the improvements made to property subject to the following conditions:

1. The Applicant shall sign a development agreement with the City of Billings and BIRD within 180 days of City Council's approval.
2. This TIFD reimbursement is the maximum that can be received pending satisfactory submission of all paid invoices showing the completion of expenditures related to this project.
3. If funds are not available, reimbursement can be carried over to the next fiscal year.

**BACKGROUND (Consistency with Adopted Plans and Policies, if applicable)**

The Billings Industrial Revitalization District (BIRD) Board of Directors is presenting this recommendation to the City Council for allocating up to \$26,000 in tax increment finance funds (TIF) from the East Billings Urban Renewal District (EBURD) to provide financial assistance to Vemco, Inc. (DDG Partnership, LLP) to assist in the exterior remodel improvements of the property at 2016 2nd Avenue North for its commercial plumbing and HVAC supply business. The BIRD Review Committee considered the project and recommended approval of the project to the full BIRD Board. The Bird Board recommended approval of the project to City Council at its September 10 meeting but then reconsidered the applications at its October 2 meeting after further analysis of the EBURD budget and financial position after the 2024 Department of Revenue valuation projections (See BIRD Board Agenda October 2 Attached).

Founded in 1976, Vemco, Inc. is a commercial plumbing, hydronic, heating, ventilation, and air conditioning (HVAC) equipment supplier. It has offices and warehouses in Billings, Bozeman, Great Falls and Missoula, MT. This remodel project is to update the Billings facilities for the business and make the property more attractive for customers and the community. The project will renovate the existing building to provide remodeled office and warehouse space for Vemco at its current Billings location. The project will entail interior office remodeling, exterior storefront facade work, roof replacement and parking lot resurfacing. The TIF funds are being requested for the facade/window and door improvements to the exterior of the building. The BIRD Board's recommendation of \$26,000 toward the improvements results in about a 9:1 ratio of private to public investment for the project. Total project costs are estimated to be \$283,000. The payback period for the property value increase is about 9 years.

The BIRD Board noted several reasons for its support of the project:

- With the redevelopment of this property to support an existing business in the EBURD, this project is in alignment with the EBURD Urban Renewal Plan under its Business Programs and Projects goal (See page 3-4, item I of the Urban Renewal Plan Attached). Improvement of this property in the EBURD for the business works well with the urban renewal efforts and economic development goals of the City.

Table 1.

| Qualified Improvements                          | Recommended TIF Reimbursement | City TIF Policy | Urban Renewal Plan     | MT Code Annotated      |
|-------------------------------------------------|-------------------------------|-----------------|------------------------|------------------------|
| Exterior Facade, Windows and Doors Improvements | \$26,000                      | Section 1(c)    | Section 2 (I) Business | 7-15-4233<br>7-15-4288 |

|  |  |  |                          |  |
|--|--|--|--------------------------|--|
|  |  |  | Programs and<br>Projects |  |
|--|--|--|--------------------------|--|

This process and action of the BIRD is under its authority per the Memorandum of Understanding between the City of Billings, Big Sky Economic Development, and the BIRD, Inc. originally approved by the City Council on May 13, 2019 and renewed for one year by the City Council on April 22, 2024.

**ALTERNATIVES**

The City Council is the final authority in disbursing TIF funding. This proposed use of TIF funds conforms to the City's TIF Policy and aligns with the EBURD Urban Renewal Plan and Montana Code for urban renewal projects and programs. The City Council may:

- Approve the recommendation from the BIRD Board for the expenditure of these TIF funds, or;
- Modify and approve the recommendation from the BIRD Board for the expenditure of these TIF funds, or;
- Disapprove of the recommendation from the BIRD Board for the expenditure of these TIF funds.

**FISCAL EFFECTS**

The request is for a total of up to a maximum of \$26,000 to be reimbursed to Vemco only upon completion of the work and submission of the invoices for the costs incurred. It is expected that this expenditure will be incurred in FY25. The East TIF fund is projected to have sufficient revenue and cash for this project.

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**Attachments**

- Vemco Application
- Vemco BIRD Recommendation
- EBURD URD Plan
- City TIF Policy
- BIRD Board October 2 Agenda



City of Billings  
East Billings Urban Renewal District

Urban Renewal Assistance  
Information and Application

Effective: **January 11, 2021**

*To receive maximum funding all applications must be submitted to the BIRD and approved by the CITY prior to the start of construction. If applications are submitted after the commencement of construction the amount of funds to be awarded will be discounted or denied.*

Billings Industrial Revitalization District Inc. (BIRD)  
1413 4<sup>th</sup> Ave N, Suite C  
Billings, MT 59101  
406.272.4321

TAX INCREMENT FINANCING APPLICATION PROCESS FOR POTENTIAL PUBLIC  
INFRASTRUCTURE ASSISTANCE VIA A DEVELOPMENT AGREEMENT AND POSSIBLE  
ISSUANCE OF TIFD BONDS

IMPORTANT: The material below outlines the Tax Increment Financing (TIF) application process and Development Agreement and the responsibilities of the person or firm requesting TIF fund assistance (hereinafter known as APPLICANT) and the Billings Industrial Revitalization District, Inc. (hereinafter known as BIRD). Please review this information carefully before submitting the application or finalizing your development plans. Incomplete applications will be returned.

## INTRODUCTION

The BIRD is responsible for advising the Billings City Council (hereinafter known as CITY), of the East Billings Tax Increment District, pursuant to Montana Urban Renewal Law (Title 7 Chapter 15 part 4288 Montana Code Annotated). TIF is an important element of the program as it provides a means to finance public urban renewal activities that assist and enhance private development within the district. A TIF program operates by first establishing a base year taxable value for all properties within the urban renewal district. Property taxes continue to be paid to all taxing jurisdictions on the basis of the base year valuation. All increases in property taxes above this base valuation due to new development or reappraisals are assigned to the TIF District (TIFD.) They are then invested in district revitalization activities. Consideration of TIFD assistance is available to private land owners for public infrastructure components of construction projects within the boundaries of the East Billings Urban Renewal District (EBURD).

## ELIGIBLE ACTIVITIES

The TIF may be used to finance certain urban renewal activities. The BIRD will review applications and make recommendations to the CITY for assistance to projects eligible under this statute. Requests are evaluated on criteria outlined in the "Criteria for Review" section. Special emphasis will be placed on those projects that exemplify the EBURD Master Plan. This plan is available for download at the BIRD website: [www.billingsbird.com](http://www.billingsbird.com)

Projects requesting TIFD funds should eliminate blight where development will contribute to increased tax revenue for the TIFD that improve the aesthetics, character, safety and/or quality of life in the area.

This application is intended for eligible increment generating projects. All requests for TIFD funds are subject to approval by the CITY and TIFD fund availability.



## Examples of TIF-Eligible Public Infrastructure Improvements

|                                                                               | MCA Statue     |
|-------------------------------------------------------------------------------|----------------|
| Demolition and abatement of structures and removal of blight                  | 7-15-4288 (2)  |
| Relocation of residents from building to be raised                            | 7-15-4288 (3)  |
| Sidewalks, Curbs, Gutters                                                     | 7-15-4288 (4)  |
| Public Utilities - Water, Wastewater, Storm Water                             | 7-15-4288 (4)  |
| Private Utilities - Electrical, Natural Gas, Telecommunications, Fiber Optic  | 7-15-4288 (4)  |
| Intersection Signals & HAWK Crossings                                         | 7-15-4288 (4)  |
| Street & Alley Surface Improvements                                           | 7-15-4288 (4)  |
| Crosswalks                                                                    | 7-15-4288 (4)  |
| Landscaping                                                                   | 7-15-4288 (4)  |
| Green Space & water ways                                                      | 7-15-4288 (4)  |
| Improvement of Pedestrian Areas                                               | 7-15-4288 (4)  |
| Historical Restorations                                                       | 7-15-4288 (4)  |
| Off Street Parking for public use<br>where there is a need for public parking | 7-15-4288 (4)  |
| Bridges & walkways                                                            | 7-15-4288 (4)  |
| Pollution Reduction                                                           | 7-15-4288 (12) |
| Architect, Engineering, Surveys & Appraisals                                  | 7-15-4233(n)   |

*Applications must be approved by CITY and a Development Agreement signed before any construction begins to qualify for maximum TIFD funds.*

Allow a minimum of 60 days between submitting a complete application to the BIRD and receiving a decision from the CITY.

## APPLICATION PROCESS AND TIMELINE

Anyone seeking TIF assistance from the BIRD must submit a written application for each TIF-assisted project. The following procedure has been developed to expedite the review of TIF funding requests.

