MONTANA FACILITY FINANCE AUTHORITY
Board Meeting

Montana Facility Finance Authority Office
1712 9th Ave, Helena

February 10, 2026

"Enhance Montana healthcare and community capabilities through access to cost-effective capital financing and development services."

MONTANA
FACILITY FINANCE AUTHORITY

Department of Commerce

1712 9th Ave.
PO Box 200506
Helena, MT 59620-0506
406.444.5435
www.mtfacilityfinance.com

MEMORANDUM

To:	MFFA Board Members
From:	Adam Gill, Seth Lutter, Monica Birlut, and Carolyn Jones
Date:	February 3, 2026
Subject:	MFFA Board Meeting Tuesday, February 10, 2026 at 9:00 AM

Enclosed, please find board meeting materials for our upcoming MFFA Board Meeting:

We have two stand-alone bond issuances and a combined Trust Fund and Direct Loan to consider alongside our regular reports. Bozeman Deaconess Healthcare is seeking approximately $126 million combined in Stand Alone Program bonds for a wide range of renovations and expansion projects as well as refunding the Series 2014A and 2015C Bonds. US Energy Corp is seeking approximately $35 million in Stand-Alone Bond Program bonds to support the development of a helium and carbon dioxide extraction and liquefaction facility near Shelby. The Native American Development Corporation is seeking up to $2 million in Trust Fund and Direct Loan funds to complete the capital stack on their $20 million expansion of the Eagle Seeker Clinic.

We may also have a representative from MHA to discuss the Rural Health Transformation Program's status and overall plan.

As always, please call or write if you have any questions.

MICROSOFT TEAMS INSTRUCTIONS

Conference Link
https://teams.microsoft.com/meet/27204486344183?p=MDwJdTcQ0zWxjS7wwb
Meeting ID: 272 044 863 441 83
Password: ne2zG27h
OR
Dial by Telephone: +1 406-318-5487,,620707697# United States, Billings
Phone Conference ID: 620 707 697#

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
February 10, 2026

MFFA Offices
1712 9th Ave, Helena

MEETING AGENDA

9:00 I. CALL TO ORDER
A. Roll Call
B. Approval of Meeting Minutes (12/9)
C. Disclosure and Conflict of Interest

II. PUBLIC COMMENT on Board Related Items

III. FINANCINGS
A. Bozeman Deaconess Healthcare
1. Loan Summary
2. Resolution No. 26-01
Joining Remotely:
Roshan Parikh, System Treasury Director – Bozeman Deaconess
Ryan Kuehn, Director of Financial Planning & Analysis – Bozeman Deaconess Healthcare
Mike Tym, Managing Director – Kaufmann Hall
Erin McCrady, Bond Counsel – Dorsey & Whitney

B. US Energy Corp
1. Loan Summary
2. Resolution No. 26-02
Joining:
Ryan Smith, CEO – US Energy Corp
Mark Zajac, CFO – US Energy Corp
Nathan Bilyeu, Bond Counsel – Jackson, Murdo & Grant
Kurtis Holle, Director, Energy – Key Public Finance

C. Native American Development Center
1. Loan Summary
2. Resolution No. 26-03
Joining in Person:
Shayne Frank, Chief Development Officer – Native American Development Corporation
Marvin Adams, Financial Advisor – National Capital LLC

11:00 IV. GENERAL ADMINISTRATIVE
A. Rural Health Transformation Program
B. C-PACE Program Update
C. Financials
1. Budget -v- Actual
2. Revenue Graph
3. Reserve Balances
4. Staff Approved Loans & Grants

D. Miscellaneous

1. Outreach & Marketing Report
2. Anticipated Financings

12:30 **DISMISS**

MICROSOFT TEAMS INSTRUCTIONS

Conference Link
https://teams.microsoft.com/meet/27204486344183?p=MDwJdTcQ0zWxjS7wwb
Meeting ID: 272 044 863 441 83
Password: ne2zG27h
OR
Dial by Telephone: +1 406-318-5487,,620707697# United States, Billings
Phone Conference ID: 620 707 697#

MONTANA FACILITY FINANCE AUTHORITY
Board Meeting
December 9, 2025
10:00 A.M.

MINUTES

BOARD MEMBERS PRESENT:	John Iverson (online) Vu Pham (online) Craig Anderson (online) Eric Hanson (online) Mel Reinhardt (online) William Northey (online)
BOARD MEMBERS ABSENT:	JoAn Cuffe
STAFF PRESENT:	Adam Gill, Executive Director Seth Lutter, Associate Director Monica Birlut, Accountant Carolyn Jones, C-PACE Program Manager
GUESTS:	Nathan Bilyeu, Authority Counsel – Jackson, Murdo & Grant Sarah Green, HR – MT Dept of Commerce (online)

BOARD MEETING

CALL TO ORDER

Board Chair Pham called the December 9, 2025, board meeting of the Montana Facility Finance Authority (the "Authority") to order at 10:00 A.M. The meeting convened with all but one member of the Board present.

Minutes

Board Member Anderson had an amendment to the October 22, 2025 board meeting minutes. Board Member Hanson motioned for approval of the amended minutes. Board Member Anderson seconded the motion which passed unanimously.

CONFLICT OF INTEREST

Call was made for announcement of any conflict of interest and recusals. Board Member Northey noted a conflict and stated he would abstain from voting.

PUBLIC COMMENT

The meeting was opened for public comment. *No comments were received.*

FINANCINGS

American Energetics Group

Mr. Gill introduced Inducement Resolution 25-11 pertaining to American Energetics Group. Mr. Gill described the project which is to pursue a bond for equipment and/or eligible facility costs of a nitrocellulose production facility The bond financing is currently targeted at equipment and/or eligible facility costs of a solid waste facility. While the project isn't federally tax-exempt it is likely Montana state tax-exempt due to the recently passed House bill.

Board Chair Pham requested a motion for approval of the financing resolution. Board Member Reinhardt motioned for approval of the financing Resolution 25-11. Board Member Anderson seconded the motion. Nathan Bilyeu described Resolution 25-11 which passed unanimously.

GENERAL ADMINISTRATIVE

Financials

Mr. Gill presented the Budget-v-Actual results, the Reserve Balances, Staff Approved Loans and Grants, and the Revenue Graph.

C-PACE Update

Mr. Gill discussed changes to the C-PACE program which the board decided to put on the February 2026 board meeting agenda for further discussion and voting.

Outreach and Marketing & Anticipated Financings

Mr. Gill presented the anticipated financings the MFFA is actively working on.

BOARD MEETING CALENDAR

2026 Calendar

The 2026 calendar was discussed and board meetings were set for 2026. All board meetings in 2026 will start at 9:00 A.M.

BOARD MEETINGS
February 10, 2026, TBD
April 1, 2026, TBD
June 16, 2026, TBD
August 11, 2026, TBD
October 22, 2026, TBD
December 8, 2026, TBD

PERSONNEL

Executive Director Annual Review Process

Sarah Green, HR Manager – Montana Dept of Commerce (online) joined the Board and conducted the annual review for the Executive Director.

