

After recording return to:
City of Billings
Community Development Division
P.O. Box 1178
Billings, MT 59103

DEED RESTRICTION AGREEMENT
Affordable Housing Development Program

between

City of Billings
A Montana Municipal Corporation
whose address is
P.O. Box 1178 Billings, Montana 59103
the "City"

and

Homeword, Inc., a Montana Non-Profit Organization
whose address is
1535 Liberty Lane, Suite 116A, Missoula, Montana 59808,
hereafter referred to as the "Owner"

March 24, 2026

WHEREAS the City has granted to the Developer, HAB Development Corporation **CDBG** funding in the amount of **Seven Hundred and Fifty Thousand and No Dollars (\$750,000)**, as a grant for the purpose of rehabilitating **eighty-one (81) units** of affordable housing, including new roofing, windows, mechanical components, plumbing and more as the owner of the property legally described as:

Parcel A: Lots 13, 14, 15, 16, 17 and 18, Block 88, of Original Town 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.

Parcel B: A leasehold interest created by that certain Parking Space Lease, a memorandum of which was recorded March 19, 2008 under Document No. 3458313 in Lots 5, 6, 7, 8 and 9, Block 88, Original Town 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.

WHEREAS the Owner must agree to continuously comply with CDBG Program restrictions for the property located at **115 North 24th Street in Billings, MT** for the Term of this Agreement; and the parties have entered into this Agreement to evidence Owner's agreement to comply with such restriction.

NOW, THEREFORE in consideration of the grants and other good and valuable consideration, the parties hereto do hereby agree as follows.

WITNESSETH THAT the City and the Developer, mutually agree as follows:

A. PURPOSE

This Deed Restriction Agreement ("Agreement") is made and entered into this day by and between the City and the Owner and is in effect from the date of this agreement as outlined herein and continues

for a period of **fifteen (15) years** of assured affordability.

B. DEFINITIONS

1. **Agreement** means this Land Use / Deed Restriction Agreement, as it may from time to time be amended.
2. **City** means the City of Billings, Montana.
3. **CDBG** means Community Development Block Grant Program.
4. **Property Owner** means the owner(s) as set forth at the beginning of this Agreement, or any successor in title to the property.
5. **Assisted Unit** means any unit for which CDBG funds are used for construction and/or rehabilitation.
6. **Low-Income Households** means households with a total household income not exceeding eighty (80) percent of current area median income in the area in which the property is located, as determined by the Secretary of Housing and Urban Development.
7. **Qualified Tenant** means a family or individual tenant of a qualifying unit who satisfies the income requirements set forth in this Agreement.
8. **Term** means a period commencing after the completion of construction as evidenced by the Certification of Completion and enduring for the entire period of affordability of fifteen (15) years.
9. **HUD** means the United States Department of Housing and Urban Development.

C. USE AND OCCUPANCY OF THE PROPERTY

1. It is agreed that during the Term, the Property Owner will maintain the Property as affordable housing for low-income households.
2. In accordance with the minimum property standards set forth in the City's Policies and Procedures for the CDBG Affordable Housing Program.

D. REPAYMENT PROVISIONS

1. **Term**
The term of this agreement will be **fifteen (15) years** as evidenced by the Development Subrecipient Agreement.
2. **Loan Repayment**
Repayment of the CDBG loan amount noted above will be deferred for the term, provided that the Property Owner is in full compliance with this agreement. **The loan will become due in full to the City if the property is sold or no longer used for affordable housing serving low-income households before the term has been met.**

H. REPRESENTATIONS AND WARRANTIES OF OWNER

Owner represents and warrants that it has validly executed this Agreement and the same constitutes the binding obligation of Owner. Owner has full power, authority, and capacity to enter into this Agreement, to carry out Owner's obligations as described in this Agreement and to assume responsibility for compliance with all applicable federal rules and state and local regulations.

To the best of Owner's knowledge, the making of this Agreement and Owner's obligations hereunder:

1. Will not violate any contractual covenants or restrictions between the Owner or any third party affecting the property.
2. Will not conflict with any of the instruments that create or establish Owner's authority.
3. Will not conflict with any applicable public or private restriction.
4. Does not require any consent or approval or any public or private authority which has not

already been obtained; and

5. Are not threatened with invalidity or unenforceability by any action, proceeding or investigation pending or threatened, by or against the Owner, without regard to capacity, any person with whom Owner may be jointly or severally liable, or the property or any part thereof.
6. No litigation or proceedings are pending or to the best of owner's knowledge, threatened against Owner which if adversely determined could individually or in the aggregate have an adverse effect on title to or the use and enjoyment or value of the property, or any portion thereof, or which could in any way interfere with the consummation of this Agreement.
7. Owner agrees to indemnify and hold harmless the City from and against all liabilities, losses, claims, damages, judgments, costs and expenses (including, without limitation, reasonable attorney's fees) incurred by the City as a result of any material inaccuracy in any of the representations and warranties contained herein.

