

**PROMISSORY NOTE**

As hereinafter provided, the undersigned **CITY OF BILLINGS**, a Municipal City, whose address is 316 N. 26<sup>th</sup> Street, Billings, MT 59101 ("**Borrower**"), promises to pay to **BIG SKY ECONOMIC DEVELOPMENT CORPORATION**, a Montana nonprofit corporation, whose address is 201 N. Broadway, Billings, MT 59101, ("**Lender**"), the sum of **EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT** dollars (\$84,848.00) for value received, plus interest upon the principal balance at the rate of **ZERO** percent (0.00%) per annum from the date of this note, until paid in full.

The Note shall be a single pay note having a term of **THIRTY SIX** (36) months from the date of execution of this note. The Maturity Date will be **THIRTY SIX** (36) months from the execution date of this note. **Borrower** shall make one lump sum principal payment in the amount of **EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT** dollars (\$84,848.00) upon the Maturity Date. Upon the failure by **Borrower** to make any payment pursuant to this Note or to comply with any promises or conditions contained in the Loan Agreement executed by **Borrower** contemporaneously with this Note, or any Related Documents (as defined in the Loan Agreement), **Lender** may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due and payable.

**Borrower** agrees in case of default in the payment of this Note to pay all costs and expenses of collecting the same, including reasonable attorney fees.

This Note is secured by a Montana Trust Indenture.

If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. **Borrower** does not agree or intend to pay, and **Lender** does not agree or intend to contract for, charge, collect, take, reserve or receive (collectively referred to herein as "charge or collect"), any amount in the nature of interest or in the nature of a fee for this loan, which would in any way or event (including demand, prepayment, or acceleration) cause **Lender** to charge or collect more for this loan than the maximum **Lender** would be permitted to charge or collect by federal law or the law of the State of Montana (as applicable). Any such excess interest or unauthorized fee shall, instead of anything stated to the contrary, be applied first to reduce the principal balance of this loan, and when the principal has been paid in full, be refunded to **Borrower**. **Lender** may delay or forgo enforcing any of its rights or remedies under this Note without losing them. **Borrower** and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that **Lender** may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect **Lender's** security interest in the collateral; and take any other action deemed necessary by **Lender** without the consent of or notice to anyone. All such parties also agree that **Lender** may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**IN WITNESS WHEREOF**, the parties have caused this Promissory Note to be executed by their respective officers thereunto duly authorized, as of the following date.

DATED July 18, 2025

**BORROWER:**  
**CITY OF BILLINGS,**  
A Municipal City,

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

**ATTEST:**

By: Denise R. Bohlman  
Name: Denise R. Bohlman, City Clerk

**ATTEST:**

By: Nina Philpott  
Nina Philpott, Assistant Secretary

**LENDER:**  
**BIG SKY ECONOMIC DEVELOPMENT**  
**CORPORATION**

By: Paul Green  
Paul Green, Executive Director

**LOAN AGREEMENT**

**THIS LOAN AGREEMENT** is made and entered on July 18, 2025, by and between the **CITY OF BILLINGS**, a Municipal City, whose address is 316 N. 26<sup>th</sup> Street, Billings, MT 59101 ("**Borrower**") and the **BIG SKY ECONOMIC DEVELOPMENT CORPORATION**, a Montana nonprofit corporation, whose mailing address is 201 N. Broadway, Billings, MT 59101 ("**Lender**").

**RECITALS**

**WHEREAS**, the **Lender** operates a lending program for the purpose of creating job opportunities and economic development for the residents of Yellowstone County, Montana; and

**WHEREAS**, the **Borrower** wishes to borrow the total sum of **EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT** (\$84,848.00) from **Lender** under the U.S. Environmental Protection Agency Brownfields Revolving Loan Fund for the purpose of property remediation / environmental cleanup ("**Project**").

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions herein, the parties agree as follows:

1. **INCORPORATION OF RECITALS**: All the foregoing recitals are true and correct and are incorporated by reference in this paragraph.
2. **AMOUNT AND REPAYMENT OF LOAN**: The **Lender** agrees, under the terms and conditions of this Loan Agreement, to make a loan to **Borrower** for the Project as set forth below in Paragraph 4. The total principal amount of such loan shall be **EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT** dollars (\$84,848.00). The loan shall be repaid by **Borrower** in the following manner:
  - a. The sum of \$84,848.00 shall be evidenced by a Promissory Note executed by **Borrower**. The Promissory Note shall be made payable to **Lender** in form and content the same as Exhibit "A" attached hereto and shall accrue interest from the date of the Loan at the rate of **ZERO** percent (0.00%) per annum.
  - b. The Note shall be amortized over **THIRTY SIX** (36) months. **Borrower** shall make a single principal payment in the amount of **EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT** dollars (\$84,848.00) on July 18, 2028. Any unpaid accrued interest shall be capitalized and added to principal as accrued.
  - c. The Note may be renewed or extended by the Lender for a period of up to twelve (12) months beyond the original maturity date, at the request of the borrower, or at the Lender's discretion. The request for extension will not be unreasonably withheld if the redevelopment project is not completed within the original term.
  - d. All payments will be made promptly to **Lender** at its address specified at the beginning of this Loan Agreement, or at such other address as it may designate in writing. **Borrower** agrees to pay a late charge of five percent (5%) of the scheduled payments described above for any such payment not made by the 10th day after its scheduled due date. All payments shall be first applied to penalties, then to interest and thereafter to principal. **Borrower** shall have the right to prepay all or any part of the Note without penalty of any kind.
3. **CONDITIONS OF LOAN**: **Lender's** obligation to make the loan contemplated hereby is contingent on each and all the following:

- a. **Upon request, Borrower** will submit to **Lender** annual financial statements within 120 days of the end of **Borrower's** fiscal year, which shall be prepared to meet the requirements of **Borrower's** bank or lending institution. In addition, **Borrower** will submit to **Lender** copies of **Borrower's** income tax returns within 120 days after the date on which such returns are due. Written status reports on project performance at the request of, and in the format prescribed by **Lender**, will be provided by **Borrower** to **Lender**.
- b. Upon receipt of reasonable advance notice, **Borrower** will permit, during normal business hours, representatives of **Lender** to inspect **Borrower's** facilities and records which are the subject of this Loan.
- c. **Borrower's** interest in this Loan Agreement is non-assignable except upon the written consent of **Lender**. A request for consent to assignment must include a statement justifying the request and the certified financial statement of the proposed assignee. This statement must be current to within 120 days of the request. **Lender** reserves the right to deny requests for assignment and to modify rates and terms of this Loan Agreement and its exhibits as conditions of an assignment. Nothing herein will prevent **Borrower** from assigning said loan to a separate entity controlled by **Borrower**.
- d. It is expressly understood that the proceeds of this Loan are designated solely for those purposes (i.e., the Project) set forth in this Loan Agreement and may not be used for any prohibited or illegal purposes. It is further expressly understood that **Lender** shall have the right to change the loan fund for this Loan and/or assign this loan among its various loan funds at its sole and complete discretion without notice or approval of **Borrower**.
- e. **Borrower** waives all claims and recourse against **Lender**, including the right of contribution for loss and damage to persons or property arising from, growing out of, or in any way connected with or incident to this Loan Agreement. Further, **Borrower** will indemnify, hold harmless, and defend **Lender** against all claims, demands, damages, costs, expenses or liability arising out of the performance of this Loan Agreement by **Borrower**.
- f. **Borrower** shall have secured all necessary approvals or consents, if required, of all governmental bodies having jurisdiction with respect to any construction contemplated in accordance with the use of proceeds.
- g. **Lender** shall have received the Opinion of Counsel to **Borrower** that the representations and warranties are true and accurate on and as of the closing date and the conditions of the Loan have been duly satisfied as of the closing date.
- h. **Lender** shall have received verification that **Borrower** has adequate insurance in place on all Collateral. Said insurance policy shall provide that **Lender** is an additional insured and that the insurance policy may not be canceled without first providing notice of said cancellation to **Lender** at least thirty (30) days prior to cancellation. "Collateral" means all property and assets granted as collateral security for the loan being made under this Loan Agreement, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.
- i. **Borrower** certifies they have not been suspended, debarred, or otherwise excluded from receiving Federal funds.
- j. **Borrower** shall certify they are not currently, nor have they been, subject to any penalties resulting from environmental noncompliance at the site subject to the loan or subgrant.

- k. **Borrower** shall certify they are not potentially liable under CERCLA §107 for the site or that, if they are, they qualify for a limitation or defense to liability under CERCLA. If asserting a limitation or defense to liability, the borrower must state the basis for that assertion. When using cooperative agreement funds for petroleum-contaminated brownfield sites, Borrower shall certify they are not a viable responsible party or potentially liable for the petroleum contamination at the site.
4. **SECURITY:** For the Loan contemplated herein, **Borrower** will provide and grant to **Lender** adequate security for payment and performance of this Loan Agreement and the above described Promissory Note, to initially consist of the following:

- a. **CITY OF BILLINGS** will pledge to the **Lender** (Real Property Information with Legal Description):

Lot One (1), in Block Three (3), of Rickman Subdivision, in the City of Billings,  
according to the official plat on file in the office of the Clerk and Recorder of  
Yellowstone County, Montana, under Document No. 345049.

Property is commonly known as 802 Yellowstone Avenue, Billings, MT 59101.

**CITY OF BILLINGS** agrees to execute a Montana Trust Indenture in form and content the same as Exhibit "B" attached hereto and by this reference made a part hereof. Should **Borrower** default in repayment of the Loan, **Lender** may resort to the above-described property and pursue all remedies allowable by the laws of the State of Montana.

- b. Six months from the date hereof and at the end of each succeeding one (1) year period, **Lender** and its designated agents may review, re-evaluate, and examine the property pledged as security for repayment of this Loan. Should **Lender** determine in its reasonable judgment that such security is inadequate in value to fully secure the balance of the Loan unpaid on the date of such review, **Lender** may require that **Borrower** pledge, by whatever means or documents **Lender** deems to be appropriate, such additional property or other collateral as **Lender** deems necessary to fully secure repayment of the remaining balance of the Loan.
- c. **Borrower** will not without the prior written consent of **Lender**, sell, pledge, transfer, assign, hypothecate or otherwise dispose of **Borrower's** assets in the Project. In the event of any such transfer, sale, pledge, assignment, hypothecation or disposal of assets in the Project, **Lender** may, at its sole discretion, accelerate the unpaid balance of the Loan then due and owing.
- d. If Borrower sells all the real property described in the Trust Indenture for fair market value in a bona fide arm's length sale and purchase transaction (such sale, a "Sale"), all proceeds from the Sale (the "Proceeds") shall be applied to the obligations secured by the Trust Indenture (the "Obligations"), including but not limited to the outstanding balance of the Promissory Note. If the Proceeds are insufficient to satisfy the Obligations in full (the amount of any such shortfall, the "Shortfall"), then so long as Borrower is not in default under this Loan Agreement, the Promissory Note, the Trust Indenture, or any other agreements between Borrower and Lender, the Lender will forgive the Shortfall.
- e. If the Borrower retains ownership of the Property for governmental, non-profit, or other public use and does not sell or transfer it to any third party, the Loan shall be forgiven in its entirety, and the Borrower shall have no further repayment obligations. The determination of governmental, non-profit, or public use shall be subject to verification and approval by the Lender.

- f. If the Borrower sells the property at below fair market value to achieve a specific public benefit (i.e. workforce housing or a neighborhood grocery store), and the proceeds are insufficient to satisfy the Obligations in full (the amount of any such shortfall, the "Shortfall"), then so long as Borrower is not in default under this Loan Agreement, the Promissory Note, the Trust Indenture, or any other agreements between Borrower and Lender, the Lender will forgive the Shortfall.