ADJOURN

The meeting adjourned at 11:30 A.M.

APPROVE: ________________________ ATTEST: _________________________
Vu Pham, Board Chair Adam Gill, Executive Director

APPROVAL DATE:________________

Bozeman Health Services
Bozeman, Montana
Stand Alone Bond Issue
Loan Summary

ELIGIBLE HEALTH FACILITY

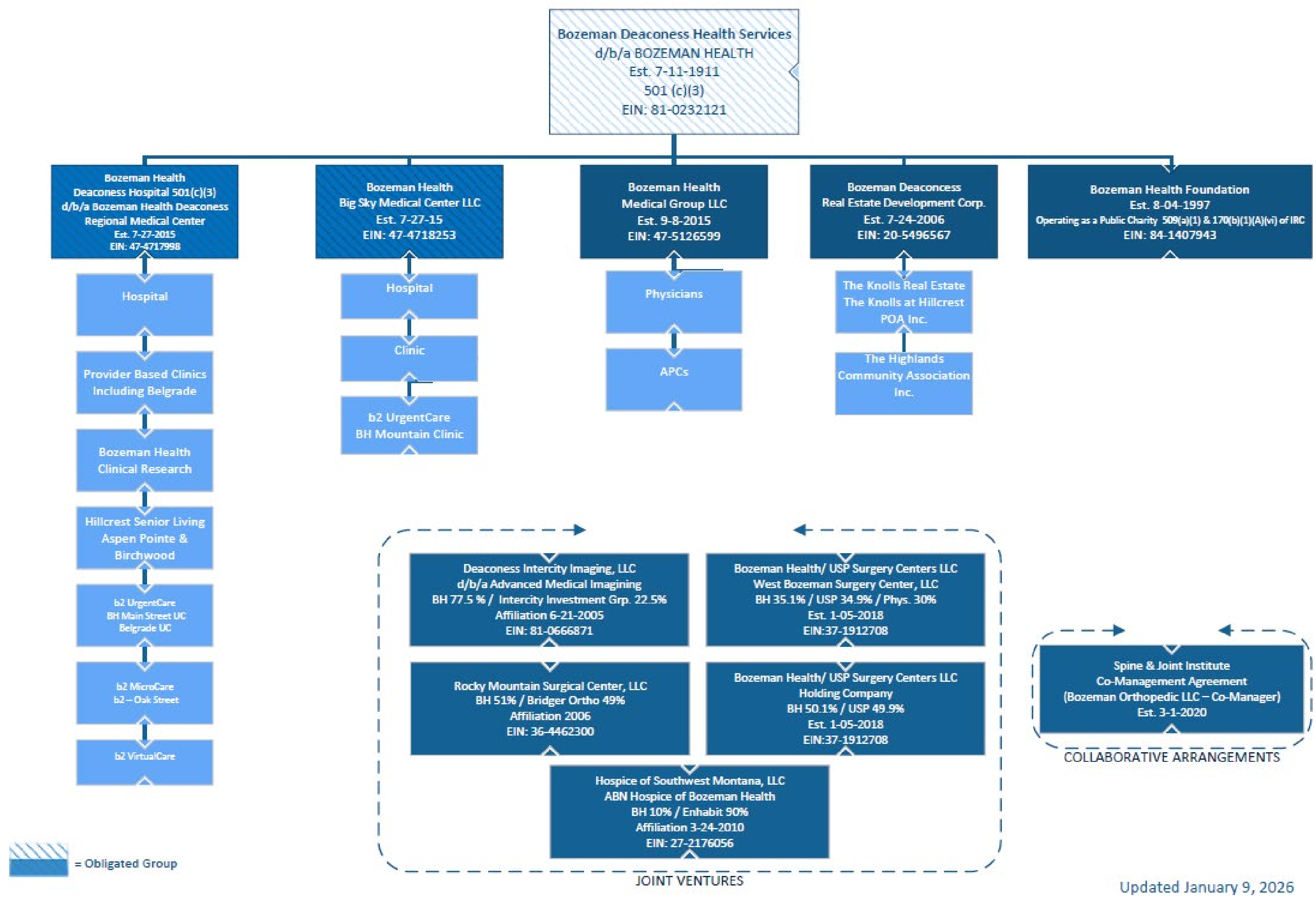
Bozeman Deaconess Health Services (the "Corporation") and Affiliates (collectively known as the "Organization") is a non-profit organization located in Bozeman, Montana. Bozeman Health Deaconess Hospital (the "Hospital" or "Bozeman Health"), a wholly-owned affiliate, provides health care, housing, and other related services by operating a 152-bed hospital facility, physician clinics, 113 independent living apartments, and 43 assisted living units.

The Corporation also has several affiliated entities including:

- Bozeman Health Medical Group, LLC, a wholly-owned affiliate, employs physicians that provide services to the Corporation and its affiliates.
- Bozeman Health Big Sky Medical Center, LLC, a wholly-owned affiliate operates as a 8-bed hospital and clinic in Big Sky, Montana.
- Rocky Mountain Real Estate Holdings, LLC a wholly-owned affiliate.
- Bozeman Deaconess Foundation dba Bozeman Health Foundation performs fund-raising activities for the Organization and supports health care activities throughout the community.
- Bozeman Deaconess Real Estate Development Corp., a 100% owned affiliate that owns land and constructs homes for resale.
- The Organization also owns a controlling interest in Deaconess Intercity Imaging Center, LLC (77.5%), an outpatient imaging center, Rocky Mountain Surgical Center, LLC (51.01%), an ambulatory surgery center, and Bozeman Health USP Surgery Centers, LLC (50.1%), an ambulatory surgery center.

An organizational chart is on the following page:

BOZEMAN DEACONESS HEALTH SERVICES AND RELATED ENTITIES



Updated January 9, 2026

SOURCES AND USES

Sources:	
Par Amount	126,385,000
Borrower Contribution	65,000,000
Total Sources	**191,385,000**
Uses:	
ER Dept.	46,000,000
Bridger Tower	43,000,000
Cancer Center	31,000,000
Imaging	28,000,000
Kitchen/Dining	11,000,000
Nuclear Medicine	6,000,000
2014A Refunding	8,275,000
2015C Refunding	18,110,000
Total Uses	**191,385,000**

PROJECT AND COST

The proceeds of the Series 2026 Bonds will be used to fund or reimburse costs for the following projects:

- **Bridger Tower Expansion** – This project will expand medical and surgical inpatient capacity by adding two patient floors to the primary patient tower. The project involves the immediate build-out of one dedicated patient floor, while the second will be constructed as shell space to accommodate future growth. Upon completion of the initial phase, the Hospital's bed capacity will increase by approximately 18 beds, bringing the total facility count to 170.
- **Kitchen/Dietary** – This project involves expanding and modernizing Bozeman Health's dietary and kitchen facilities and equipment. These upgrades will ensure Bozeman Health maintains the necessary capacity and operational standards to support the nutritional needs of patients, visitors, and hospital staff effectively.
- **Emergency Department** – This project focuses on expanding the capacity and enhancing the quality of emergency services at Bozeman Health. The project will increase the number of Emergency Department treatment bays from 27 to a projected range of 40 to 44. By scaling these facilities, the hospital aims to significantly improve the patient experience and clinical outcomes.
- **Imaging Services** – This project involves modernizing the Hospital's procedural and diagnostic imaging infrastructure. By increasing service capacity and integrating state-of-the-art equipment into both new and existing modalities, the initiative will enhance clinical outcomes and streamline patient flow. These improvements are designed to optimize the overall patient experience and ensure the facility remains at the forefront of diagnostic care.
- **Cancer Center** – This project is dedicated to expanding access and optimizing care delivery for oncology services. By increasing the number of exam rooms from 11 to 20, infusion chairs from 18 to 30, and radiation oncology vaults from 2 to 3, the facility will

significantly enhance both treatment capabilities and patient experience. These expansions are critical to meeting growing patient demand and ensuring timely, comprehensive cancer care.

- **Nuclear Medicine** – The nuclear medicine project involves transitioning from a leased mobile unit to a permanent, interior suite within the Hospital. This shift to a centralized indoor facility will significantly enhance the patient experience by improving comfort and accessibility. Furthermore, this integration will enable Bozeman Health to expand its diagnostic capabilities and modernize its nuclear medicine services.
- **Potential Additional Project** – Subject to market conditions, Bozeman may elect to refund all or a portion of its Series 2014A Bonds and Series 2015C Bonds. As of January 15, 2026, approximately $18.1 million of the Series 2014A Bonds and approximately $8.2 million of the Series 2015C Bonds remain outstanding.

PROGRAM Stand Alone Public Bond Issue

LOAN TERM 30 Years

INTEREST RATE TBD

CLOSING DATE Est. May 2026

MATURITY DATE Est. 2056

SECURITY TBD likely Master Note

RATING Standard & Poor's rating of A with a positive outlook was affirmed in October 2025.

UTILIZATION

Utilization Stats.	2022	2023	2024
Licensed Beds	133	148	152
Regulary Staffed Beds	132	147	147
Admissions	6,290	6,325	7,056
Patient Days	24,454	23,923	26,882
Average Length of Stay	3.90	3.78	3.81
Occupancy Rate	50.37%	44.29%	49.63%
Outpatient Hospital Visits	224,330	234,351	247,714
Outpatient Clinic Visits	303,145	284,751	295,807
Emergency Room Visits	36,529	37,211	38,003
Inpatient Surgeries	1,278	1,151	1,449
Outpatient Surgeries	5,406	5,255	5,708

PAYOR MIX

Payor	2022	2023	2024
Medicare	40%	42%	44%
Medicaid	11%	10%	8%
Blue Cross	24%	24%	23%
Commercial	20%	18%	19%
Private Pay	4%	5%	5%
Other	1%	1%	1%
Total	**100%**	**100%**	**100%**

MARKET/COMPETITION

Bozeman Health's primary service area ("PSA") consists of three counties: Gallatin, Park, and Madison. According to the U.S. Census Bureau, in 2024 there were 154,811 residents in the PSA, with approximately 126,984 residing in Gallatin County. While there are four Critical Access Hospitals located within Bozeman Health's PSA— Big Sky Medical Center (Bozeman Health-owned), Livingston Healthcare, Madison Valley Medical Center, and Ruby Valley Medical Center—Deaconess Regional Medical Center is the only traditional acute care hospital in the PSA paid under the prospective payment system ("PPS").

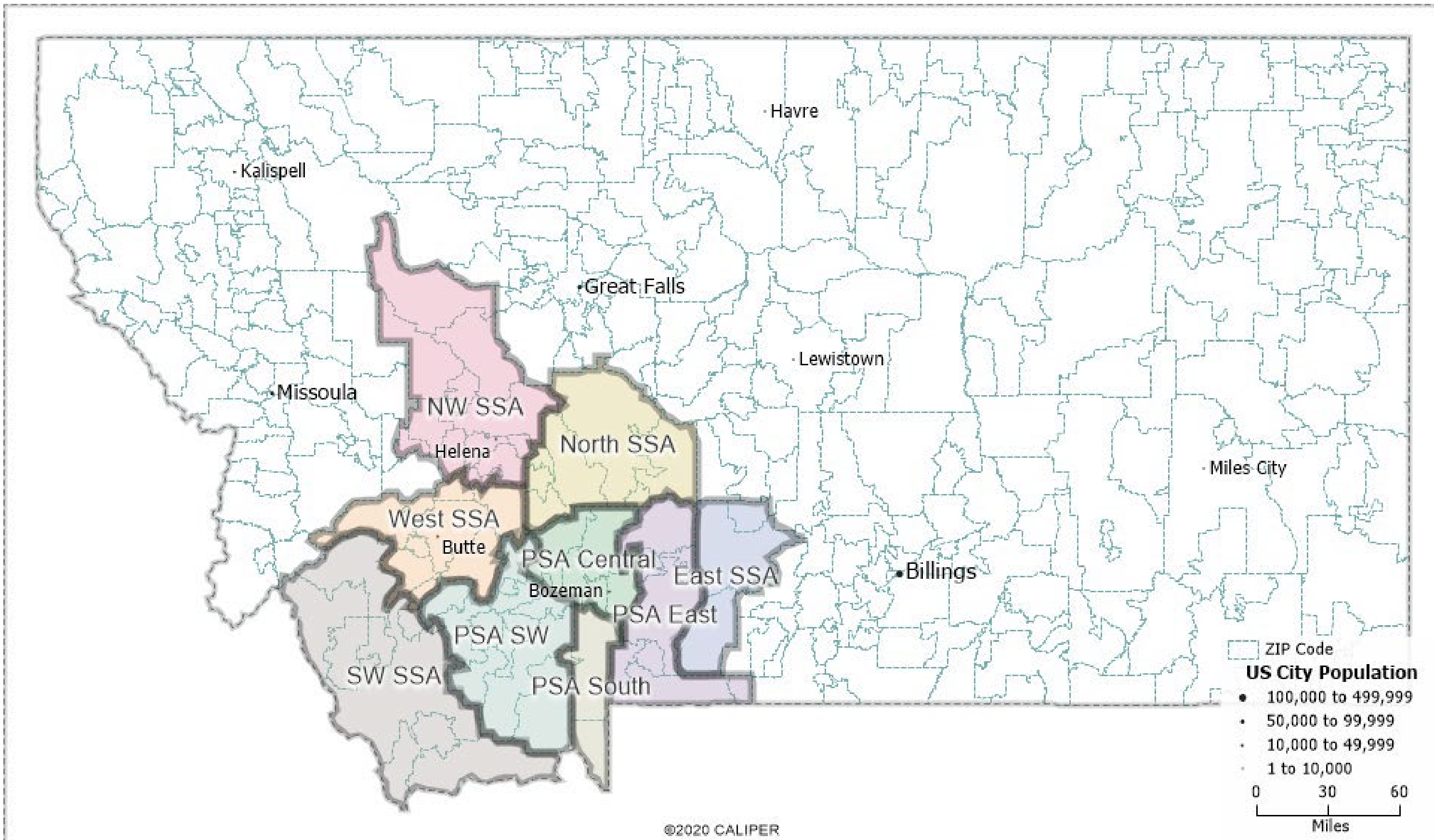
Bozeman Health's secondary service area ("SSA") consists of eight counties: Beaverhead, Broadwater, Deer Lodge, Jefferson, Lewis & Clark, Meagher, Sweet Grass, and Silver Bow. According to the U.S. Census Bureau, in 2024 there were 158,508 residents in the secondary service area, with Lewis & Clark and Silver Bow counties comprising approximately 70% (111,263) of the total SSA population. There are two traditional PPS acute care hospitals—St. James Healthcare and St. Peter's Health—and five CAHs located within the SSA. The tertiary facilities nearest to Bozeman Health are located in Billings, Great Falls, and Missoula approximately 140 miles, 190 miles, and 201 miles from Bozeman, respectively.