1. Initial Contact. Contact: BIRD: EBURD Coordinator, 1413 4th Avenue North, Suite C, Billings, MT 59101, 406-272-4321, to discuss the project and determine preliminary eligibility for TIF assistance.
2. Prepare a Written Application. The APPLICANT must prepare a written application for each project assistance request using the most current form. Applications must be received by the BIRD staff in advance of any construction work on the project. Development Agreements must be approved and signed prior to commencement of construction (see #6 below.) Waiver of this requirement can be considered when public safety or other factors warrant. For all TIF requests, the APPLICANT must complete a "Developer's Statement of Qualification and Financial Responsibility" which includes submittal of personal financial statements.
3. Staff Review. Upon submittal of all necessary information, the BIRD staff will review the project and the need for funding. At any point in the review process the staff or BIRD Board may request more information of the APPLICANT or solicit comment on the project from other public agencies. Items included in personal financial statements become public documents and are subject to public review or presentation to or comment by other agencies.
4. TIFD Application Review Committee. The BIRD Board has appointed a review committee that will evaluate the application and staff recommendations. The review committee reserves the right to seek additional project review from supporting committees of the BIRD and from other public agencies. The review committee will issue preliminary approval/disapproval of the assistance request or any part thereof and will make a recommendation to the BIRD Board that will then submit to the CITY, if approved.
5. Billings City Council Review. Projects will be forwarded to the CITY for final approval to proceed to a Development Agreement that will clearly spell out the public investment required to be applied towards public infrastructure on private property and/or development improvements within the public right of way. CITY approval is required before the BIRD and the CITY enter a Development Agreement with the APPLICANT.

6. Development Agreement. The BIRD, the CITY and the APPLICANT must execute a mutual agreeable legally binding Development Agreement which establishes the terms and conditions of TIF assistance. Sample Development Agreements are available at the BIRD office for reference. The Development Agreement may include, but is not limited to, the following:

- Complete architectural design specifications and site plan
- Time frame for project development, construction, and completion
- Specifications for release of funds related to public infrastructure
- Cash flow and pro forma statements for a minimum of five years of the development
- Terms and conditions of the various financings
- Commitment letters and loan documents related to the various financings
- Ownership of completed development
- Events of default/remedies
- Zoning approval
- Tenant commitments
- Non-liability of CITY officials and BIRD
- Cause for termination

7. Timing. Following the above process for approval, the APPLICANT can expect a minimum of 60 days between submitting an application to the BIRD and receiving a decision from the CITY.

## COMMITMENT OF FUNDS

Upon CITY approval of a project, the BIRD will commit funds to the project from the available TIFD funds and/or potential for Tax Increment Bond issuance. Committed funds will be encumbered for a period of 180 days, by which time construction must have commenced. Commencement of construction means the date on which the first building permit is issued. Projects that have not commenced construction within 180 days risk losing the committed funds. Funds will be released only if the project is developed and constructed as presented in the Development Agreement. Funds will be released as specified by the Development Agreement or following project's receipt of a Certificate of Occupancy from the City of Billings if not specified. When necessary, the BIRD will encumber funds for additional fiscal years to accommodate construction schedules.

**CRITERIA FOR REVIEW** - Materials contained in TIFD application are used to assess the merits of projects in relation to the goals and objectives of the EBURD Master Plan. The BIRD evaluates projects based on the following criteria. Please prepare written response and provide supporting documentation for each of the applicable criteria areas.

1. Relevance to the EBURD Master Plan – Documentation of the project's impact in relation to the goals and objectives of the EBURD Master Plan, particularly mixed-use development. Urban design elements will also be considered, including pedestrian emphasis, quality of design, and Billings' personality.
2. Economic Stimulus – The amount of economic activity to be generated by the project is assessed, as well as the leverage ratio of public to private investment. Applications should contain credible, measurable information substantiating APPLICANT claims of economic stimulus.
3. Tax Generation – The increase in taxable value due to new construction & rehabilitation is estimated by the County Assessor's office or State Department of Revenue to determine tax increment generation.
4. Employment Generation – Total employment generated by the project assessed in terms of new permanent and part-time jobs, and construction jobs.
5. Elimination of Blight – The project's direct and indirect impact on the physical and fiscal deterioration within the Tax Increment Financing District and the community.
6. Special or Unique Opportunities – The extent to which the project represents a unique opportunity, meets a special need, or addresses specific BIRD or community goals. The restoration of historic property or the provision of an unmet community need, are examples of special and unique opportunities.
7. Impact Assessment – The extent of both positive and negative environmental impacts, appropriateness of the project design, and impact on existing businesses or residents.
8. Financial Assistance – Other forms of financing available to the APPLICANT, i.e. lender participation and state and federal grant monies, are examined to assess the need for TIF assistance.
9. Project Feasibility – A determination of feasibility is made on the strength of the APPLICANT's demonstration of market demand for the project as contained primarily on the pro forma and financing commitments.
10. Developer Ability to Perform – An assessment of the APPLICANT's capability to undertake the relative complexities of the project based on past performance on similar or comparable projects.
11. Timely Completion – The feasibility of completing the project according to the APPLICANT's project schedule.
12. Payment of Taxes – All property taxes, special improvement district assessments, and other assessments on the project property must be paid to date.



BILLINGS INDUSTRIAL REVITALIZATION DISTRICT, INC.  
EBURD APPLICATION

Project Name: Vemco Office Improvements Date Submitted: 7-11-2024

APPLICANT INFORMATION

1. Name: Nathan Malek
2. Address: 242 Annandale Rd
3. Telephone Number: \_\_\_\_\_ Cell# 406-690-6686

PROJECT INFORMATION

1. Building Address: 2016 2nd Ave N, Billings, MT 59101/PO Box 129 59103
2. Legal Description: \_\_\_\_\_
3. Ownership: DDG Partnership, LLP  
Address: 201 N Russell St, Missoula MT 59801 / PO Box 2040, Missoula MT 59806

4. If property is not owned by the APPLICANT, list leasehold interests (Attach evidentiary materials.)

Name: \_\_\_\_\_

Address: \_\_\_\_\_

5. Existing/Proposed Business: \_\_\_\_\_  
Business Description: \_\_\_\_\_

6. Employment: Existing FTE Jobs \_\_\_\_\_  
New Permanent FTE Jobs created by project \_\_\_\_\_ Construction FTE Jobs \_\_\_\_\_

7. Architectural Firm: \_\_\_\_\_  
Address: \_\_\_\_\_

Architect: \_\_\_\_\_

8. Description of Project: (Attach narrative explanation & plans.)

9. Rehabilitation/construction plans: (Attach schematics, site and landscaping plans.)

10. Project Schedule: (Attach time line or schedule through completion.)

## PROJECT COSTS

### Land and Site Improvements (Itemized)

|                                            |                     |
|--------------------------------------------|---------------------|
| 1. <u>Parking Lot Improvements/Ashpalt</u> | \$ <u>10,000.00</u> |
| 2. _____                                   | \$ _____            |
| 3. _____                                   | \$ _____            |
| 4. _____                                   | \$ _____            |
| Subtotal                                   | \$ _____            |

### Construction/Rehabilitation Costs (Use general construction trade divisions)

|                                      |                      |
|--------------------------------------|----------------------|
| 1. <u>Interior Office Additions</u>  | \$ <u>34,000.00</u>  |
| 2. <u>Exterior/Storefront/Facade</u> | \$ <u>91,000.00</u>  |
| 3. <u>Roof Replacement</u>           | \$ <u>155,000.00</u> |
| 4. _____                             | \$ _____             |
| 5. _____                             | \$ _____             |
| 6. _____                             | \$ _____             |
| 7. _____                             | \$ _____             |
| 8. _____                             | \$ _____             |
| Subtotal                             | \$ <u>290,000</u>    |

## Fees

|                                 |                   |
|---------------------------------|-------------------|
| 1. Architectural/Engineering    | \$ _____          |
| 2. Permits _____                | \$ _____          |
| 3. _____                        | \$ _____          |
| Subtotal                        | \$ <u>0</u>       |
| Total Project Development Costs | \$ <u>290,000</u> |

## PROJECT FINANCING

Please complete Sources of Funds detail and summarize below.