5. **REPRESENTATIONS AND WARRANTIES:** Borrower hereby represents, warrants, and covenants as follows:

- a. The making and performance by **Borrower** of this Loan Agreement, and the execution and delivery of the Related Document, will not violate any law, rule, regulation, order, writ, judgment, decree, determination or award presently in effect having applicability to **Borrower** or result in a breach of or constitute a default under any indenture or bank loan or credit agreement or any other agreement or instrument to which **Borrower** is a party or by which **Borrower** or **Borrower's** property may be bound or affected. "Related Documents" means all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the loan being made under this Loan Agreement.
- b. When this Loan Agreement is executed by **Borrower** and **Lender**, and when the Related Documents are executed and delivered by **Borrower** for value, each such instrument shall constitute a legal, valid, and binding obligation of **Borrower** in accordance with its terms. Any security agreements and instruments, financing statements, and other liens on chattel or real estate shall constitute legal, valid and binding liens.
- c. There are no legal actions, suits, or proceedings pending or, to the knowledge of **Borrower**, threatened against **Borrower** before any court or administrative agency, which, if determined adversely to **Borrower**, would have a material adverse effect on the financial condition or business of **Borrower**.
- d. No authorization, consent, or approval, or any formal exemption of any governmental body, regulatory authority (federal, state or local), mortgagee, creditor or third party is or was necessary prior to the valid execution and delivery by **Borrower** of the Loan Agreement, Related Documents, or financing statements.
- e. **Borrower** is not in default of any obligation, covenant, or condition contained in any bond, debenture, note, or other evidence of indebtedness or any mortgage or collateral instrument securing the same.
- f. **Borrower** has filed all tax returns which are required and has paid or made provision for the payment of all taxes which have or may become due pursuant to said returns or pursuant to any assessments levied against **Borrower** or its personal or real property by any taxing agency whether federal, state or local. No tax liability has been asserted by the Internal Revenue Service or other taxing agency, whether federal, state or local, for taxes materially in excess of those already provided for and **Borrower** knows of no basis for any such deficiency assessment.
- g. **Borrower** certifies that there has been no adverse change since the date of loan application in the financial condition, organization, operation, business prospects, fixed properties, or personnel of **Borrower**.

6. **AFFIRMATIVE COVENANTS OF BORROWER:** Borrower agrees to comply with the following covenants from the date hereof until **Lender** has been fully repaid with interest, unless **Lender** or its assigns shall otherwise consent in writing:

- a. **Borrower** agrees to pay punctually the principal and interest on the Note according to its terms and conditions and to pay punctually any other amounts that may become due and payable to **Lender** under or pursuant to the terms of this Loan Agreement and Note.

In the event Lender or its agent or assignee accepts a late payment after the tenth day of the month in which such payment is due, **Borrower** agrees to pay a late payment charge equal to five percent (5%) of the late amount, as compensation for additional collection efforts.

- b. **Borrower** agrees to pay punctually the principal and interest due on any other indebtedness now or hereafter at any time owing by **Borrower** to **Lender** or any other lender.
- c. **Borrower** agrees to duly pay and discharge all taxes, assessments, and governmental charges upon it or against its' properties prior to the date on which the penalties attach thereto, except that **Borrower** shall not be required to pay any such tax, assessment, or governmental charge which is being contested by it in good faith and by appropriate proceedings.
- d. **Borrower** agrees to maintain adequate records and books of account, in which complete entries will be made reflecting all of **Borrower's** business and financial transactions, such entries to be made in accordance with generally accepted principles of good accounting practice consistently applied in the case of financial transactions.

In addition, **Borrower** agrees to deliver to **Lender, upon request**, annual financial statements prepared to meet the requirements of **Borrower's** bank or lending institution within 120 days of the close of **Borrower's** fiscal year; and provided further that **Lender** or its assign shall have the right to conduct an audit of **Borrower** at its discretion.

**Borrower** further agrees to provide written notice to the **Lender** of any public hearing or meeting before any administrative or other public agency which may, in any manner, affect this Loan.

- e. **Borrower** agrees to grant **Lender**, until the Note has been fully repaid with interest, the right at all reasonable hours to inspect the property used to secure the Loan; and **Borrower** further agrees to provide **Lender** free access to **Borrower's** premises for the purpose of such inspection to determine the condition of the real estate.
- f. **Borrower** agrees that in the event any provision of this Loan Agreement or any Related Documents or any other instrument executed at closing or the application thereof to any person or circumstances shall be declared null and void, invalid, or held for any reason to be unenforceable by a court of competent jurisdiction, the remainder of such agreement shall nevertheless remain in full force and effect, and to this end, the provisions of all covenants, conditions, and agreements described herein are deemed separate.
- g. **Borrower** agrees to indemnify and save **Lender** or **Lender's** assigns harmless against all liability with respect to or resulting from any delay in discharging any obligation of **Borrower**.
- h. **Borrower** certifies and warrants that, to the best of **Borrower's** knowledge, all contamination present on the real property that has been pledged by **Borrower** as Collateral to secure this Loan Agreement and the Note has been disclosed to **Lender**. **Borrower** further always agrees that during **Borrower's** operations on the property that **Borrower** will comply with all local, state, and federal environmental laws. **Borrower** agrees to indemnify **Lender** from any liability that **Lender** incurs due to contaminants that have been deposited on the property during the course of **Borrower's** use of the property or any environmental clean-up costs and expenses which arise as a result of **Borrower's** failure to abide by the above-referenced indemnification agreement.
- i. **Borrower** agrees to pay before they become delinquent, all state and federal income, sales and property taxes and assessments (except those as are being contested in good faith and against which a Borrower maintains an adequate reserve for payment).