The critical access hospitals located within the SSA include:

- Barrett Hospital & HealthCare (Beaverhead County)
- Broadwater Health Center (Broadwater County)
- Community Hospital of Anaconda (Deer Lodge County)
- Mountainview Medical Center (Meagher County)
- Pioneer Medical Center (Sweet Grass County)

Bozeman Health serves its primary service area through a network that includes two hospitals—Deaconess Regional Medical Center and Big Sky Medical Center—two ambulatory surgery centers, three standalone ambulatory sites, and four urgent care locations. The integrated health system provides acute care, primary care, and access to more than 40 medical specialties across its facilities, ensuring comprehensive community coverage. Bozeman Health also provides physician outreach services in several surrounding communities, including Butte, Dillon, Ennis, Sheridan, and White Sulphur Springs.

In the spring of 2022, Billings Clinic, a tertiary health system located approximately 200 miles east of Bozeman, opened an ambulatory center just seven miles northwest of Bozeman Health's main campus. This center includes primary care, medical specialties, diagnostic services, and an ambulatory surgery center. Additionally, Intermountain Health expanded its footprint from primary and specialty care to surgical services with the opening of an ambulatory surgery center focused on orthopedic services in the fall of 2025.



GOVERNANCE

The Corporation is associated with The Mountain Sky Conference and The United Methodist Church (the "Church"). The Corporation's Articles of Incorporation provide that a majority of the members of the Board of Directors of the Corporation (the "Board of Directors") shall be members of the Church, that one of the members of the Board of Directors shall be the local minister of the Church, and that all members of the Board of Directors shall be elected by the Mountain Sky Conference.

The Board of Directors currently consists of 15 members. One director is a United Methodist minister who serves by reason of designation by the District Superintendent of the Mountain Sky Conference, without term limitation. The remaining directors are elected to serve three-year terms by the Mountain Sky Conference at its annual conference upon recommendation of the members of the Board of Directors then in office. The Board of Directors meets nine times a year in regular session. Various committees of the Board of Directors also meet regularly.

MANAGEMENT

Dr. Kathryn Bertany, CEO – Kathryn began her career as a pediatrician and quickly recognized the importance of strong business management in health care. She continued to practice as a pediatrician while attending Columbia University, earning an MBA to complement her clinical expertise. Kathryn transitioned into medical administration, serving at health systems in the

Pacific Northwest, including St. Luke's Children's Hospital in Boise. Kathryn joined Bozeman Health in 2019 as hospital president and was selected as chief executive officer in 2023. As CEO, Kathryn is committed to using her administrative expertise to help the care team succeed as Bozeman's local, nonprofit community-based health care system.

Brad Ludford, CFO **–** Brad has more than 25 years in financial roles. Following early roles in tax accounting and auditing in the energy sector, Brad began his health care career as a statistician for a hospital in the Denver area. Brad joined Bozeman Health in 2019. Before joining Bozeman Health, Brad spent three years with HSS, as the CFO of a security company that serves many industries, including healthcare and aviation. Prior to that, Brad worked three years at Catholic Health Services where he managed their operational finance function; fourteen years with Exempla Health serving as the CFO for Exempla Saint Joseph Hospital and Lutheran Medical Center; and seven years with Centura Health, departing as the Assistant Vice President of Finance. Brad received his Masters of Business Administration from the University of Denver Daniels College of Business and Bachelor of Business Administration degree with an emphasis in accounting and management from Stephen F. Austin State University in Texas.

Steve Klein, Chief Legal Counsel – Steve's journey began at the University of Vermont Medical Center where he quickly learned the importance of supporting organizations dedicated to community health. During a time of rapid growth, Steve was part of the General Counsel team, helping to bring five hospitals together to form a two-state, six-hospital system. After 13 years at the University of Vermont Medical Center, Steve made the move to Bozeman Health in 2019. He became Chief Legal Counsel in 2023.

Kallie Kujawa, Chief Operating Officer – Kallie joined Bozeman Health as a registered nurse, working in various departments while earning a master's degree from Montana State University. Her master's program combined nursing and engineering concepts and sparked her passion for strategy, systems design, and process improvement. As the Chief Operating Officer, Kallie works at the intersection of clinical and non-clinical functions and partners with the executive team to drive strategic initiatives.

Kiera Pattison, Chief Nursing Officer – With over 20 years of experience in healthcare, Kiera brings a diverse range of expertise to her role as Chief Nursing Officer. Originally from Montana, she has worked in various healthcare settings across the state, from small, rural critical access facilities to some of the largest hospitals. She earned a Master's in Health Administration in 2015. As CNO at Bozeman Health, Kiera oversees nursing professional practice at the hospital, Big Sky Medical Center, and all Bozeman Health clinics and ambulatory care locations. She ensures compliance with local, state, and federal regulations and leads a variety of ancillary services, including imaging, pharmacy, respiratory therapy, rehabilitation, and the sleep clinic.

Dr. Christopher Spoja, Chief Medical Officer – Chris is an Army veteran, having served for six years as a flight surgeon including a 12-month deployment to northern Afghanistan. Chris views the medical staff as central to Bozeman Health's success in serving the community. After his time in the military, Chris took on regional physician leadership roles overseeing hospitalist programs across Idaho, Montana, and Wyoming.