### A. Applicant Equity

|                                                                                                                      |                        |
|----------------------------------------------------------------------------------------------------------------------|------------------------|
| Cash Invested                                                                                                        | \$ _____               |
| Land & Buildings<br>(if value is more that State of Montana valuation then<br>a current appraisal must be submitted) | \$ <u>1,400,000.00</u> |
| Other _____                                                                                                          | \$ _____               |
| _____                                                                                                                | \$ _____               |
| A. Subtotal Applicant Equity                                                                                         | \$ _____               |

### B. Lender Commitments (Attach Bank Loan Commitment letter, Letters of Credit or other documentation.)

| Lender               | Loan Amount    | Interest | Term    | Payment/Period |
|----------------------|----------------|----------|---------|----------------|
| _____                | \$ _____       | _____%   | ____yrs | \$ _____/Month |
| _____                | \$ _____       | _____%   | ____yrs | \$ _____/Month |
| B. Total Loan Amount | \$ <u>0.00</u> |          |         |                |

C. TIFD request for funds for eligible public improvements.

MCA Statute  
(office use only)

|       |          |       |
|-------|----------|-------|
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |
| _____ | \$ _____ | _____ |

C. Subtotal TIFD Funds Requested \$ \_\_\_\_\_

D. Other Source of Funding \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_\_\_

-----  
Sources of Funds Summary (Post totals from above.)

A. Applicant Equity \$ \_\_\_\_\_

B. Lender Commitments \$ \_\_\_\_\_

C. TIFD Funds Request \$ \_\_\_\_\_

D. Other Funds \$ \_\_\_\_\_

Total Project Financing \$ 0.00 \_\_\_\_\_



APPLICANT

## FINANCIAL CONDITION

1. Provide a current financial statement (consisting of a Balance Sheet and Profit & Loss Statement) & Current Tax Return for each private entity involved in the project. This application and all financial information become part of the public record when submitted to the BIRD and is available upon request under the State of Montana Public Information Rules.
2. Has the APPLICANT or any individual or entity affiliated with the development of this project been adjudged bankrupt, either voluntary or involuntary, within the past ten (10) years?  
No ☒ Yes ☐ If yes, give date, place, and under what name  

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3. Has the APPLICANT or any individual or entity affiliated with the development of this project been indicted for or convicted of any felony within the past ten years:  
No ☒ Yes ☐ if yes, give date, charge, place, court and action taken for each case.  

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## CONSTRUCTION CONTRACTOR

1. Identify the construction contractor or builder who will undertake this project.  
Name: Bauer Construction  
Address: 3333 2nd Ave N, Suite 240; Billings MT 59101
2. Has named contractor or builder ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract within the last ten years?  
No ☒ Yes ☐ if yes, explain.
3. Attach copies of bids to application:
4. If Applicant intends to do any of the construction themselves then APPLICANT shall provide three (3) independent contractor bids which must accompany this application for the work to be provided.

## CERTIFICATION

I (we), Nathan Malek Cheryl Albrecht  
(please print), certify that the statements and estimates within this Application as well as any and all documentation submitted as attachments to this Application or under separate cover are true and correct to the best of my (our) knowledge and belief. I/We certify that I/We will make no application for any other tax abatement that may be available for this real property or building.

Signature Nathan A. Malek Signature \_\_\_\_\_

Title Vice President Title Sales

Address \_\_\_\_\_ Address \_\_\_\_\_

Date 7-11-2024 Date 7-11-2024

|                                                    |  |                   |                  |            |                     |                  |
|----------------------------------------------------|--|-------------------|------------------|------------|---------------------|------------------|
| <b>Vemco - TIF</b>                                 |  |                   |                  |            |                     |                  |
| <b>Tax Increment Application Analysis-Summary</b>  |  |                   |                  |            |                     |                  |
|                                                    |  |                   |                  |            |                     |                  |
|                                                    |  | <b>Per</b>        |                  |            | <b>Allowability</b> |                  |
|                                                    |  | <b>General</b>    | <b>Per</b>       |            | <b>MT Code</b>      | <b>MT Code</b>   |
|                                                    |  | <b>Contractor</b> | <b>Applicant</b> |            | <b>7-15-4233</b>    | <b>7-15-4288</b> |
|                                                    |  |                   |                  |            |                     | <b>Total</b>     |
| <b>Site Improvements</b>                           |  | \$ -              | \$ -             | \$ -       | \$ -                | \$ -             |
| <b>Site Work</b>                                   |  | \$ 13,400         | \$ -             | \$ 13,400  | \$ -                | \$ 10,000        |
| <b>Building</b>                                    |  |                   |                  |            |                     |                  |
| Non-Structural demo, general regs                  |  | \$ 14,656         | \$ -             | \$ 14,656  | \$ -                | \$ -             |
| Façade                                             |  | \$ 61,448         | \$ -             | \$ 61,448  | \$ -                | \$ 61,448        |
| Windows and Doors                                  |  | \$ 7,235          | \$ -             | \$ 7,235   | \$ -                | \$ 3,100         |
| Interior finishes, specialties, furnishings        |  | \$ 8,978          | \$ -             | \$ 8,978   | \$ -                | \$ -             |
| <b>Wood &amp; Plastic</b>                          |  | \$ 4,004          | \$ -             | \$ 4,004   | \$ -                | \$ -             |
| <b>Thermal &amp; Moisture Protection</b>           |  | \$ 155,380        |                  | \$ 155,380 |                     | \$ -             |
| <b>Mechanical</b>                                  |  | \$ -              | \$ -             | \$ -       | \$ -                | \$ -             |
| <b>Electrical</b>                                  |  | \$ 4,490          | \$ -             | \$ 4,490   | \$ -                | \$ 2,000         |
| <b>Site Overhead</b>                               |  | \$ 13,410         | \$ -             | \$ 13,410  |                     | \$ -             |
| <b>Total Project Cost</b>                          |  | \$ 283,001        | \$ -             | \$ 283,001 | \$ -                | \$ 76,548        |
|                                                    |  |                   |                  |            |                     |                  |
| Total Project Cost                                 |  |                   |                  | \$ 283,001 |                     |                  |
| Max TIF Assistance (16.67% Total Project Cost)     |  |                   |                  | \$ 47,176  |                     |                  |
| Requested TIF Assistance                           |  |                   |                  | \$ 26,000  |                     |                  |
|                                                    |  |                   |                  | \$ 269,591 |                     |                  |
| <b>Payback Period:</b>                             |  |                   |                  |            |                     |                  |
| Expected Increase Taxable Value (80% Project Cost) |  |                   |                  | \$ 215,673 |                     |                  |
| Commercial Tax Rate (1.89%)                        |  |                   |                  | \$ 4,076   |                     |                  |
| Annual Tax Increment (69 mills)                    |  |                   |                  | \$ 2,812   |                     |                  |
| Payback Period (years)                             |  |                   |                  | 9.24       |                     |                  |

# **2015 EXPANSION OF THE BILLINGS, MONTANA EAST BILLINGS URBAN RENEWAL DISTRICT, WITH TAX INCREMENT, AND AMENDMENT TO THE URBAN RENEWAL PLAN**

**FOR CITY OF BILLINGS AND PLANNING REVIEW  
February 2015**

Prepared by



Billings Industrial Revitalization District, Inc. (BIRD)  
1413 4<sup>th</sup> Ave. N., Ste. C – Billings, MT 59101  
[pattynordlund@billingsbird.com](mailto:pattynordlund@billingsbird.com)      [kelly@billingsbird.com](mailto:kelly@billingsbird.com)

## **SECTION 1 – INTRODUCTION**

On November 16, 2006, the City Council adopted Ordinance #06-5395 that (a) created the East Billings Urban Renewal District (EBURD) and (b) adopted an urban renewal plan for the district. For reasons discussed in this Amendment to the East Billings Urban Renewal District Plan (“Plan”), it has been determined that the EBURD should be expanded to include other contiguous blighted properties in need of redevelopment. Further, it has been determined that this area has been and is in need of expanded public parking, enhanced pedestrian connections and experiences, improved public safety, and infrastructure improvements to public and private properties that will alleviate flooding issues and lead to increased taxable values. The existing urban renewal plan may be modified by ordinance in accordance with the procedure described in M.C.A. § 7-15-4221. The Urban Renewal Plan of the EBURD approved by the City Council on November 16, 2006, is included by reference as part of this amended Plan and shall remain applicable except to the extent the original plan is explicitly or impliedly amended by this Plan. It is recognized as part of this Plan that the basic vision of the document known as EBURD Master Plan, adopted by the Billings City Council on September 14, 2009 (Resolution #09-18878) and by the Yellowstone County Commissioners on September 29, 2009 (Resolution #09-66), remains valid and should be considered a part. In addition, it is recognized that as part of this amended Plan, the basic vision of the document known as the Exposition Gateway Plan, approved by the Yellowstone County Commissioners on May 28, 2013, and adopted by the Billings City Council on June 24, 2013 (Resolution #13-19289) also remains valid and should be considered a part. The terms defined in “Part A.III – DEFINITIONS” of the EBURD Urban Renewal Plan shall have the same meanings in this Plan unless a contrary meaning is expressed. The expanded district proposed in this Plan is hereafter referred to as the 2015 Expanded EBURD.