- j. **Borrower** hereby specifically agrees that the loan contemplated hereunder may be declared immediately fully due and payable by **Lender** if any of the following events occur:
- 1) **Borrower** sells all or substantially all its business assets, including any of the Collateral granted herein, without the prior written consent of the **Lender**;
  - 2) **Borrower** closes its business or relocates its business to a location outside of Yellowstone County, MT; or
  - 3) **Borrower** fails to maintain insurance on any of the Collateral pledged herein. However, in the alternative to declaring the loan immediately due and payable, **Lender** shall have the right, but not the obligation, to place insurance on the Collateral and add the expense for said insurance (plus interest at the rate of ten percent (10%) per annum) to the loan balance.
- k. **Borrower** agrees to comply with all federal and/or state of Montana reporting required for the use of federal and/or state funds.
- l. **Borrower** agrees to comply with Federal statutes, regulations, and the terms and conditions of the Federal award and take prompt action when instances of noncompliance are identified in accordance.
- m. **Borrower** shall use funds only for eligible activities and in compliance with the requirements of CERCLA §104(k) and applicable federal and state laws and regulations, including 2 CFR Parts 200 and 1500.
- n. **Borrower** shall ensure the cleanup protects human health and the environment.
- o. **Borrower** shall document how funds are used.
- p. **Borrower** shall maintain records for a minimum of three (3) years following completion of the cleanup financed all or in part with loan funds. Borrower shall obtain written approval from **Lender** prior to disposing of records, so that **Lender** can maintain the records, if necessary, for complying with Lender's obligations under 2 CFR §200.334. **Lender** shall also require **Borrower** provide access to loan records and information to authorized representatives of the federal government.
- q. **Borrower** shall conduct cleanup activities as required by **Lender** and in accordance with the Cleanup Scope as noted in **Exhibit A**.
- r. **Borrower** shall clearly reference EPA investments in the project during all phases of community outreach, prior to, during, and after the cleanup.
- s. **Borrower** acknowledges that **Lender** may change scope of cleanup activities as necessary based on comments from the public or new information acquired.
- t. **Borrower** agrees to share information regarding leveraged funds, additional financing or private investment, job creation, and site redevelopment after the cleanup is complete and loan is repaid.
- u. **Borrower** agrees to comply with the Davis-Bacon Prevailing Wage Act as regulated by the U.S. Department of Labor.
- v. **Borrower** agrees to comply with the General Terms and Conditions for the Buy America Sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act.

7. **NEGATIVE COVENANTS OF BORROWER:** **Borrower** covenants and agrees that from the date hereof until payment in full of the Note, unless **Lender** or its assigns shall otherwise consent in writing, **Borrower** will not enter into any agreement or other commitment, the performance of which would constitute a breach of any of the covenants contained in this Loan Agreement, including but not limited to the following covenants:

- a. **Borrower** will neither create nor suffer to exist any mortgage, pledge, lien, charge, or encumbrance, including liens arising from judgments on **Borrower's** assets except as authorized by **Lender**.
- b. **Borrower** will not sell, convey, or suffer to be conveyed, lease, assign, transfer, or otherwise dispose of any of the Collateral unless approved in writing by **Lender**.
- c. **Borrower** will neither permit, nor suffer to exist without prior written consent of **Lender**, any material changes in the Project's plans and/or specifications submitted to **Lender**. Material change shall include any significant variance in the accepted plans and specifications, increases in contract prices, and/or additional financial obligations with respect to the construction and acquisition of **Borrower's** assets.
- d. **Borrower** will not incur additional debt or equity financing, excluding trade or vendor credit incurred in the ordinary course of business, without prior written consent of **Lender**, which consent shall not be unreasonably withheld.
- e. **Borrower** shall not use loan funds for the following activities:
  - a. Pre-cleanup Phase I and Phase II environmental site assessment activities with the exception of site monitoring activities that are reasonable and necessary during the cleanup process, including determination of the effectiveness of a cleanup;
  - b. Monitoring and data collection necessary to apply for, or comply with, environmental permits under other federal and state laws, unless such a permit is required as a component of the cleanup action;
  - c. Construction, demolition, and site development activities that are not cleanup actions (e.g. activities or products created specifically to attract buyers or investors), construction of a new facility, or addressing public or private drinking water supplies that have deteriorated through ordinary use;
  - d. Job training activities unrelated to performing a specific cleanup at a site covered by this loan;
  - e. To pay for a penalty or fine;
  - f. To pay a federal cost share requirement unless there is a specific statutory authority;
  - g. To pay for a response cost at a brownfield site for which the Borrower is potentially liable under CERCLA §107;
  - h. To pay a cost of compliance with any federal law, excluding the cost of compliance with laws applicable to the cleanup; and
  - i. Un allowable costs (e.g. lobbying and purchases of alcoholic beverages) under 2 CFR Part 200, Subpart E.
- f. Throughout the term of this Loan Agreement, and until the Loan and all obligations evidenced thereby have been fully and finally paid, **Borrower** agrees that, without the prior written consent of **Lender** having been first obtained as it relates to the Project, **Borrower** will not:
  - 1) Invest in, make, or grant any loan or advance to any person, employee, or other person, firm, or corporation or individual.
  - 2) Permit withdrawals of cash from the project for any purpose.
  - 3) Make any substantial transfer of the project assets.

- 4) Make any extraordinary withdrawals for salaries, bonuses or benefits from the project to **Borrower** at any time.

It is understood and agreed that **Lender's** consent will not be arbitrarily withheld; however, such consent will not be deemed a recommendation if given, and failure to so consent shall afford no basis for liability on **Lender's** part, and Borrower's sole remedy for such withholding of consent shall be refinancing in full of the Loan, and the consequent freedom from the restriction thereof.