HISTORICAL FINANCIALS

Audited Financials as of 12/31	2022	2023	2024
Assets			
Cash & Cash Equivalents	39,612,631	54,816,059	97,805,270
Investments	73,308,367	89,828,657	116,193,270
Receivables	74,961,212	83,377,870	83,149,321
Other Receivables	20,510,622	22,130,158	29,859,634
Inventory	12,392,979	13,237,741	14,656,203
Current Assets Whose Use is Limited	10,985,349	10,758,818	11,364,378
Other Current Assets	11,205,075	10,654,949	10,698,434
Total Current Assets	**$242,976,235**	**$284,804,252**	**$363,726,510**
Fixed Assets	570,195,615	592,933,003	587,922,481
Accumulated Depreciation	268,248,684	290,568,122	288,778,542
Fixed Assets (net)	301,946,931	302,364,881	299,143,939
Board Designated Funds	-	-	-
Assets Held in Trust	32,459,696	5,592,783	2,652,156
Other Assets	114,298,991	124,936,814	150,361,860
Total Assets	**$691,681,853**	**$717,698,730**	**$815,884,465**
Liabilities			
Accounts Payable & Accrued Expenses	57,646,515	71,947,371	90,563,511
Current Portion of Long-Term Debt	5,004,753	5,371,263	6,098,729
Other Current Liabilities	9,681,491	9,765,436	11,230,434
Total Current Liabilities	**$72,332,759**	**$87,084,070**	**$107,892,674**
Long-Term Debt (less current portion)	204,977,304	200,450,568	193,926,923
Other Long-Term Liabilities	13,890,124	12,227,624	15,495,913
Unrestricted Fund Balance	380,812,992	398,509,877	477,643,506
Restricted Fund Balance	19,668,674	19,426,591	20,925,449
Total Liabilities & Fund Balance	**$691,681,853**	**$717,698,730**	**$815,884,465**
Revenue and Expense			
Net Patient Service Revenue	457,284,612	495,057,790	608,655,249
Other Operating Revenue	19,586,207	20,223,370	25,000,044
Total Operating Revenue	476,870,819	515,281,160	633,655,293
Interest	7,239,115	7,277,690	7,344,750
Depreciation & Amortization	25,610,463	31,125,881	29,912,984
Other Operating Expenses	466,293,159	485,082,141	538,714,133
Total Operating Expenses	**$499,142,737**	**$523,485,712**	**$575,971,867**
Other Non-Operating Revenue	(36,375,093)	26,086,610	20,954,285
Excess of Revenue Over Expenses	**(58,647,011)**	**17,882,058**	**78,637,711**

KEY RATIOS

Key Ratios	2022	2023	2024	Moodys A 2024 Median Ratios
Cushion Ratio	16.76	19.65	25.44	26.80
Days Cash on Hand	158.17	184.29	228.60	194.60
Days Accounts Receivable	59.83	61.47	49.86	46.70
Operating Margin	-4.67%	-1.59%	9.10%	1.60%
Excess Margin	-13.09%	3.55%	12.62%	4.30%
Debt to Capitalization	34.99%	33.47%	28.88%	28.70%
MADS Coverage	1.39	5.07	10.59	5.30
Average Age of Plant (Years)	10.47	9.34	9.65	13.30

**Ratios provided by Bozeman Health

FINANCIAL OBSERVATIONS:

Interim Financials as of September 30, 2025 (9 months)

The Corporation is in a strong financial position overall showing an increase of $29.10 million in cash and cash equivalents compared to the same period FY 2024 and an overall increase of $102.33 million in total assets. Net operating revenue is $9.27 million over budget, and $41.57 million increase over same period FY 2024. The Hospital is also showing a $2.37 million decrease in operating expenses compared to budget, and an overall $66.63 million net income for this period.

Bozeman Health regularly monitors legislative proposals and evaluates potential impacts to both patient access and financial implications. Specifically, regarding Medicaid work requirement expected to go in effect mid-2027, Bozeman Health's best estimate is that this will result in a decrease in net patient service revenue of approximately $2 million on a full year basis as some patient transition from Medicaid to self-pay.

Assets & Liabilities

- Cash and cash equivalents increased from $39.61 million in FY 2022 to $97.80 million in FY 2024. In FY 2024 the increase was due to a strong excess margins, resulting in significant cash flow from operations.
- Investments increased from $73.30 million in FY 2022 to $116.19 million in FY 2024 while other assets increased from $124.93 million in FY 2023 to $150.36 million in FY 2024. A majority of this change was in long-term investments. Bozeman Health manages short-term and long-term investments as a single investment pool where the drivers of performance are consistent cash and investments. The Hospital's investments are comprised of a balanced portfolio encompassing a broad array of asset classes intended to generate returns for the organization. In FY 2023 and FY 2024, year-over-year changes were driven by strong market returns FY 2023 of 24.3%, FY 2024 of 23.3%.
- Other receivables increased from $22.13 million in FY 2023 to $29.85 million in FY 2024. Much of the increase is attributable to an expected reimbursement from the Hospital's malpractice insurance provider of approximately $4 million.

- Accounts payable increased from $71.94 million in FY 2023 to $90.56 million in FY 2024. Much of this change is in accrued expenses. FY 2024 increase is primarily attributable payroll and benefit expense accruals, resulting from increased labor expenses.
- Unrestricted fund balance increased from $398.50 million in FY 2023 to $477.64 million in FY 2024. The FY 2024 increase is entirely attributable to profitability. Revenue in excess of expenses of $83.2 million plus net assets released from restriction of $600,000 less non-controlling interest ($5.1 million) equals the change of $78.7 million.
- Receivables increased from $74.96 million in FY 2022 to $83.37 million in FY 2023 and stayed relatively stable for FY 2024 even though total operating revenue increased. The Hospital executed on revenue cycle initiatives that resulted in improved cash collections and a decrease Days in A/R to 50.0 days in FY 2024, from 61.5 days in FY 2023. The improved liquidity profile was driven by year-over-year improvement in margins, disciplined capital allocation, and effective revenue cycle management.

Revenue & Expenses

- Total operating revenue saw consistent growth from $476.87 million in FY 2022 to $515.28 million in FY 2023 and $633.65 million in FY 2024. This increase was driven by strong and persistent demand for services.
- Total operating expenses were $499.14 million in FY 2022, $523.48 million in FY 2023, and $575.97 million in FY20 24. As a healthcare service provider, the majority of operating expenses are comprised of labor, supplies, and pharmaceutical expenses. While operating expenses rose due to labor and volume-driven variable expenses, expense growth trailed revenue growth, resulting in consistent improved year-over-year profitability.
- Change in net assets increased from ($58.64) million in 2022 to $17.88 million in FY 2023 and to $78.63 million in FY 2024. Bozeman Health navigated a volatile operating environment during the pandemic, characterized by fluctuating patient volumes and acute care surges. These challenges were compounded by a tight labor market, forcing a reliance on expensive contracted labor and increased wage pressures for employed staff. In response, the Corporation launched a formal financial recovery plan in July 2022 centered on expanding access to care and improving labor efficiency. These efforts paid off in FY 2023, leading to improved financial performance. Bozeman Health was well-positioned to capitalize on post-pandemic demand and maintain its market leadership through robust service offerings as evidenced by strong financial results in both FY 2024 and FY 2025.