I. ENFORCEMENT AND REMEDIES

1. If the Property Owner defaults in the performance of any of its obligations under this Agreement or breaches any covenant, agreement or restriction set forth herein, and if such default remains uncured for a period of sixty (60) days after notice thereof shall have been given by the City (or for any extended period approved in writing by the City if the default or breach stated in such notice can be corrected, but not within such 60-day period, unless the Property Owner does commence such correction with such 60-day period but thereafter does not diligently pursue the same to completion within such extended period), the City shall be entitled to apply to any court having jurisdiction of the subject matter for specific performance of this Agreement, for an injunction against any violation of the Agreement, or for such other relief as may be appropriately compensated by monetary damages in the event of the Property Owner's default. The City shall be entitled to its reasonable attorneys' fees in any such judicial action in which the City shall prevail.
2. If the Property Owner refused or fails to comply with any of the forgoing restrictions, or if the Property Owner sells, transfers or conveys any interest in the Property without notifying the City, the City may, at its option declare the Property Owner to be in default of this Agreement; the City may thereupon declare all sums then due and owing by the Property Owner to the City, whether payment thereof has been deferred, and to be immediately due and payable and may invoke any other remedies provided in this Agreement or in applicable law.
3. If the Property Owner fails or refused to comply with use and occupancy restrictions on the Property, City may, at its option, declare the Property Owner to be in default of this Agreement; City may thereupon declare all sums then due and owing by Property Owner to City, to be immediately due and payable and may invoke any other remedies provided in this Agreement or in applicable law.
4. Any default under this Agreement shall be deemed a default under that certain Promissory Note dated **March 24, 2026**, executed by Property Owner payable to City of Billings and under that certain Trust Indenture dated **March 24, 2026** wherein Property Owner is the grantor(s) and the City of Billings is the beneficiary. In like manner, any default under said promissory Note or said Trust Indenture shall be deemed a default under this Agreement. In the event of any such default, the City shall be entitled to pursue any or all the remedies provided in any of such instruments or in law or equity, subject only to the notice provisions set forth above.
5. Each right, power, and remedy of the City provided for in this Agreement now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the City of any one or more of the rights, powers or remedies provided for in this Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the City of any or all such other rights, powers or remedies.

J. MISCELLANEOUS

1. Notices

All notices required or permitted to be given under this Agreement must be in writing and will be deemed to have been duly given if delivered personally or mailed, postage prepaid, by registered or certified United States mail, return receipt requested, addressed to the parties at the following address:

City	Owner
<p data-bbox="347 604 805 782">Jordan Langton Community Development Coordinator City of Billings PO Box 1178 Billings, MT 59103</p> <p data-bbox="440 819 711 854">Phone: (406) 657-8281</p> <p data-bbox="391 889 760 924">Email: langtonj@billingsmt.gov</p>	<p data-bbox="922 604 1279 782">Karissa Trujillo Executive Director Homeward, Inc. 1535 Liberty Lane, Suite 116A Missoula, MT 59808</p> <p data-bbox="1008 819 1192 854">(406) 532-4663</p> <p data-bbox="919 889 1284 924">Email: karissa@homeward.org</p>

2. Binding Effect; Covenants Running with the Land

During the Term, this Agreement and the covenants, reservations and restrictions contained herein shall be deemed **covenants running with the land** for the benefit of the City and/or the State and its successors, and shall pass to and be binding upon Owner’s heirs, assigns and successors in title to the property, or if the property shall not include title to land, but shall include a leasehold interest in land, this Agreement and the covenants, reservations et al shall bind the leasehold interest as well as the property and shall pass to and be binding upon all heirs, assigns and successors to such interests; provided.

Upon expiration of the Term in accordance with the terms hereof said covenants, reservations and restrictions shall expire. Each and every contract, deed or other instrument hereafter executed covering or conveying the property or any portion thereof shall conclusively be held to have been executed, delivered and accepted subject to such covenants, reservations and restrictions, regardless of whether such covenants, reservations and restrictions are set forth in such contract, deed or other instruments.

If a portion or portions of the property are conveyed, all of such covenants, reservations and restrictions shall run to each portion of the property. The City and/or the State, at Owners cost and expense, shall cause this Agreement to be duly recorded or filed and re-recorded or re-filed in such places, and Owner shall pay or cause to be paid all recording, filing, or payments in lieu of taxes, fees and charges, and shall comply with all such statutes and regulations as may be required by law, in the opinion of qualified counsel, in order to establish, preserve and protect the ability of the grantee to enforce this Agreement.

I. SIGNATURES

FOR HAB DEVELOPMENT CORPORATION	
Karissa Trujillo, Executive Director Homeword, Inc.	
Printed Name:	
Signature:	
Date:	
STATE OF MONTANA) : ss. County of Yellowstone)	
On this ____ day of _____, 2026, before me, a Notary Public for the State of Montana, personally appeared Karissa Trujillo, known to me to be the EXECUTIVE OFFICER of HOMEWORD, INC. and whose name is subscribed to the within instrument and acknowledged to me that they executed the same.	
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.	
<i>Seal:</i>	

FOR CITY OF BILLINGS	
Denise Bohlman, City Clerk City of Billings	Mike Nelson, Mayor City of Billings
Printed Name:	Printed Name:
Signature:	Signature:
Date:	Date:
STATE OF MONTANA) : ss. County of Yellowstone)	
On this ____ day of _____, 2026, before me, a Notary Public for the State of Montana, personally appeared MIKE NELSON and DENISE BOHLMAN, known to me to be the MAYOR and CITY CLERK respectively of the City of Billings, and whose names are subscribed to the within instrument and acknowledged to me that they executed the same.	
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.	
<i>Seal:</i>	
Approved as to form:	_____ Gina Dahl, City Attorney