8. **DISBURSEMENT PROVISIONS:** **Lender** will disburse funds to **Borrower** by means of 'actual expense'. **Borrower** will submit documentation of contractor invoices and/or expenses to **Lender** along with a signed Loan Draw Authorization form authorizing **Lender** to pay contractor directly. **Lender** will review submittals to confirm they meet all eligible cleanup activity requirements and issue payment to contractor directly.
9. **EVENTS OF DEFAULT:** The entire unpaid principal balance of the Note, and the interest then accrued thereon, shall become and be immediately due and payable upon the written demand of **Lender** or its assigns, without any other notice or demand of any kind or any presentation or protest, if any one of the following events (hereafter an "Event of Default") shall occur and be continuing at the time of such demand, whether voluntarily or involuntarily, or without limitation, occurring or brought about by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative governmental body, provided, however, that such sum shall not be payable if **Borrower's** payments have been waived or the time for making **Borrower's** payments has been extended by **Lender**. If any of the following events occur, **Lender** may, in its sole discretion, declare an Event of Default under this Loan Agreement:
- a. Any representation or warranty made by **Borrower** in this Loan Agreement or in any request or certificate or other information furnished to **Lender** hereunder proves to have been incorrect in any material respect.
  - b. **Borrower** fails in any material respect to carry out its obligations under their proposal to **Lender** for the Loan provided hereunder, or **Borrower's** default in its payment and performance obligations, or failure to satisfy any covenant or condition set forth in this Loan Agreement or any Related Documents.
  - c. **Borrower** fails to pay any indebtedness owed by **Borrower** under any agreement or instrument relating to any other indebtedness it may incur during the term of this Loan.
  - d. **Borrower** defaults in the payment of any indebtedness for any money borrowed, for which **Borrower** is liable as principal obligor or become liable as guarantor.
  - e. **Borrower** applies for or consent to the appointment of a receiver, trustee or liquidator; admits in writing to its inability to pay its debts as they become due; makes a general assignment for the benefit of creditors; or invokes any relief under any chapter of the United States Bankruptcy Code.
  - f. **Borrower** fails to provide adequate collateral for the subject loan in accordance with paragraph 4, above.

- g. **Borrower** fails to pay all state and local real and personal property taxes specific to the Project funded by the proceeds of this Loan.
- h. **Borrower** fails to execute any documents necessary to make **Lender** secure in its financial position as stated in this Loan Agreement.
- i. **Borrower** fails to inform **Lender** and receive **Lender's** written approval in advance for any substantial changes to **Borrower's** financial projections and business plan that could affect **Borrower's** ability to meet the conditions of this Loan Agreement.
- j. **Borrower** sells, transfers, pledges, or hypothecates all or any part of its assets to render **Lender** insecure in its position of having the Loan repaid.
- k. **Borrower** defaults in payment or performance of this Loan Agreement, or of the above-described Promissory Note, or security instruments securing such Note.

In any of the foregoing events, **Lender** may declare **Borrower** to be in default and give **Borrower** written notice setting forth the action or inaction which constitutes the default and granting **Borrower** thirty (30) days in which to cure the default. In the event that **Borrower** fails to cure the default within thirty (30) days of receipt of such notice, **Lender** may, without further notice, declare all sums immediately due and payable and may pursue any and all remedies available to it under Montana law.

It is agreed by the parties hereto that the provisions of this Loan Agreement provide for reasonable and sufficient notice to be given to **Borrower** in case of **Borrower's** failure to perform any of its covenants and is sufficient for **Borrower** to rectify its actions or inactions of default.

In the event that **Borrower** commits any default hereunder and **Lender** gives notice of default as herein provided, then as a condition to remedy such default, **Borrower** shall pay to **Lender**, in addition to all other amounts due and conditions to be performed, the further sum of Two Hundred Dollars (\$200) which is hereby agreed to be the reasonable cost to **Lender** of preparing and serving such notice of default.

In the event that **Borrower** commits any default hereunder and **Lender** gives notice of default as herein provided, **Borrower** hereby gives **Lender** permission to access real property to secure the site to ensure public safety and inform EPA and the State of Montana.

Any waiver by **Lender** of any default by **Borrower** does not constitute a waiver of a continuing breach or a waiver of a subsequent breach. Any agreement contrary to this Loan Agreement is not binding upon either party hereto unless it is in writing and signed by both parties hereto.

10. **CIVIL RIGHTS ACT OF 1964**: **Borrower** will abide by the provisions of Title VI of the Civil Rights Act of 1964 which states that no person may, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

11. **SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974:** In the performance of this Loan Agreement, **Borrower** will obey the following provision:

"No person in the United States may on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with the funds made available under this title. Any prohibition against discrimination based on age under the Age Discrimination Act of 1974 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973 will also apply to any such program or activity."

12. **ADDITIONAL ASSURANCES:** **Borrower** will remain fully obligated under the provisions of this Loan Agreement notwithstanding its designation of any third party or parties, with the written approval of **Lender**, for the undertaking of all or any part of the program with respect to which assistance is being provided or the Loan contemplated under this Loan Agreement. **Borrower** will comply with all applicable laws, rules and regulations of **YELLOWSTONE COUNTY**, the State of Montana, and the United States Government and with all lawful requirements of **Lender** so as to insure that this Loan Agreement is carried out in accordance with the obligations and responsibilities of **Lender**, **YELLOWSTONE COUNTY**, the State of Montana, and the U.S. Government.
13. **INSURANCE:** **Borrower** agrees to keep the improvements upon its business premises and all Collateral pledged to secure this Loan Agreement and the Note insured against loss by fire in the sum of the cost of replacing the improvements and Collateral (full replacement cost), with loss payable to **Lender** as its interest from time-to-time appears. With written approval from **Lender**, **Borrower** may apply the insurance proceeds received by **Lender** towards the payment of the Loan or use the proceeds to rebuild or replace the improvements and Collateral. If **Borrower** chooses this latter option, **Lender** will hold the insurance proceeds and pay them to materialmen, contractors, suppliers, and laborers for services rendered and materials furnished and delivered in the rebuilding and replacing of the improvements. It is understood that it is **Borrower's** duty to see that no liens are filed upon the premises by reason of any such rebuilding. **Borrower** will place copies of such insurance policy or policies with **Lender** within thirty (30) days. During the term of this Loan Agreement, when **Borrower** renews such insurance policy or policies by payment of renewal premium, **Borrower** will provide proof of payment of one full year premium in advance to **Lender** so as to keep **Lender** advised at all times that the property is insured. Failure to so notify **Lender** is deemed an event of default under this Loan Agreement. **Borrower** will also maintain liability insurance, flood insurance and such other insurance as is usual in the industry with respect to its properties and operations in form, amounts, coverages and with insurance companies reasonably acceptable to **Lender**.
14. **SURVIVAL OF REPRESENTATIONS AND WARRANTIES:** All agreements, representations, and warranties made by **Borrower** herein or any other document or certificate delivered to **Lender** in connection with the transactions contemplated by this Loan Agreement shall survive the execution and