ANTICIPATED CHANGES DUE TO PROJECT

Both emergency and inpatient services are profitable services line for Bozeman Health. Based on its demand models, the Hospital expects emergency visits to increase to approximately 49,000 encounters by 2035 (34,000 in FY 2024). The projected demand models estimate discharges to be approximately 9,100 by 2034 (6,900 in FY 2024). As the sole community hospital in its service area these projects are favorable economically, necessary for the Hospital's future growth, and to ensure patients have access to care. Finally, the Hospital is in the early stages of its long-range financial planning process. This process allows Bozeman Health to not only evaluate debt capacity and the optimal capital allocation of projects but also allows it to run scenarios quantifying the estimated financial impacts of specific projects.

The Hospital's PSA population is projected to grow by 12.8% over the next 10 years—nearly triple the national average of 4.8%. The projected population growth is primarily driven by the 45–64 age bracket (21% growth) and seniors aged 65+ (37% growth). To meet this rising demand, Bozeman Health developed a comprehensive master facility plan through extensive stakeholder engagement. By investing in its infrastructure now, the Hospital is investing in the communities of southwest Montana that it serves, ensuring those patients have local access to quality healthcare.

PRO FORMA

Pro Forma	2023	2024	Unaudited 2025	Pro Forma FY 2024	Pro Forma FY 2025
Operating Income	(8,204,552)	57,683,426	45,356,066	57,683,426	45,356,066
Interest Expense	7,277,690	7,344,750	6,785,504	7,344,750	6,785,504
Depreciation	31,125,881	29,912,984	28,779,905	29,912,984	28,779,905
Available for Debt Service	30,199,019	94,941,160	80,921,475	94,941,160	80,921,475
Existing Debt Service	12,282,443	12,716,013	10,300,504	12,716,013	10,300,504
Debt Service on New Money	N/A	N/A	N/A	6,485,935	6,485,935
Total Debt Service	12,282,443	12,716,013	10,300,504	19,201,948	16,786,439
Debt Service Ratio Calculation	2.46	7.47	7.86	4.94	4.82

** Provided by Bozeman Health. Based on Internal Financials (FY25 Draft)

** Internal Financials <> fully consolidated)

OUTSTANDING/PAST MFFA LOANS

Series	Original Issue	Outstanding 12/31/2024	Maturity
Facilities Revenue Bond, Series 2014A	$ 21,770,000	$ 18,110,000	6/1/2044
Facilities Revenue Bond, Series 2015C	$ 18,020,000	$ 8,275,000	6/1/2035
Facilities Revenue Bond, Series 2018	$ 68,715,000	$ 59,720,000	6/1/2048
Facilities Revenue Bond, Series 2021A	$ 56,895,000	$ 56,895,000	6/1/2051
Facilities Revenue Bond, Series 2021B	$ 36,185,000	$ 36,185,000	6/1/2051
Totals	**$ 201,585,000**	**$ 179,185,000**	

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Dorsey & Whitney	Erin McCrady
Underwriter	Goldman Sachs & Co.	Rondy Jennings
Financial Advisor	Kaufman Hall	Michael Tym
Borrower's Counsel	Bozeman Health	Steve Klein

STRENGTHS

- S&P rating of A with a positive outlook
- Strong management team

- Dominant market position in a growing community
- Strong revenue growth
- Project allows for the update and expansion of several services

CONCERNS

- Competition entering market due, in part, to limited competition in area, and growth of affiliations, mergers and acquisitions.
- US healthcare market is experiencing an unpredictable transformation from the federal government.

RECOMMENDATION

Approval is recommended based on:

- Project allowing Corporation to grow to meet community needs
- Overall strong financial performance and ability to make payment
- S&P rating of A with a positive outlook

CERTIFICATE AS TO RESOLUTION

I, the undersigned, being the duly qualified and acting recording officer of the Montana Facility Finance Authority (the "Authority"), hereby certify that the attached resolution is a true copy of Resolution No. 26-01 entitled: "RESOLUTION RELATING TO A PROJECT AND REFUNDING ON BEHALF OF BOZEMAN DEACONESS HEALTH SERVICES; GRANTING APPROVAL FOR THE SALE AND ISSUANCE OF REVENUE AND REFUNDING BONDS THEREFOR; AND AUTHORIZING EXECUTION OF DOCUMENTS WITH RESPECT THERETO" (the "Resolution"), on file in the original records of the Authority in my legal custody; that the Resolution was duly adopted by the Authority at a meeting on February 10, 2026, and that the meeting was duly held by the Authority 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.

WITNESS my hand officially as such recording officer this 10th day of February, 2026.

____

Adam Gill
Executive Director

RESOLUTION NO. 26-01

RESOLUTION RELATING TO A PROJECT AND REFUNDING ON BEHALF OF BOZEMAN DEACONESS HEALTH SERVICES; GRANTING APPROVAL FOR THE SALE AND ISSUANCE OF REVENUE AND REFUNDING BONDS THEREFOR; AND AUTHORIZING EXECUTION OF DOCUMENTS WITH RESPECT THERETO

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized by the Montana Health Facility Authority Act, Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds and loan the proceeds thereof to one or more participating institutions (as defined in the Act) to finance, refinance or provide reimbursement for eligible costs of constructing, acquiring and equipping eligible facilities (as defined in the Act) and to enter into agreements regarding the eligible facilities being financed or refinanced by the revenue bonds for, among other things, considerations sufficient, in the judgment of the Authority, to pay the principal of and interest on the revenue bonds when due. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions and the bonds may be secured by mortgages, assignments and other security devices deemed advantageous by the Authority. The Authority may also secure the bonds pursuant to an indenture of trust between the Authority and a corporate trustee.

1.02. Bozeman Deaconess Health Services, a Montana nonprofit corporation doing business as Bozeman Health (the "Borrower"), owns and operates certain hospital and health care facilities (collectively, the "Facilities"), including through its wholly owned subsidiary Bozeman Health Deaconess Hospital, a Montana nonprofit corporation, an acute care hospital and related health care facilities located in Bozeman, Montana.

1.03 The Borrower has requested that the Authority issue its revenue and refunding bonds, in one or more series and which may be taxable and/or tax-exempt (the "Bonds"), in a maximum aggregate principal amount not to exceed $139,700,000, and loan the proceeds thereof to the Borrower to be used for the following purposes:

(a) to pay costs of expansion and remodeling of, and improvements to, the Facilities and the acquisition of various capital equipment, including, but not limited to, the design, construction and expansion of the Borrower's emergency department, primary patient tower, cancer center, imaging center, nuclear medicine center and kitchen facilities (collectively, the "Project");

(b) to refund the Authority's Health Facilities Revenue Bonds (Bozeman Deaconess Health Services Obligated Group), Series 2014A, and Health Facilities Revenue Bonds (Bozeman Deaconess Health Services Obligated Group), Series 2015C (the "Refunding"); and

(c) to pay expenses incurred in connection with the issuance of the Bonds and the Refunding.