## **SECTION 2 – BACKGROUND**

The original East Billings Urban Renewal District, a tax increment finance district, was created on November 16, 2006, by a resolution which stated that it was desirable for the City to consider an urban renewal project within the District, and found that the area contains structures and property in states of substantial deterioration, properties that are obsolete or defective, posing unsanitary or unsafe conditions, are vacant and unused, and have inappropriate uses, and that the present condition of the area substantially impairs the sound functioning of the area and its environs. The Council found that the area is a blighted area within the meaning of MCA 7-15-4210, and stated that “rehabilitation, redevelopment, or a combination thereof is necessary in the interest of public health, safety and welfare of the residents.” The

Council found that undertaking measures to eradicate or diminish the blight will help to foster a more dynamic, livable, and vibrant neighborhood.

Progress has occurred within the District, as evidenced by: 1) increase in taxable value: base year value of \$1,800,794, increased to a 2014 value of \$2,502,968 (*Montana Department of Revenue Form AB-72T, 8-4-2014*); 2) successful approval of both the EBURD Master Plan and the Exposition Gateway Plan; 3) successful implementation of the recommended Parking Overlay District; 4) accomplishment of the recommended two-way streets conversion; 5) completion of EPA Brownfields Program environmental assessments on 23 parcels; 6) successful adoption of the EBURD Zoning Code; 7) completion of a Hospitality Corridor Study; and 8) approval of a project to address flooding, storm water management, and infrastructure improvements in the eastern-most portion of the District. However, many of the undesirable conditions continue to exist, and several out-of-City properties adjacent to the District have now petitioned and been approved for annexation into the City (City Council meeting, 1-26-2015). Therefore, it would be in the best interest of the City to expand the District to encompass adjacent properties, construct needed public infrastructure improvements, increase growth of the tax base, increase the parking inventory, increase the inventory of residential property, stimulate mixed-use development, and further implement the visions of the EBURD Master Plan and the Exposition Gateway Plan, both of which are consistent with the adopted City-County Growth Policy.

Although there has been improvement in the valuation of property in much of the District, the area defined by this proposed expanded tax increment district still has pockets of neglect and blight. The 2015 Expanded EBURD creates an opportunity to continue redevelopment in the center of Billings with a mixture of public and private investment.

The 2015 expansion of the EBURD is essential to planned development along Exposition Drive/Main Street, across from the MetraPark facilities. Public infrastructure construction within this expanded District will spur private investment consistent with the EBURD Master Plan, and especially pertinent to the vision of the Exposition Gateway Plan. It is expected that the expanded District may help fund the following projects:

## **I. Business Programs and Projects**

### **a. Business Retention and Recruitment**

- i. Targeted assistance to existing and potential businesses
- ii. Development of “The EBURD Advantage” marketing materials

- iii. Collaboration with and referral to Big Sky Economic Development and its business assistance programs

## **II. Parking and Transportation**

- a. Facilitate public transit and bicycle/pedestrian-friendly growth and development
- b. Collaborate with City regarding parking management practices and programs consistent with the Parking Overlay District
- c. Plan for future needs regarding parking lots and/or structures

## **III. Management, Implementation and Maintenance**

- a. Billings Industrial Revitalization District, Inc. or its successor, management agreement
  - i. Project development
  - ii. Public awareness
  - iii. Advocacy and liaison between public and private sectors
- b. Potential future development of Business Improvement District
  - i. Development and promotion of a MetraPark-to-Downtown Corridor through the EBURD
  - ii. Crime prevention and public safety:  
Cooperative Security and/or Business Watch Program

## **IV. Infrastructure Improvements**

- a. Public
  - i. Public parking
  - ii. Landscaping and park development
  - iii. Street construction/improvements
  - iv. Streetscapes and traffic calming plans
  - v. Sidewalks, curbs and gutter improvements
  - vi. Storm water management
  - vii. Water and waste-water line construction/improvements
  - viii. Relocation of public and private utility lines

In order to make it possible to move forward with the much-needed infrastructure improvement projects referenced above, the Yellowstone County Board of County Commissioners transferred any interest it had in the public right of way on several streets within the Exposition Gateway area to the City of Billings, with Resolution 15-23, passed on March 10, 2015.

- b. Public infrastructure improvements will support investments in:
  - i. Workforce housing development
  - ii. Parking facilities
  - iii. Lodging facilities
  - iv. Conference facilities
  - v. Entertainment venues
  - vi. Retail and restaurant enterprises

## **V. Housing Improvements**

- a. Increase in workforce housing and live-work mixed-use projects



- b. Revitalization and redevelopment of sub-standard residential housing stock

### **SECTION 3 – SUMMARY OF BLIGHT FINDINGS**

The area in the proposed 2015 expansion of the EBURD contains blight, particularly those parcels directly west of the MetraPark facilities which host events that attract hundreds of thousands of visitors each year. Within the district there is structural deterioration, under-utilized structures and vacant lots, and a railroad spur line that is little used. A major issue that rises to the forefront in every planning discussion is that of inadequate storm water management. Without curb and gutter to direct its flow, water pools in low spots and floods buildings. Several of the commercial buildings in the district are deteriorated and/or vacant and need demolition or renovation. Sidewalks are cracked or non-existent; alleys are deteriorated, and, in general, much of the area is below accepted standards. In contrast to the above, there are certain properties within the district in good repair but included in the district to allow for a contiguous block of land within the district and because pockets of revitalization cannot be sustained if areas of neglect and blight surround them. Over time, without ongoing managed urban renewal, even these success stories could once again decline in taxable value.

### **SECTION 4 – DESCRIPTION OF BLIGHTED AREA**

The 2015 expanded urban renewal area described for this amended Plan incorporates most of the Exposition Gateway area, including those properties annexed in January 2015. Major flooding problems occur with rainstorms, as the infrastructure is inadequate for storm water flow and drainage. The subject properties have been used as car sales lots, truck and truck parts sales, vacant lots partially used for equipment storage, as well as some active business enterprises. Many of these structures are unsuited to their current uses because of age obsolescence and physical deterioration.

Montana's Urban Renewal Law (Montana Code Annotated Title 7, Chapter 15, Parts 42 and 43) provides the authority to declare the existence of blighted areas and to target them for improvements. "Blighted area" is defined in Section 7-15-4206(2), M.C.A., as follows:

*[A]n area that is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, and crime; substantially impairs or arrests the sound growth of the city or its environs; retards the provision of housing accommodations; or constitutes an economic or social liability or is detrimental or constitutes a menace to the public health, safety, welfare, and morals in its present condition and use, by reason of:*

- (a) *the substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential;*
- (b) *inadequate provision for ventilation, light, proper sanitary facilities, or open spaces as determined by competent appraisers on the basis of an examination of the building standards of the municipality;*
- (c) *inappropriate or mixed uses of land or buildings;*
- (d) *high density of population and overcrowding;*
- (e) *defective or inadequate street layout;*
- (f) *faulty lot layout in relation to size, adequacy, accessibility, or usefulness;*
- (g) *excessive land coverage;*
- (h) *unsanitary or unsafe conditions;*
- (i) *deterioration of site;*
- (j) *diversity of ownership;*
- (k) *tax or special assessment delinquency exceeding the fair value of the land;*
- (l) *defective or unusual conditions of title;*
- (m) *improper subdivision or obsolete platting;*
- (n) *the existence of conditions that endanger life or property by fire or other causes; or*
- (o) *any combination of the factors listed in this subsection (2).*

The land being added to the Plan area in 2015 includes 14 property tax codes, as listed in Exhibit A, with total assessed value of \$4,871,639. As noted in the 2006 approved Urban Renewal Plan, there are specific “target areas” that should be immediately considered for redevelopment. The properties on Exposition Drive represent an immediate opportunity to capitalize on the traffic generated by MetraPark events.

