

specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements from the Agent which will detail all investment transactions

4. In order to ensure continuing compliance with Section 148 of the Code and applicable Treasury Regulations, the Agent agrees that it will not reinvest any cash received in payment of the principal of and interest on the federal securities held in the Escrow Account. Said prohibition on reinvestment shall continue unless and until an opinion is received from nationally recognized bond counsel that reinvestments in general obligations of the United States or obligations the principal of and interest on which are guaranteed as to payment by the United States, as specified in said opinion, may be made in a manner consistent with said Section 148 and then existing Treasury Regulations.

5. The Agent also acknowledges receipt of a sum described in a letter agreement between the City and the Agent, as and for full compensation for all services to be performed by it as Agent under this Agreement, and the Agent expressly waives any lien upon or claim against the moneys and investments in the Escrow Account.

6. If at any time it shall appear to the Agent that the money in the Escrow Account will not be sufficient to make any payment due to the owners of any of the Refunded Bonds, the Agent shall immediately notify the City. Upon receipt of such notice, the City shall forthwith transmit to the Agent for deposit in the Escrow Account from moneys on hand and legally available therefor, such additional moneys as may be required to make any such payment.

7. On each January 1 and July 1, commencing July 1, 2013, the Agent shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made hereunder. Such report shall also list all obligations held in the Escrow Account and the amount of money existing in the Escrow Account, if any, on such dates.

8. It is recognized that title to the securities and moneys held in the Escrow Account from time to time shall remain vested in the City but subject always to the prior charge and lien thereon of this Agreement and the use thereof required to be made by the provisions of this Agreement. The Agent shall hold all such money and obligations in the Escrow Account as a special trust fund and account separate and wholly segregated from all other funds and securities of the Agent on deposit therein and shall never commingle such money or securities with other money or securities. It is understood and agreed that the responsibility of the Agent under this Agreement is limited to the safekeeping and segregation of the funds and securities deposited with it in the Escrow Account and the collection of and accounting for the principal and interest payable with respect thereto.

9. This Agreement is made by the City for the benefit of the owners of the Refunded Bonds and is not revocable by the City, and the investments and other funds deposited in the Escrow Account and all income therefrom have been irrevocably appropriated for the payment and redemption of the Refunded Bonds and interest thereon, in accordance with this Agreement.

10. This Agreement shall be binding upon and shall inure to the benefit of the City and the Agent and their respective successors and assigns. In addition, this Agreement shall constitute a third-party beneficiary contract for the benefit of the owners of the Refunded Bonds.

Said third-party beneficiaries shall be entitled to enforce performance and observance by the City and the Agent of the respective agreements and covenants herein contained as fully and completely as if said third-party beneficiaries were parties hereto. Any bank or trust company into which the Agent may be merged or with which it may be consolidated or any bank or trust company resulting from any merger or consolidation to which it shall be a party or any bank or trust company to which it may sell or transfer all or substantially all of its corporate trust business shall, if the City approves, be the successor agent hereunder without the execution of any additional document or the performance of any further act.

11. This Agreement may not be amended except to (i) sever any clause herein deemed to be illegal, (ii) provide for the substitution of securities as permitted by Sections 3 and 4 hereof or (iii) cure any ambiguity or correct or supplement any provision herein which may be inconsistent with any other provision; provided that the Agent shall determine that any such amendment shall not adversely affect the owners of the Refunded Bonds.

IN WITNESS WHEREOF the parties hereto have caused this Escrow Agreement to be duly executed by their duly authorized officers, as of June 5, 2013.

CITY OF BILLINGS, MONTANA

Mayor

Finance Director

City Clerk

U.S. BANK NATIONAL ASSOCIATION,
as Escrow Agent

By _____
Its Vice President

(Signature page to Escrow Agreement, dated June 5, 2013,
with the City of Billings, Montana)

EXHIBIT A

\$5,545,000
Special Improvement District No. 1385 Refunding Bonds, Series 2013
City of Billings, Montana

Cash: \$1.57

Restricted Securities:

U.S. Treasury Obligations
—State and Local Government Series (SLGS)

<u>Type</u>	<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
Certificate	07/01/2013	\$ 406,672	
Certificate	01/01/2014	173,417	0.080%
Note	07/01/2014	399,323	0.120
Note	01/01/2015	167,531	0.170
Note	07/01/2015	4,667,673	0.230

EXHIBIT B

\$5,545,000
Special Improvement District No. 1385 Refunding Bonds, Series 2013
City of Billings, Montana

**DEBT SERVICE SCHEDULE FOR
REFUNDED BONDS**

<u>Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal Redeemed</u>	<u>Total</u>
07/01/2013	\$220,000.00	\$186,672.50		\$ 406,672.50
01/01/2014	0.00	180,072.50		180,072.50
07/01/2014	225,000.00	180,072.50		405,072.50
01/01/2015	0.00	173,041.25		173,041.25
07/01/2015	235,000.00	173,041.25	\$4,265,000.00	4,673,041.25