The purpose of the Refunding to achieve debt service savings.

Costs of the Project and the Refunding in excess of the proceeds of the Bonds shall be paid by the Borrower with cash on hand.

Section 2. Determinations and Approvals.

2.01. The Authority hereby determines that the issuance of its Bonds is in the best interests of the State of Montana (the "State") and authorizes its staff, together with Dorsey & Whitney LLP, as bond counsel to the Authority ("Bond Counsel"), to prepare documents necessary to issue the Bonds and loan the proceeds thereof to the Borrower. The Authority hereby approves the issuance of the Bonds in a maximum aggregate principal amount not to exceed $139,700,000 for the purposes set forth in Section 1.03 hereof. The Bonds would be sold to Goldman Sachs & Co. LLC and/or another financial institution(s) selected by the Authority and the Borrower, as underwriter (the "Underwriter"), pursuant to a Bond Purchase Agreement by and among the Authority, Borrower and the Underwriter (the "Bond Purchase Agreement"). The Underwriter expects to offer the Bonds for sale in a public offering.

2.02. The Authority hereby authorizes and directs any one or more of the Executive Director, the Chair or the other members of the Authority to negotiate the sale of the Bonds to the Underwriter. The Bonds shall be in the principal amounts, mature on such dates, bear interest at such rates, be subject to redemption, bear such dates, and be sold at such purchase prices as are set forth in the Bond Purchase Agreement; provided that:

(a) the aggregate principal amount of the Bonds shall not exceed $139,700,000 (exclusive of any original issue premium or discount thereon);

(b) the final maturity of each series of Bonds shall not exceed 35 years from the date of issuance thereof; and

(c) the true interest cost for each series of the Bonds shall not exceed 6.00% per annum.

Section 3. General.

3.01. If Bonds are issued and sold, the Authority will enter into various agreements, including but not limited to one or more bond indentures of trust (collectively, the "Bond Indenture") or similar agreements with Wells Fargo Bank, National Association, or its successor in interest, as trustee (the "Bond Trustee") providing for the issuance of the Bonds, and one or more loan agreements or similar agreements satisfying the requirements of the Act (collectively, the "Loan Agreement") with the Borrower.

3.03. The loan repayments or other amounts payable by the Borrower to the Authority under the Loan Agreement and other agreements to be entered into in connection with the issuance of Bonds shall be sufficient, if paid timely and in full, to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable. The Borrower shall make all payments either directly or through the Authority of any and all costs incurred by the Authority in connection with the Bonds, whether or not they are issued.

3.04. The Authority staff is hereby authorized and directed to cooperate with the Borrower, the Underwriter and each of their counsel in the preparation of a Preliminary Official Statement and a Final Official Statement to be distributed to prospective purchasers of the Bonds; provided, however, that the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, completeness or sufficiency of the information in any Preliminary Official Statement or any Final Official Statement, except as to matters relating to the Authority. The Executive Director is authorized on behalf of the Authority to deem any Preliminary Official Statement near final as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 4. Commitment Conditional. The Authority retains the right in its sole and absolute discretion to withdraw from participation and accordingly not issue any or all of the Bonds should the Authority at any time prior to the execution and delivery of the Bond Purchase Agreement by the Authority determine that it is in the best interests of the Authority not to issue the Bonds or should the parties to the transaction be unable to reach agreement as to the terms and conditions of any of the documents required for the financing.

Section 5. Public Hearing. Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), requires that, prior to the issuance of the Bonds, the Authority shall hold a public hearing on the Project, the Refunding and the issuance of the Bonds in connection therewith, following notice thereof. The Executive Director is authorized and directed to publish notice of the public hearing, to conduct that hearing at the time and place specified in the published notice and to provide minutes of that public hearing to the Borrower and to Bond Counsel.

Section 6. Approval of Governor. The Executive Director is authorized and directed to forward to the Governor a certified copy of this Resolution and the minutes of the public hearing referred to in Section 5 and to request on behalf of the Authority that he approve the issuance of the Bonds for the purposes contemplated by this Resolution as required by Section 147(f) of the Code.

Section 7. Findings. Based on such facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines and declares as follows:

(a) the Borrower is an "institution" and the improvements to the Facilities financed or refinanced by the issuance of the Bonds comprise "eligible facilities" within the meaning of the Act;

(b) the improvements to the Facilities financed or refinanced by the issuance of the Bonds are authorized to be financed or refinanced pursuant to the Act;

(c) based solely on information provided and representations made by the Borrower, the loan of the proceeds of the Bonds to the Borrower will not exceed the total eligible costs of the improvements to the Facilities financed or refinanced by the issuance of the Bonds, as determined by the Borrower;

(d) based solely upon information provided and representations made by the Borrower, the loan repayments or other amounts payable by the Borrower to the Authority under the Loan Agreement and other agreements to be entered into in connection with the issuance of the Bonds shall be sufficient, if paid timely and in full, to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall become due and payable, to meet all other obligations in connection with such agreements and to provide for costs of servicing and securing the Bonds and the loan of the proceeds of the Bonds;

(e) based solely upon information provided and representations made by the Borrower, the Facilities, as improved by the Project, will be operated by the Borrower for the purpose of fulfilling its obligation to provide health care facilities;

(f) based solely upon information provided and representations made by the Borrower, the Borrower has sufficient experience and expertise to operate the Facilities, as improved by the Project;

(g) based solely upon information provided and representations made by the Borrower, the Project is financially feasible and the Borrower will have sufficient revenues to provide for the payment of the principal of and interest with respect to the Bonds as due;

(h) pursuant to the Bond Indenture, the loan repayments and certain other amounts payable under the Loan Agreement will be pledged to the repayment of the Bonds;

(i) based solely on information provided and representations made by the Borrower, to the extent legally required, the Facilities financed and refinanced by the proceeds of the Bonds have been reviewed and approved by the appropriate regional and State health planning boards and has received all approvals required by Montana Code Annotated, Title 50, Chapter 3, Part 3, as amended; and

(j) based solely on information provided and representations made by the Borrower, including the reports or surveys on file with the Borrower by the Department of Public Health and Human Services and the Occupational Safety and Health Agency, the Facilities financed and refinanced by the proceeds of the Bonds do not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(b)(iii).

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by, the Underwriter or the owners from time to time of the Bonds.

Section 8. Execution of Documents and Bonds.