The EBURD area is part of Census Tract 2, with a population of 3,751. Within the tract, 28.98 percent of residents live below the Federal Poverty Line, with an estimated 2014 median family income of \$30,263. By comparison, in the greater Billings population of 109,059, only 13.1 percent live below the Federal Poverty Line. ([www.ffiec.gov/geocode/CensusDemo 07-01-2014](http://www.ffiec.gov/geocode/CensusDemo%2007-01-2014) & <http://quickfacts.census.gov>.)

There are 1,995 housing units in Tract 2, with 61.7 percent of the units (1,231) built prior to 1960 (55 years ago or more). Of those 1,231 older units, 546 were built in 1939 or earlier. Of the 446 owner-occupied housing units in the tract, 96 percent (428) are valued at less than \$200,000. In fact, 85 of the 446 units (19.1 percent) are valued at less than \$100,000. Indeed, there are a few occupied housing units (16) that lack complete plumbing and/or kitchen facilities. The tract holds 1,243 units where occupants are paying rent. The majority of renters (52.4 percent) pay between \$500 and \$749 per month. However, 29.2 percent (363 renters) pay between \$200 and \$499 per month. There are even a number of renters (23) living in units at less than \$200 per month. Census Tract 2 has a somewhat transient population. Of the 1,689 households, 83.9 percent, or 1,418 householders, moved into the current unit in 2000 or more recently.

Only 16 percent, or 271 householders, have resided in the current unit since 1999 or prior years. (*U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates, Table DP04 10-22-14.*)

Public transit, walking and bicycling facilities are important for the area, as 21.6 percent of households (365) do not have a vehicle available. Moreover, the tract houses 406 students in kindergarten through eighth-grade, along with 25 high school attendees and 248 college students. In commuting to work, although the majority of those age 16 and over drove or carpooled to work (72.6 percent), a significant number - 14.9 percent (285 people) - walked to work, and 11.1 percent (212 people) used public transportation or other means of getting to work. (*U.S. Census Bureau, 2008-2012 American Community Survey 5-year Estimates, Tables DP03 & S1401 10-22-14.*)

The EBURD census tract, along with the nearby Heights-Main Street area, is designated by the Billings Police Department as “Beat 3,” or the “East” patrol beat. The East Beat has experienced, over the past three years, increasing numbers of calls for service. In the year 2011, the East Beat had 7,756 calls. Number of calls increased to 9,804 in 2012, and jumped to 10,507 (third highest beat of the nine in the City) for 2013. (*Billings Police Department 2013 Annual Report, www.ci.billings.mt.us.*) Unfortunately, there have recently been two murder incidents in the area as well. Parks personnel, during the October conference on addressing homeless/transient issues, mentioned that homeless individuals are congregating under the Rims in the EBURD, as well as in North Park.

Brownfields, defined as areas with actual or perceived environmental contamination issues, can contribute to unsafe and dangerous conditions, as well as discourage redevelopment efforts. Big Sky Economic Development, in a cooperative agreement with the U.S. Environmental Protection Agency, has secured funding for environmental assessments of properties in the EBURD. With its first round of funding, Big Sky Economic Development contracted with an environmental engineering firm to assess 23 parcels of land in the EBURD to determine “Phase I” conditions (looking at the historical uses of the property and assessing any observed potential contamination issues). In addition, nine parcels were examined with more in-depth “Phase II” assessments, where soil and water testing took place. While none of the completed Phase II assessments pointed to remediation requirements, there are still a number of sites that are advised for Phase II assessment, and many parcels that have not received any environmental assessment to date. Big Sky Economic Development has secured additional EPA Brownfields Program funding with which to accomplish additional environmental assessments in the EBURD beginning in spring 2015, at no cost to property owners who volunteer for the program.

## **SECTION 5 – DETERMINATION OF BLIGHT**

The proposed EBURD Expansion area contains a number of underdeveloped properties and substandard facilities. The Council previously determined that the property included in the EBURD was “blighted” within the meaning of the Act in its adoption of Ordinance #06-5395 that (a) created the East Billings Urban Renewal District (EBURD) and (b) adopted an urban renewal plan for the district (November 16, 2006). Deficiencies in public and private properties located in the district lead to a determination of blight, as defined by state statute. As cited in the original Urban Renewal Plan, the area still meets several definitions of blight:

Deficient Structures in Area *(the substantial physical dilapidation; deterioration; defective construction, material, and arrangement; or age obsolescence of buildings or improvements, whether residential or nonresidential; deterioration of site)*

There are several buildings and residential structures that are over 50 years in age and do not qualify as being historically significant. Many are in poor repair and may contain potentially hazardous asbestos and lead paint.

While streets, curbs, gutters and sidewalks in some of the area are in satisfactory repair, there are areas without such improvements. Sewer and water utilities in the area are aging and/or inadequate. Flooding occurs within public right-of-way as well as on private property during heavy rain events. Several parking lots generally do not meet code requirements for paving, striping and landscaping. Many of them are cracked and crumbling. Demand for parking will continue and District managers will collaborate with the City to accommodate commercial growth in alignment with the adopted Parking Overlay District.

Deficient Land Use *(inappropriate or mixed uses of land or buildings; defective or inadequate street layout; faulty lot layout in relation to size, adequacy, accessibility, or usefulness)*

In general, the 2015 expansion area is under-utilized due to the significant amount of surface used as storage or left vacant. Most structures are single-story. There are vacant lots, storage lots, and auto sales lots directly across the street from Montana’s largest indoor entertainment complex and trade-show facilities. The taxable value of this district must be stabilized and encouraged to grow.

Protecting Public Health & Safety (*unsanitary or unsafe conditions; the existence of conditions that endanger life or property by fire or other causes*)

The conditions of blight, crime, vagrancy and potential brownfields, as described above, reduce “social capital” and community connectedness. Flooding promotes mold growth and related health problems.

## **SECTION 6 – THE SITE AND ITS RELATIONSHIP TO THE CITY**

The Expanded EBURD occupies the center of the City of Billings, adjacent to the Downtown Central Business District and the medical corridor to the west; connecting to the Billings Heights area via Main Street to the northeast; welcoming visitors from Lockwood and beyond via 1<sup>st</sup> Avenue North to the southeast; and meeting up with the Rimrocks to the north.

## **SECTION 7 – LEGAL DESCRIPTION**

The legal description of the proposed 2015 Expanded East Billings Urban Renewal District is as follows: Beginning at a point at the centerlines of the intersection of 1<sup>st</sup> Avenue North and North 10<sup>th</sup> Street and proceeding east to the centerline of Exposition Drive/Main Street, and proceeding north from the intersection of 1<sup>st</sup> Avenue North and Exposition Drive/Main Street to the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street, and from the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street, proceeding west to the intersection of 6<sup>th</sup> Avenue North and North 10<sup>th</sup> Street, and proceeding south from the intersection of 6<sup>th</sup> Avenue North and Exposition Drive/Main Street to the intersection of 1<sup>st</sup> Avenue North and North 10<sup>th</sup> Street, encompassing all parcels and tax codes therein.

Please see map on following page.

In addition, we propose to add property designated as Tax Code A12053 (North Park Subd., S33, T01N, R 26E, Block 2, Lot 11-12) and property designated as Tax Code A12052 (North Park Subd., S33, T01 N, R26E, Block 2, Lot 7-10).. These lots, are slated for expansion of the Billings Carpet Cleaning activities.



## **SECTION 8 – PROPERTY DEVELOPERS**

New development and revitalization in the proposed 2015 expanded urban renewal district will be accomplished with private investment and public-private partnerships, through the implementation of the EBURD Master Plan and the Exposition Gateway Plan. As outlined in Section 2 above, improvements in infrastructure will spur investments in workforce housing development, parking facilities, lodging facilities, conference facilities, entertainment venues, as well as retail and restaurant enterprises.

## **SECTION 9 – PROJECT RELATIONSHIP TO THE EBURD MASTER PLAN & EXPOSITION GATEWAY PLAN**

The proposed urban renewal area and expanded tax increment district is located generally in the center of the City and encompasses several “districts” as defined by the EBURD Master Plan and the EBURD Code. The EBURD Master Plan contemplated eventual annexation of County properties adjacent to the original urban renewal district, and this Amended Urban Renewal Plan seeks to accomplish that end.

One goal of the EBURD Plan was to develop a zoning code unique to the vision of the EBURD. The new code was established and adopted in October 2012, following several months of committee work and public meetings, with consultation from a professional firm known for, literally, writing the book on form-based code options. Form-based code considers the look of the facility and its surrounding landscape, rather than basing zoning purely on the use of the facility. The new code allows for increased flexibility in uses, which was desired by landowners and developers in the area.