delivery of this Loan Agreement, the Note and the Security Agreements hereunder, and shall continue in full force and effect so long as the Note is outstanding.

15. **FEES AND COSTS:** In the event of default by either party, the aggrieved party shall be entitled to recover from the defaulting party reasonable attorney fees, as well as all other costs and expenses incurred by reason of such default, whether the same are incurred with or without suit.
16. **AVOIDANCE OF CONFLICT OF INTEREST:** **Borrower** covenants that no officer, shareholder, member, agent or employee of **Lender** who participates in the administration of this Loan Agreement in other than a purely ministerial capacity will have any personal interest, real or apparent, in the proceeds of the Loan provided hereby. For purposes of this covenant, an impermissible conflict of interest exists if the officer, shareholder, member, agent or employee; any member of his or her immediate family; his or her partner; or an organization which employs, or is about to employ, any of the foregoing, has a financial or other interest in the proceeds hereof during his or her tenure or for one year thereafter. **Borrower** shall incorporate, or cause to be incorporated, in all contracts or subcontracts, a provision prohibiting such interest pursuant to the purposes of this section.
17. **NOTICE:** Any notice required or permitted to be given under this Loan Agreement or under any instrument or document referred to herein shall be given in writing to the party for whom intended and shall either be delivered to such party, or its designated representative, in person or mailed in certified mail, return receipt requested, with postage prepaid thereon, addressed to the party for whom intended at the following address:

If to **Lender:**

Big Sky Economic Development Corporation  
Attn: Finance Director  
201 N. Broadway  
Billings, MT 59101

If to **Borrower:**

City of Billings  
316 N. 26<sup>th</sup> Street  
Billings, MT 59101

Either party may at any time change the address to which any such notice is to be directed by so advising the other party in writing.

18. **CONSTRUCTION AND VENUE:** This Loan Agreement and the Related Documents will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Montana without regard to its conflicts of law provisions. This Loan Agreement has been accepted by Lender in the State of Montana. In the event of litigation concerning this Loan Agreement or the Related Documents, venue is in the Thirteenth Judicial District Court, Yellowstone County, Montana.

19. **AMENDMENTS:** No amendment of this Loan Agreement or any Related Documents will be effective unless it is in writing and signed by the parties. This Loan Agreement and the Related Documents constitutes the entire understanding between the parties regarding the subject matter of this Loan Agreement and the Related Documents and supersede all other agreements, whether written or oral, between the parties.
20. **NO WAIVER BY LENDER:** Lender shall not be deemed to have waived any rights under this Loan Agreement or any Related Documents unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Loan Agreement or any Related Document shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Loan Agreement or Related Document. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any party granting Collateral, shall constitute a waiver of any of Lender's rights or of any of Borrower's or any grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Loan Agreement or any Related Document, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.
21. **COUNTERPARTS AND FACSIMILE COPIES:** This Loan Agreement may be executed in one or more counterparts, each of which shall constitute one and the same instrument. A facsimile or other electronic copy of this document bearing the signature of the parties hereto may be used as an original for all purposes.
22. **APPROVAL:** The undersigned hereby indicate their approval of the terms and conditions of this Loan Agreement.  
**[Signatures on following page]**

**BORROWER:**  
**CITY OF BILLINGS,**  
A Municipal City,

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

**ATTEST:**

By: Denise R. Bohlman  
Name: Denise R. Bohlman, City Clerk

**ATTEST:**

By: Nina Philpott  
Nina Philpott, Assistant Secretary

**LENDER:**  
**BIG SKY ECONOMIC DEVELOPMENT**  
**CORPORATION**

By: Paul Green  
Paul Green, Executive Director

THIS DOCUMENT IS FILED FOR RECORD BY  
FLYING S TITLE AND ESCROW  
AS AN ACCOMMODATION ONLY.  
NO EXAMINATION HAS BEEN MADE AS TO  
ITS ACCURACY OR ITS EFFECT UPON THE TITLE.

E-RECORDED simplifile

ID: 4108166  
County: Yellowstone  
Date: 7-23-25 Time: 2:19pm

**When Recorded Return To:**  
Big Sky Economic Development Corporation  
Attn: Loan Servicing  
201 North Broadway  
Billings, MT 59101

**MONTANA TRUST INDENTURE**

THIS TRUST INDENTURE, made on July 18, 2025 between the CITY OF BILLINGS, a Municipal City, whose mailing address is 316 N. 26<sup>th</sup> Street, Billings, MT 59101 (the "Grantor"), Flying S Title & Escrow "TITLE COMPANY", with principal office at 3533 Gabel Road, Billings, MT 59102 (the "Trustee"), and BIG SKY ECONOMIC DEVELOPMENT CORPORATION, whose address is 201 N Broadway, Billings, MT 59101 (the "Beneficiary"),

**WITNESSETH:**

That Grantor hereby irrevocably GRANTS, BARGAINS, SELLS, CONVEYS AND WARRANTS TO TRUSTEE, IN TRUST, nevertheless, WITH POWER OF SALE that certain real property, which does not exceed forty (40) acres in area, situated in the County of Yellowstone, State of Montana, particularly described as follows, to-wit:

Lot One (1), in Block Three (3), of Rickman Subdivision, in the City of Billings,  
according to the official plat on file in the office of the Clerk and Recorder of  
Yellowstone County, Montana, under Document No. 345049.