EXHIBIT C-1

NOTICE OF DEFEASANCE

**Special Improvement District No. 1385 Bonds, Series 2008
City of Billings, Montana**

NOTICE IS HEREBY GIVEN that pursuant to and under the authority of the resolution of the City of Billings, Montana, authorizing the issuance thereof, all of the outstanding Special Improvement District No. 1385 Bonds, Series 2008, dated, as originally issued, as of October 1, 2008, which mature on July 1 in the years and amounts and bear interest and CUSIP numbers as set forth below (the "Defeased Bonds"), are now payable from an escrow account established with U.S. Bank National Association, as escrow agent:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
2013	\$220,000	6.00%	090095 4U1
2014	225,000	6.25	090095 4V9
2015	235,000	6.50	090095 4W7
2016	245,000	6.75	090095 4X5
2017	255,000	7.00	090095 4Y3
2018	265,000	7.20	090095 4Z0
2019	280,000	7.40	090095 5A4
2020	290,000	7.60	090095 5B2
2021	305,000	7.70	090095 5C0
2022	320,000	7.80	090095 5D8
2023	335,000	7.90	090095 5E6
2024	355,000	8.00	090095 5F3
2025	375,000	8.05	090095 5G1
2026	390,000	8.10	090095 5H9
2027	415,000	8.15	090095 5J5
2028	435,000	8.20	090095 5K2

The escrow account, comprising general obligations of the United States and cash, has been established with the escrow agent, to pay principal of and interest on all Defeased Bonds as such become due through July 1, 2015, on which date the remaining outstanding Defeased Bonds will be paid in full or will be prepaid and redeemed at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the date of redemption, without premium. The Defeased Bonds are deemed to have been paid in accordance with the resolution authorizing their issuance, and are secured by and payable from the escrow account. A further notice of redemption with respect to Defeased Bonds with maturities in the year 2016 and thereafter will be given in accordance with the requirements of the resolution authorizing the Defeased Bonds. As of the date hereof, the continuing disclosure requirements set forth in the resolution authorizing the Defeased Bonds shall terminate.

Dated: June 5, 2013.

CITY OF BILLINGS, MONTANA

By /s/Patrick M. Weber
City Finance Director

U.S. BANK NATIONAL ASSOCIATION

By _____
Its _____

EXHIBIT C-2

NOTICE OF REDEMPTION

**Special Improvement District No. 1385 Bonds, Series 2008
City of Billings, Montana**

NOTICE IS HEREBY GIVEN that the City of Billings, Montana (the "City"), has called for redemption all of its Special Improvement District No. 1385 Bonds, Series 2008, dated, as originally issued, as of October 1, 2008, maturing on July 1 in the years and amounts and bearing interest and CUSIP numbers as set forth below:

<u>Maturity (July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP Number</u>
2016	245,000	6.75	090095 4X5
2017	255,000	7.00	090095 4Y3
2018	265,000	7.20	090095 4Z0
2019	280,000	7.40	090095 5A4
2020	290,000	7.60	090095 5B2
2021	305,000	7.70	090095 5C0
2022	320,000	7.80	090095 5D8
2023	335,000	7.90	090095 5E6
2024	355,000	8.00	090095 5F3
2025	375,000	8.05	090095 5G1
2026	390,000	8.10	090095 5H9
2027	415,000	8.15	090095 5J5
2028	435,000	8.20	090095 5K2

Such bonds have been called for redemption on July 1, 2015, and interest thereon will cease to accrue from and after said date. The redemption price is equal to 100% of the principal amount of the bonds plus interest accrued to the date of redemption, without premium.

Holders of such bonds maturing in said years should surrender their bonds for payment to U.S. Bank National Association, of Seattle, Washington, as paying agent, for payment on July 1, 2014 at its operations center at 60 Livingston Avenue - Bond Drop Window, St. Paul, Minnesota 55107 or if by mail to P.O. Box 64111, St. Paul, Minnesota 55164-0111.

Important Notice:

We are required by law to withhold an applicable portion of the principal amount of your holdings redeemed unless we are provided with your social security number or federal employer identification number, properly certified. Accordingly, you are instructed to submit at the time of surrender of your bonds a W-9 Form which may be obtained at a bank or other financial institution.

Under the Jobs and Growth Tax Relief Reconciliation Act of 2003, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the tax identification number is not properly certified.

The paying agent shall not be held responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness indicated in the Redemption Notice. It is included solely for the convenience of the holders.

Interest on the bonds shall cease to accrue on July 1, 2015 and the holders thereof shall have no further rights with respect thereto except to receive the redemption price so deposited.

Dated: May 25, 2015.

BY ORDER OF THE CITY COUNCIL
OF THE CITY OF BILLINGS, MONTANA
/s/Patrick M. Weber
City Finance Director

U.S. BANK NATIONAL ASSOCIATION
By _____
Its _____