Generally, the EBURD Master Plan stressed the area’s ability to make a positive impact on the entire city. The Plan also recommended a private non-profit organization to assist the City of Billings with the management of the Tax Increment District through an annual work plan and contract. This expanded EBURD may be managed in a similar manner and could make use of the redevelopment and facilitation established through that management entity, the Billings Industrial Revitalization District, Inc.

The Plan names housing as an important priority, and recommends that the City continue to work with builders and developers to encourage downtown housing through various methods. Specifically, the plan encourages housing in the Rail Spur Village. However, live-work space is allowed in several EBURD districts, as outlined in the adopted EBURD Code. The formation of an expanded tax increment district will

increase funding for construction or rehabilitation of public infrastructure necessary to attract, retain, and improve housing in the area.

The guiding principles developed through the EBURD Master Plan were built upon the goals of the original Urban Renewal Plan, and continue to guide today's efforts: 1) Foster economic growth; 2) Foster distinct mixed-use, industrial, and hospitality centers; 3) Create affordable housing opportunities and choices; 4) Ensure existing industrial uses can continue to operate as desired; 5) Improve the natural beauty of the District by reintroducing trees and other features; 6) Extend pedestrian and bike trail connections to downtown, Heights, MetraPark and the Yellowstone River; 7) Integrate edges of the District with North Park neighborhood, medical corridor, and downtown; 8) Provide a variety of transportation choices and connections; 9) Complete sewer and storm water infrastructure; and 10) Understand and reduce environmental risks.

Guided by the above principles, several critical action plan steps have already been accomplished: successful approval of both the EBURD Master Plan and the Exposition Gateway Plan; successful implementation of the recommended Parking Overlay District; accomplishment of the recommended two-way streets conversion; completion of EPA Brownfields Program environmental assessments on 23 parcels, with more to take place beginning in 2015; successful adoption of the EBURD Zoning Code; completion of a transportation corridor study; and development of a plan to address flooding, storm water management, and infrastructure improvements in the eastern-most portion of the District. This amendment to the Plan and the urban renewal projects that it contemplates will continue to act upon the Plan's guiding principles.

## **SECTION 10 – CONFORMANCE TO THE GROWTH POLICY**

One of the requirements of Montana's Urban Renewal Law (Title 7, Chapter 15, Parts 42 and 43) is that the urban renewal plan must conform to the community's growth policy. The Yellowstone County and City of Billings 2008 Growth Policy ("Growth Policy") aligns with EBURD redevelopment in a variety of ways. This amendment to the East Billings Urban Renewal Plan is consistent with the current Growth Policy. Specifically, the expanded EBURD revitalization efforts meet several Community Goals and Objectives outlined on pages 6-16 of the 2008 Growth Policy:

A. Revitalization in the EBURD meets the goal of contiguous development and of the City's Infill Policy. Revitalization also helps to address the issue stated in the Growth Policy that urban sprawl threatens the rural character of land surrounding Billings, increases the cost of providing public services and threatens the



vitality of the city core and downtown area.

B. Development in the EBURD, especially in the Rail Spur Village area, works toward the goal of affordable housing for all income levels dispersed throughout the City and County. Development of housing helps to address the Growth Policy issue which stated that there is a serious lack of affordable housing for low to moderate income households.

C. Adoption of the more-flexible EBURD Code and continued development efforts in the expanded area help achieve the goal of more housing and business choices within each neighborhood. Moreover, continued development in accordance with the new code assists in addressing the stated issue that there is a desire for more mixed-use neighborhoods.

D. Addition of the Exposition Gateway area to the existing TIF District helps achieve goals to encourage economic development in the neighborhood, encourage new businesses to locate in a prime gateway area, and sets the stage for enhancement of both the functionality and the visual appeal of the entrance to Billings from Lockwood (1<sup>st</sup> Avenue North & Exposition Drive/Main Street). As noted in the Growth Policy, entryways to our communities should be attractive and not present physical barriers discouraging economic development.

E. The EBURD is adjacent to downtown Billings, and revitalization of the area, as it continues to develop, will contribute toward the vitality and increased safety for visitors and shoppers. As stated in the Growth Policy, safety is an important element.

F. Expansion of the EBURD TIF District assists in meeting the goal of more visually appealing communities, improving the image of the area across the street from the MetraPark facilities and instilling pride in this area of town. Enhancing visual appeal helps to address the Growth Policy's stated issue that there are areas in the City and County that are unattractive and present a poor image of the community.

G. Improvements to the area as envisioned in the Exposition Gateway Plan can lead to a visually appealing design that incorporates the needs not only of vehicular traffic entering the area from Lockwood and from Main Street, but also improves pedestrian access between the MetraPark facilities and new development in the Expo Gateway. Improvements in the proposed expansion area will aid in addressing the Growth Policy's issue that the design of roads, streets, and pedestrian facilities can be more attractive and functional.

H. Expansion of the EBURD TIF District will contribute toward the goal of a well-maintained network of safe and interconnected sidewalks by addressing the critical need for sidewalks, curb and gutter in the Expo Gateway area. As noted in the Growth Policy, the sidewalk system in the City needs upgrading; many sidewalks are cracked and broken, several critical sections are missing, and important sidewalk routes are not adequately maintained.

I. Expansion of the District to include the Expo Gateway area assists the City toward its goal of sanitary and

safe properties, with an improved community image and an increase in property values. Advancing toward this goal helps to address the stated issue that there are dilapidated and unsafe properties in neighborhoods. J. Expansion of the District allows access to TIF District funding for a long-neglected infrastructure upgrade, moving the City toward its goal of equitable collection and distribution of funding for public services and facilities. Moreover, the expansion assists the City in achieving its objective to ensure that facilities and services are maintained in existing neighborhoods as new neighborhoods are added. The Growth Policy notes that funding for community facilities and infrastructure is very limited; prudent use of TIF District funds assists in solving the limited funding issue.

K. Expansion of the TIF District to include the Expo Gateway area aligns with the City's goal of adaptive reuse of vacant structures, conserving resources, preserving landmarks, preserving neighborhood integrity, and taking advantage of economic development opportunities. Adaptive reuse helps to address the stated issue that there are vacant structures around Billings and in the County that could be reused.

L. Expansion of the EBURD TIF District, leading to development of live-work enterprises and additional workforce housing options, helps move toward the goal of adequate affordable housing and more options for housing, potentially in an area very near to work opportunities. Achievement of these goals assists in solving the stated Growth Policy issue that poor housing and lack of living wage jobs puts the health of residents at risk.

The Growth Policy lists Urban Renewal Districts as an implementation strategy to revitalize neighborhoods, and expansion of the EBURD aligns well with that revitalization strategy.

## **SECTION 11 – CERTAIN PLAN FEATURES AND FINANCIAL MATTERS**

Section 7-15-4217, M.C.A., of the Act requires cities to make certain findings when they adopt an urban renewal plan and approve Urban Renewal Projects. These are addressed below:

1. The existing EBURD contains 133 housing units that are home to 305 people (*U.S. Census 2010, per Leslie Zolman, GISP, Montana Dept. of Commerce Census and Information Center, 5-7-2014*). For the entire Census Tract, including the North Park neighborhood, there are 1,995 housing units, of which 1,689 are occupied and 306 are vacant (*U.S. Census Bureau, American Community Survey Table DP04, 10-22-14*). Planned projects would not displace any persons from housing. Accordingly, there is no need to have a workable and feasible plan for substitute housing until and unless such a project is developed in the future.

2. This amended East Billings Urban Renewal Plan conforms to the Growth Policy for the City as a whole, and also to the EBURD Master Plan and the Exposition Gateway Plan.
3. This Modified Plan affords maximum opportunity, consistent with the needs of the City as a whole, for the rehabilitation or redevelopment of the Expanded EBURD by private enterprise. It is unreasonable to expect that the district will be stabilized and/or redeveloped without substantial public support. Some properties within the area are dilapidated. As presently constituted, property in the district is not conducive to any sort of uniform or integrated development and, as presently existing, cannot compete with other areas of the City for substantial developments, particularly areas at the outskirts of the City. This amended Plan is intended to facilitate the identification and construction of significant Urban Renewal Projects, which would not be possible without this Plan.
4. A sound and adequate financial program exists for financing projects, which include the sale and issuance by the City of tax increment finance bonds. Subsequent approved development projects will require commitments of substantial private financing that will provide the primary means for funding construction of the improvements and revitalization efforts.
5. This 2015 Expanded EBURD may be modified at any time by the City Council as necessary to eliminate and prevent the development or spread of blighted areas, and encourage urban rehabilitation. The process for plan modification shall follow the procedures set forth in 7-15-4212 through 7-15-4219 MCA, with respect to initial adoption of this plan. For purposes of urban renewal district boundary changes only, the notice of public hearing, as described in 7-15-4215 MCA, may be mailed only to those owners whose properties are situated within the area of expansion of the Urban Renewal District boundaries. Notice will be mailed to those property owners whose properties are within the area of expansion.