Property is commonly known as 802 Yellowstone Avenue, Billings, MT 59101.

**TOGETHER WITH:** (1) All buildings, fixtures and improvements thereon and all water rights, rights-of-way, tenements, hereditaments, privileges and appurtenances thereunto belonging, now owned or hereafter acquired, however evidenced, used or enjoyed with said premises or belonging to the same; (2) All right, title and interest hereafter acquired in or to any of said premises, hereby also releasing, relinquishing and waiving all exemptions, rights of dower and homestead, in or to said premises, vested or inchoate; (3) All heating, air conditioning, plumbing and lighting facilities, equipment and fixtures now or hereafter installed upon or within said premises, used or proper or necessary to constitute the said premises a habitable, usable or operating unit-all of said property being designated and deemed for the purposes of this instrument a part of the realty; and (4) All of the rents, issues and profits of said premises, SUBJECT, HOWEVER, to the right, power and authority hereinafter conferred upon Beneficiary to collect and apply such rents, issues and profits.

**FOR THE PURPOSE OF SECURING:** (1) Payment of the principal sum of EIGHTY FOUR THOUSAND EIGHT HUNDRED FORTY EIGHT dollars (\$84,848.00) with interest thereon according to the terms of a Promissory Note dated July 18, 2025 (and any extensions and/or renewals or modifications thereof), made payable to **Beneficiary** in installments, the last of which, unless sooner paid, will be due and payable on July 18, 2028; (2) Payment of all sums expended or advanced by **Beneficiary** under or pursuant to the terms hereof, together with interest thereon as herein provided; (3) Performance of each agreement of **Grantor** herein and in said note contained.

**TO PROTECT THE SECURITY OF THIS TRUST INDENTURE, AND FOR OTHER PURPOSES, GRANTOR AGREES:**

1. To keep said property in good condition and repair; to complete and restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws, covenants and restrictions affecting said property; not to commit or permit waste thereof; not commit, suffer or permit any act upon said property in violation of the law; to do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general; and if the loan secured hereby or any part thereof is being obtained for the purpose of financing environmental cleanup on said property, Grantors further agree:

- (a) To commence environmental cleanup promptly and to pursue the same with reasonable diligence to completion in accordance with plans and specifications satisfactory to the Beneficiary, and
- (b) To allow Beneficiary to inspect said property at any time during environmental cleanup.

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

2. To provide, maintain and deliver to Beneficiary, insurance of such type or types and amounts as Beneficiary may require, on the improvement now existing or hereafter erected or placed on said property. Such insurance shall be carried in companies approved by the Beneficiary with loss payable clause in favor of and in a form acceptable to Beneficiary. In the event of loss, Grantor shall give immediate notice to Beneficiary, who may make proof of loss and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Grantor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary, at its option, to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged.

3. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

4. To pay before delinquent, all taxes and assessments, including interest and penalties, affecting said premises and improvements; to promptly pay and discharge all encumbrances, charges and liens on said property which at any time are, or appear to be, prior or superior hereto. In addition to the payments due in accordance with the terms of the note hereby secured, Grantor shall, at the option and on demand of the Beneficiary, pay to the Beneficiary monthly and concurrently with payment of principal and interest, a sum equal to one-twelfth (1/12th) of the annual taxes, assessments, insurance premiums, maintenance and other charges upon the property, as estimated by the Beneficiary, in trust nevertheless for Grantor's use and benefit and for payment by Beneficiary of any such item when due. The failure of the Grantor to make any of such payments shall constitute a default under this trust.

5. Except as otherwise expressly provided herein, to pay all costs, fees, and expenses of this trust, including cost of search and evidence of title, advertising and recording expense, documentary taxes and Trustee's and attorney's fees as allowed by law.

6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes.

7. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate stated in the Grantor's corresponding Promissory Note per annum until paid, and the payment thereof shall be secured hereby.

**IT IS MUTUALLY AGREED THAT:**

8. Without affecting the liability of any person, including Grantor, for the payment of any indebtedness secured hereby, or the lien of this Trust Indenture on the remainder of the property for the full amount of any indebtedness unpaid, Beneficiary and Trustee are respectively empowered as follows, Beneficiary may from time to time and without notice:

- (a) Release any person liable for payment of any of the indebtedness,
- (b) Extend the time or otherwise alter the terms of payment of any of the indebtedness,
- (c) Alter, substitute or release any property securing the indebtedness.

Trustee may, at any time and from time to time, upon the written request of Beneficiary:

- (a) Consent to the making of any map or plat of the property,
- (b) Join in granting any easement or creating any restriction thereon,
- (c) Join in any subordination or other agreement affecting this Trust Indenture or lien or charge thereof,
- (d) Reconvey, without warranty, all or any part of the property.

9. Both parties agree that Beneficiary may, if Beneficiary so elects, procure and thereafter continue during the term of this Indenture, for as long as Beneficiary desires, a form of insurance acceptable to Beneficiary insuring Beneficiary against any loss sustained by Beneficiary by reason of any default in payment by Grantor of the secured indebtedness. If the Beneficiary elects to procure such insurance, Grantor shall promptly reimburse Beneficiary, the full amount of the initial premium for such insurance. During the term of this Indenture, Grantor shall each month deposit in escrow with Beneficiary, 1/12th of the next following anticipated annual premium for such insurance, said deposit to be made at the same time and place as Grantor makes monthly payments on the aforementioned promissory note. Beneficiary may therefore pay all annual renewal premiums from such escrow. Should the amount deposited in escrow be insufficient to pay any renewal premium in full as the same become due, Grantor shall immediately upon demand deposit with or pay to Beneficiary such additional amount as may be sufficient to pay the renewal premium in full. Failure of Grantor to pay or deposit any of the amounts referred to herein shall constitute a default of the terms of this Indenture. Grantor further agrees to deposit in escrow with Beneficiary 1/12th of the annual premium for hazard insurance coverage and annual taxes and assessments each month. Failure of the Grantor to deposit any of the above amounts in the escrow account shall constitute a default of the terms of

this indenture.

10. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Trust Indenture and said note to Trustee for cancellation and retention and upon payment by Beneficiary of its fees, Trustee shall reconvey to Grantor, without warranty, the property then held hereunder.

11. As additional security, Grantor hereby assigns to Beneficiary, during the continuance of these trusts, all rents, issues, royalties, and profits of the property affected by this Trust Indenture and of any personal property located thereon. Until Grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Grantor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable. If Grantor shall default as aforesaid, Grantor's right to collect any of such monies shall cease and Beneficiary shall have the right, with or without taking possession of the property affected hereby, to collect all rents, royalties, issues, and profits. Failure or discontinuance of Beneficiary at any time or from time to time to collect any such monies shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power, and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor subordination of the lien or charge of this Trust Indenture to any such tenancy, lease or option.

12. Upon any default by Grantor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Grantor hereby consent to the appointment of Beneficiary as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof in its own name sue for or otherwise collect said rents, issues, and profits, including those past due and unpaid, and apply the same, less cost and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

13. The entering upon and taking possession of said property, the collection of such rents, issues, and profits, or the proceeds of fire or other insurance policies, or compensation or awards for any taking or damage of said property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

14. Time is of the essence hereof. Upon default by the Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause such property to be sold to satisfy the obligations hereof, and Trustee or Beneficiary shall file such notice for record, in each county wherein said property or some part thereof is situated. The Beneficiary shall also deposit with the Trustee the note and all documents evidencing expenditures secured hereby.

15. After the lapse of such time as may then be required by law following the recordation of said notice of default and of election to cause said property to be sold, and notice of default and notice of sale having been given as then required by law, Trustee, or its attorney, without demand on Grantor, shall sell said property on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Grantor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in cash in lawful money of the United States at the time of sale. The person conducting the sale may for any cause he deems expedient, postpone the sale for a period not exceeding fifteen (15) days by public proclamation by such person at the time and place fixed in the notice of sale, and no other notice of the postponed sale need be given. Trustee shall execute and deliver to the purchaser its deed conveying said property so sold, but without any covenant of warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person including Beneficiary (but excluding Trustee) may bid at the sale. After deducting all costs and expenses of exercising the power of sale and of the sale, including cost of search and evidence of title, advertising and recording expense, documentary taxes and Trustees' and attorney's fees, Trustee shall apply the proceeds of sale to payment of all amounts secured hereby and due hereunder, including all sums expended by the Trustee and Beneficiary, or either of them, with accrued interest thereon at the rate of six percent (6%) per annum from the date of expenditure thereof, and the surplus, if any, to the person or persons legally entitled thereto; provided that the Trustee, in its discretion, may deposit such surplus with the County Clerk and Recorder of the county in which the sale took place.

16. Grantor agrees to surrender possession of the above-mentioned trust property to the purchaser at the aforesaid sale on the tenth (10th) day following said sale, in the event such possession has not previously been delivered by Grantor.

17. Each abstract of title, title insurance policy and all other evidence of title, and all hazard insurance policies placed or deposited with the Beneficiary shall be deemed an incident to the title to the trust property and upon foreclosure by exercise of power of sale, or otherwise, shall pass to the purchaser and the same are hereby pledged as additional security for payment of the indebtedness secured hereby.

18. Upon the occurrence of any default hereunder, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable and foreclose this Trust Indenture in the manner provided by law for the foreclosure of mortgages on real property and Beneficiary shall be entitled to recover in such proceedings all costs and expenses incident thereto, including a reasonable attorney's fee in such amount as shall be fixed by the Court.

19. Except as may be otherwise provided herein, Grantor agrees to pay to Beneficiary or Trustee the costs and expenses, including a reasonable attorney's fee, incurred by either of them in instituting, prosecuting or defending any Court action in which Grantor does not prevail, if such action involves the interpretation hereof or performance hereunder by a party hereto or the breach of any provision hereof by a party hereto, including but not limited to an action to obtain possession of the above described property after exercise of the power of sale granted hereunder.

20. This Trust Indenture shall apply to, inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any pledge, of the note secured hereby. In this Trust Indenture, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

21. Trustee accepts this Trust when this Trust Indenture, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of a pending sale under any other trust indenture or of any action or proceeding in which Grantor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

22. This Trust Indenture is made within the State of Montana pursuant to the Small Tract Financing Act of Montana and is not made or taken in substitution for any mortgage in existence on the effective date of said Act.

23. Grantor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at the address hereinabove set forth.

IN WITNESS WHEREOF, the Grantors have executed this document the day and year first above written.

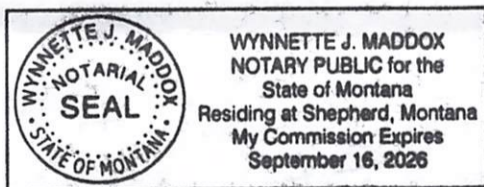
**BORROWER:**  
**CITY OF BILLINGS,**  
a Municipal City

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

STATE OF MONTANA )  
 ) ss.  
COUNTY OF YELLOWSTONE )

This instrument was acknowledged before me on July 18, 2025 by William A. Cole, Mayor of the City of Billings.

Wynnette J. Maddox  
Notary Public for the State of Montana



WYNNETTE J. MADDOX  
NOTARY PUBLIC for the  
State of Montana  
Residing at Sheridan, Montana  
My Commission Expires  
September 16, 2026