## **SECTION 12 – TAX INCREMENT**

Tax increment financing is necessary to encourage private reinvestment within the District, which will further encourage economic growth in the District and the City, create substantial employment opportunities, and increase the tax base of the City and other taxing jurisdictions. The 2015 Expanded EBURD is hereby established as a tax increment financing urban renewal area within the meaning of the

Act, and, in particular, Section 7-15-4282 through 7-15-4293 of the Act. This Section constitutes a tax increment provision within the meaning of the Act. In connection with the expansion:

1. For the purpose of calculating the incremental taxable value each year for the life of the district, the base taxable value shall be calculated as base taxable value of the original district as of [January 1, 2006] plus the base taxable value of all real and personal property added to the district by this amended plan and as shown in Exhibit A as of January 1, 2015.
2. The City is hereby authorized to segregate the tax increment derived in the district and use and deposit such increment into the tax increment fund of the district for use as authorized by the Act and as authorized herein from time to time, including, without limitation, pledging the tax increment to repayment of Bonds.
3. The tax increment received from the district may be used to pay directly costs of an approved Development Project as may from time to time be approved by the Council. The Council also hereby authorizes the use of tax increment in the district to pay debt service on bonds issued to finance a portion of the costs of these development projects, and costs associated with the sale and security of such bonds (including any necessary reserve funds) in compliance with the Act, subject to any limitations imposed by the Montana Constitution and federal law.
4. The tax increment provision of the district will terminate upon the latter of:
  - a. The fifteenth (15<sup>th</sup>) year following the original creation of the district; or
  - b. The payment or provision for payment in full or discharge of all bonds, and the payment of interest thereon, for which the tax increment has been pledged.

After termination of the tax increment provision, all taxes shall continue to be levied upon the actual taxable value of the taxable property in the district, but shall be paid into funds of the taxing bodies levying taxes within the district.

### **SECTION 13 – CONCLUSIONS**

The creation of this expanded East Billings Urban Renewal District will have a positive impact on central Billings, and is an essential first step in completing what may be a number of urban renewal projects.

Estimates calculated by ECO-Northwest in preparation of the Exposition Gateway Plan indicate that development in the Expo Gateway has a potential new value of nearly \$65 million, with potential TIFD revenues of slightly more than \$1 million (*Financial Analysis, ECO-Northwest, April 8, 2013*). The figures are preliminary estimates; actual values and tax revenue will vary based on type, size and timing of development. Expansion of the district, in addition to further stabilizing the tax base, eliminating blight and providing renaissance to the EBURD, will also bring new employees and residents to the area.

ECO-Northwest states that the Expo Gateway District offers desirable locational attributes:

The Gateway District has several important locational advantages relative to other areas in Billings that make it a prime area for development in the hospitality and retail sectors.

- Proximity to downtown. It is centrally located near employment and commercial uses in the Central Business District, the medical campuses, and the University (directly to the west).
- Proximity to MetraPark. The county-owned multi-function facility has an indoor arena, rodeo grounds, a horse track, open space and other facilities. MetraPark has a long history of successful operation (850,000 to 1 million visitors per year, with 30% coming from over 100 miles away, per Sandra Hawke, MetraPark, February 2009), and provides opportunities for complementary meeting space and catering facilities.
- Proximity to the airport. It is closer to Billings Logan Airport (3 miles) than many areas in the Central Business District as well as areas in south and east Billings.
- Proximity to amenities and commercial areas. It is in close proximity to commercial areas downtown and in Billings Heights, which is a commercial and residential hub to the north.
- Proximity to regional highways. The District lies at the intersection of 212, I-90 and I-94.

The key comparative advantage for the area is its central location *between* downtown and MetraPark (and between the West End and the Heights) on flat land with urban services. It is a good location for urban development. (*ECO-Northwest, Existing Market Conditions Assessment, May 22, 2013*)

As stated in the Exposition Gateway Plan and as stated herein, the Exposition Gateway area requires repair and improvement to streets, curbs, gutters and sidewalks and the water and sewer utilities are inadequate. The City hereby approves, as an urban renewal project for the District, the reconstruction of the streets from Main Street to North 11<sup>th</sup> Street and between 1<sup>st</sup> Avenue North to 4<sup>th</sup> Avenue North in accordance with the Exposition Gateway Concept Plan. The streets included in the construction limits are North 9<sup>th</sup> Street, North 10<sup>th</sup> Street, 2<sup>nd</sup> Avenue North, and 3<sup>rd</sup> Avenue North. Construction includes full street construction, sidewalk, bulb-outs at the corners, on-street parking, new sanitary sewer, new water mains, and storm drain upgrades. In order to make it possible to move forward with this much-needed infrastructure improvement project, the Yellowstone County Board of County Commissioners transferred any interest it had in the public right of way on streets within the Exposition Gateway area to the City of Billings, with Resolution 15-23, passed on March 10, 2015.

The Council through adoption of the modified East Billings Urban Renewal District hereby approves financing of the improvement project described above with proceeds of tax increment bonds payable from tax increment generated by the District. Such bonds will be issued in a principal amount such that the debt service thereon can be paid from tax increment generated by the District over a period of 25 years. The City hereby finds that there is a feasible and workable plan for financing the improvements.

Expansion of the East Billings Urban Renewal District to include the property described in this amended Plan will have a positive effect on the area and on the City. Improvements to infrastructure will surely be the catalyst in attracting the desired types of development, and will spur further achievement in reaching the goals of the overall EBURD Master Plan.

Please see Exhibit A on next page.

## EXHIBIT A

## 2015 EBURD Expansion

| TAXID                | ASSESSED<br>VALUE  | TAXID                    | MARKET<br>VALUE    | TAXABLE<br>VALUE | TAXID   | LOT SIZE<br>(Approx.<br>Sq. Ft.) |
|----------------------|--------------------|--------------------------|--------------------|------------------|---------|----------------------------------|
| <b>1002286 Total</b> | \$1,720.00         | <b>1002286<br/>Total</b> | \$912.00           | \$23.00          | 1002286 | 0                                |
| <b>A09340 Total</b>  | \$792,286.00       | <b>A09340 Total</b>      | \$621,944.00       | \$15,362.00      | A09340  | 44344.08                         |
| <b>A09343 Total</b>  | \$688,400.00       | <b>A09343 Total</b>      | \$540,394.00       | \$13,347.00      | A09343  | 29403                            |
| <b>A09355 Total</b>  | \$265,451.00       | <b>A09355 Total</b>      | \$208,379.00       | \$5,147.00       | A09355  | 42383.88                         |
| <b>A09355B Total</b> | \$45,930.00        | <b>A09355B<br/>Total</b> | \$36,055.00        | \$891.00         | A09355B | 6403.32                          |
| <b>A09373 Total</b>  | \$498,600.00       | <b>A09373 Total</b>      | \$391,401.00       | \$9,667.00       | A09373  | 19035.72                         |
| <b>A09374 Total</b>  | \$71,910.00        | <b>A09374 Total</b>      | \$56,449.00        | \$1,394.00       | A09374  | 10628.64                         |
| <b>A09375 Total</b>  | \$43,862.00        | <b>A09375 Total</b>      | \$34,432.00        | \$850.00         | A09375  | 6054.84                          |
| <b>D05887 Total</b>  | \$358,428.00       | <b>D05887 Total</b>      | \$281,366.00       | \$6,949.00       | D05887  | 56628                            |
| <b>D05888 Total</b>  | \$444,941.00       | <b>D05888 Total</b>      | \$349,279.00       | \$8,628.00       | D05888  | 69260.4                          |
| <b>D05893 Total</b>  | \$593,800.00       | <b>D05893 Total</b>      | \$466,133.00       | \$11,513.00      | D05893  | 56628                            |
| <b>D05897 Total</b>  | \$14,973.00        | <b>D05897 Total</b>      | \$11,754.00        | \$290.00         | D05897  | 1306.8                           |
| <b>D05898 Total</b>  | \$917,363.00       | <b>D05898 Total</b>      | \$720,129.00       | \$17,787.00      | D05898  | 91911.6                          |
| <b>I01092A Total</b> | \$19,200.00        | <b>I01092A<br/>Total</b> | \$15,072.00        | \$372.00         | I01092A | 0                                |
| <b>Total</b>         | \$4,756,864.00     | <b>Total</b>             | \$3,733,699.00     | \$92,220.00      |         |                                  |
|                      |                    |                          |                    |                  |         |                                  |
| A12052               | \$92,800.00        | A12052                   | \$49,184.00        | \$1,215.00       | A12052  | 15000                            |
| A12053               | <u>\$21,975.00</u> | A12053                   | <u>\$11,647.00</u> | <u>\$ 201.00</u> | A12053  | 7500                             |
| Grand Total          | \$4,871,639.00     |                          | \$3,794,530.00     | \$93,636.00      |         |                                  |

Exhibit A figures provided by Yellowstone County GIS

**RESOLUTION NO. 18-10750****A RESOLUTION OF THE CITY OF BILLINGS FORMING A  
POLICY FOR THE ADMINISTRATION OF URBAN  
RENEWAL AREAS OR DISTRICTS (URD) IN THE CITY.**

WHEREAS, MCA, Title 7, Chapter 15, Part 42, Section 51 declares: General powers of municipalities in connection with urban renewal. Every municipality shall have all the power necessary or convenient:

- (1) To carry out and effectuate the purposes and provisions of this part and part 43;
- (2) To undertake and carry out urban renewal projects within the municipality, to make and execute contracts and other instruments necessary or convenient to the exercise of its powers under this part and part 43, and to disseminate blight clearance and urban renewal information;
- (3) To organize, coordinate, and direct, within the municipality, the administration of the provisions of this part and part 43 as they apply to such municipality in order that the objective of remedying blighted areas and preventing the causes thereof within such municipality may be most effectively promoted and achieved and to establish such new office or offices of the municipality or to reorganize existing offices in order to carry out such purpose most effectively;
- (4) To exercise all or any part or combination of powers granted in this part or part 43; and

WHEREAS, the City of Billings reviews and adopts Urban Renewal Plans for each of its Urban Renewal Districts, and those Plans specify goals for each Urban Renewal District; and

WHEREAS, the City of Billings may establish local policies that guide the establishment, operations, funding and governance of urban renewal districts; and

WHEREAS, development of TIF (Tax Increment Financing) Policies would be in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BILLINGS, MONTANA:

That the City Council now makes and adopts the following TIF Policy:



## CITY OF BILLINGS TAX INCREMENT FINANCE POLICY

1. PERMITTED USES OF TIF FUNDS. TIF funds may be used for costs outlined in MCA, Title 7, Chapter 15, Part 42, Section 88. Urban Renewal Plans adopted by the City may limit what TIF funds may be spent on in any Urban Renewal District. Eligible costs may include, but are not limited to:
  - a. Land acquisition and assemblage, demolition and removal of structures, relocation of occupants, analysis to determine needs of an urban renewal area, administrative cost for redevelopment activities.
  - b. Public infrastructure, including, but not limited to: streets, storm drains, parking, public buildings, water and sewer lines, sidewalks, utility connections.
  - c. Private infrastructure with public benefit, including, but not limited to, building façades, windows, doors, fire suppression or alarm systems, storm drainage, environmental remediation, parking, and ADA access.
  
2. FINANCIAL ASSISTANCE THROUGH TIF. All financial assistance must be approved by the City Council prior to any activity receiving funding. Financial assistance should be requested prior to beginning construction. All activity (design and construction) must be completed prior to issuance of TIF funds from the City Finance Department. Financial thresholds and assistance tools are as follows:
  - a. A minimum of  $\geq$  \$5 of private investment for every \$1 of public investment is the preferred threshold to be met for each TIF application. The City Council reserves the right to approve any application that does not meet this minimum. The City Council also may make exceptions for projects of less than \$100,000, and for publicly owned projects, properties or facilities.
  - b. Grants may be made for uses listed in Part 1 above benefitting any government owned-land or buildings and for profit and non-profit businesses.
  - c. Bonding may be available at the discretion of the City Council.
  - d. All TIF grants will be formalized by a development agreement that must be signed by the grantee before the City will reimburse eligible expenses.
  
3. URD MANAGEMENT. Each URD in the City of Billings will be managed as follows:
  - a. Each URD should maintain a non-profit advisory board to make recommendations to the City Council regarding TIF expenditures. Unless specifically authorized by a Memorandum of Understanding (MOU) referenced in 3(b) below, a majority of board members must own or lease property within the district, or must represent such owner or lessee, and may include representation from residential or commercial property owners or lessees. Advisory Boards must carry insurance for their members and provide proof of insurance to the City.
  - b. A MOU must be executed between the advisory board and the City Council that defines the board's roles, responsibilities, authority, and processes, including for hiring and maintaining board support staff. The MOU must

contain language addressing conflict of interest situations for board members whose property may directly benefit from a TIF expenditure and for board support staff. The MOU also must include language that if there is the appearance of a conflict of interest the issue will be reviewed by City legal staff before moving forward.

- c. Training for all URD advisory boards will be conducted biannually in coordination with City staff and URD support staff. The training must include, but is not limited to: review of URD and TIF laws, Administrative Rules, ethics, conflicts of interest, meeting management, and maintenance of minutes and records.
- d. URD financial reporting will be consistent across all URDs and be set by coordination between the City Finance Director and the Planning and Community Services Director, and URD support staff.
- e. TIF application review and City Council staff report preparation will be conducted by the Planning and Community Services Department Director, in coordination with the Assistant City Administrator, Finance Director, and URD support staff.

PASSED by the City Council and APPROVED this 9<sup>th</sup> day of July, 2018.



CITY OF BILLINGS

BY: William A Cole  
William A. Cole, Mayor

ATTEST

BY: Denise R. Bohlman  
Denise R. Bohlman, City Clerk

# BIRD

## MEETING

## AGENDA

 **DATE: 2 OCTOBER 2024**

 **TIME: 4PM - 5:15PM**

### BOARD

Sam Westerman: President  
Keith Robinson: Vice President  
Lucy Aspinwall: Treasurer

Melissa Zimmermann: Secretary  
Absent- Matt McDonnell

### STAFF

Michelle Harkins

| AGENDA                        | TOPIC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TIF                           | <ul style="list-style-type: none"><li>• 17 years remaining</li><li>• Priority to have all paybacks end 5 years before then end now, after 15 left, 3 years, 5 years 1 year left.</li><li>• Ground up new build or complete redo of property - needed<ul style="list-style-type: none"><li>◦ 12 years max- try to keep around 10</li></ul></li><li>• Ground up new build or complete redo of property - not needed<ul style="list-style-type: none"><li>◦ 10 years max- try to keep around 8</li></ul></li><li>• Smaller projects- facade, fence, landscaping etc.- needed or visible<ul style="list-style-type: none"><li>◦ 8 years max- try to keep around 6</li></ul></li><li>• Smaller projects- facade, fence, landscaping etc.- not as needed or visible<ul style="list-style-type: none"><li>◦ 6 years max- try to keep around 4</li></ul></li></ul> |
| Priorities                    | We need to discuss our priorities moving forward with the EBURD. Heather and I are currently are re-reading the mater plan. Please do so as well. This will help help work with A&E, and this will help as we move forward with TIFs and programming.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Change in board approved TIFs | We need to discuss a decrease for the approved board TIFs that have not been presented to council- this is due to the decrease and the continued sucuess of the EBURD. They will be given in a lump sum instead of over 3-4 years. They will be saving on interest over the years they would be waiting on repayments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Board approved TIFs           | <ul style="list-style-type: none"><li>• Billings Brownstones<ul style="list-style-type: none"><li>◦ Board Approved : \$779,221 - 22 years - 16.67% - payback 4 years</li><li>◦ Updated Recommendation: \$540,000 - 15 years - 11.5% - 1 lump sum</li></ul></li><li>• Billings Animal Family Vet<ul style="list-style-type: none"><li>◦ Board Approved : \$563,182 - 16 years - 16.67% - payback 3 years</li><li>◦ Updated Recommendation: \$475,000 - 13.5 years - 14% - 1 lump sum</li></ul></li><li>• Vemco<ul style="list-style-type: none"><li>◦ Board Approved : \$36,000 - 15 years - 12% - payback 1 lump sum</li><li>◦ Updated Recommendation: \$26,000 - 8.8 years - 9% - 1 lump sum</li></ul></li></ul> <p><b>All approved of changes</b></p>                                                                                                    |