8.01. The Executive Director or any one or more of the other officers of the Authority are hereby authorized and directed to execute the Bond Purchase Agreement, the Bond Indenture, the Loan Agreement and such other agreements and documents to be executed by the Authority in connection with the issuance of the Bonds, in the name and on behalf of the Authority, and in such form as is approved by the officer or officers executing the same, which approval shall be conclusively presumed by the execution thereof.

8.02. The Chair and the Executive Director, or any one or more of the other members of the Authority, are hereby authorized to prepare and execute the Bonds as prescribed in the Bond Indenture and deliver the Bonds to the Bond Trustee, together with a certified copy of this resolution and the other documents required by the Bond Indenture and the Bond Purchase Agreement for authentication of the Bonds by the Bond Trustee and delivery by the Bond Trustee of the Bonds to the Underwriter.

8.03. The Executive Director or any one or more of the other officers of the Authority, are authorized and directed to prepare and furnish to the Underwriter and Bond Counsel, when Bonds are issued, certified copies of all applicable proceedings and records of the Authority relating to the Bonds, and such other affidavits, certificates and documents as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them, or as may be necessary or desirable to accomplish the issuance and sale of the Bonds, and all such certified copies, certificates, affidavits and documents, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements of fact contained therein.

Section 9. Limited Liability of Authority and State. The Bonds and the Authority's obligations under the Bond Purchase Agreement, the Bond Indenture and the Loan Agreement and all other financing and security documents and agreements executed in connection with the issuance of the Bonds shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Borrower (except to the extent payable from the proceeds of the Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State.

Section 10. Authority Fees. As authorized by Section 90-7-211 of the Act, the Authority may assess the Borrower for certain initial planning service fees and annual planning service fees. The initial planning service fee and annual planning service fee to be assessed against the Borrower with respect to the Bonds shall be in accordance with the Authority's fee schedules, which may amended from time to time. Assuming $139,700,000 aggregate principal amount of Bonds are issued, the estimated initial planning service fee for the Bonds is $90,805. The estimated annual planning service fee for the Bonds is 5 basis points (0.05%), unless and until changed by the Authority. No holder of the Bonds or any other bonds of the Authority outstanding from time to time shall have any interest in such funds or any right, by contract or otherwise, to direct the application of such funds to the payment or security of such bonds.

Section 11. Repealer. All other resolutions of the Board, or parts thereof, inconsistent herewith are hereby repealed only to the extent of such inconsistency. This repealer shall not be construed as reviving any resolution or part thereof.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY this 10th day of February, 2026.

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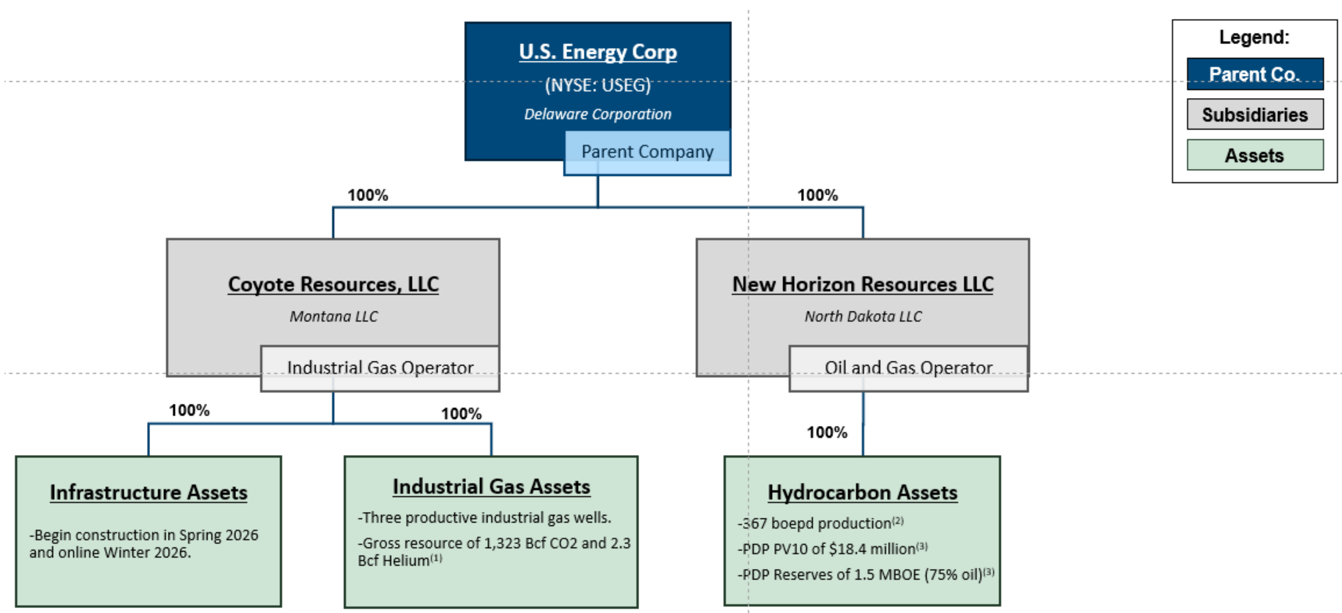
Vu Pham
Chair

US Energy Corp
Shelby, Montana
Stand Alone, Economic Development Bond
Loan Summary

ELIGIBLE FACILITY

U.S. Energy Corp (NASDAQ: USEG) ("US Energy" or the "Company") is an independent energy company, incorporated in Delaware, focused on the acquisition and development of oil and natural gas producing properties in the continental United States. Its principal properties and operations are in the Rockies region (Montana and Wyoming), the Mid-Continent (Oklahoma, and North and East Texas).

US Energy has historically explored for and produced oil and natural gas through a non-operator business model, however, during 2020 it acquired operated properties in North Dakota, New Mexico, Wyoming and the Texas Gulf Coast, and on January 5, 2022, closed the acquisitions of certain oil and gas properties from three separate sellers, representing a diversified portfolio of primarily operated, producing, oil-weighted assets located across the Rockies, West Texas, Eagle Ford, and Mid-Continent regions. Beginning late 2023 and throughout 2024, the Company sold over 65% of its assets to focus on its Kevin Dome project.



PROJECT AND COST

In July 2025, the MFFA passed Resolution 25-06 on behalf of U.S. Energy for the construction and/or development of a processing plant and infrastructure to process high purity helium, supply merchant grade carbon dioxide, and sequester carbon dioxide (the "Project"). Since the inducement, the project has shifted from tax-exempt to taxable due to the economic advantages of generating revenue from Section 45Q carbon sequestration tax credits. The value of the 45Q credits would, under applicable federal law, be significantly reduced if the Project were financed through the issuance of tax-exempt bonds.

U.S. Energy has evaluated its portfolio and identified a path forward beyond a sole focus on traditional hydrocarbon production. Rather than continuing to focus on mature, declining assets with inherent volatility, the Company has chosen to pivot toward a more diversified and resilient industrial gas platform centered on the Kevin Dome in Northwest Montana.

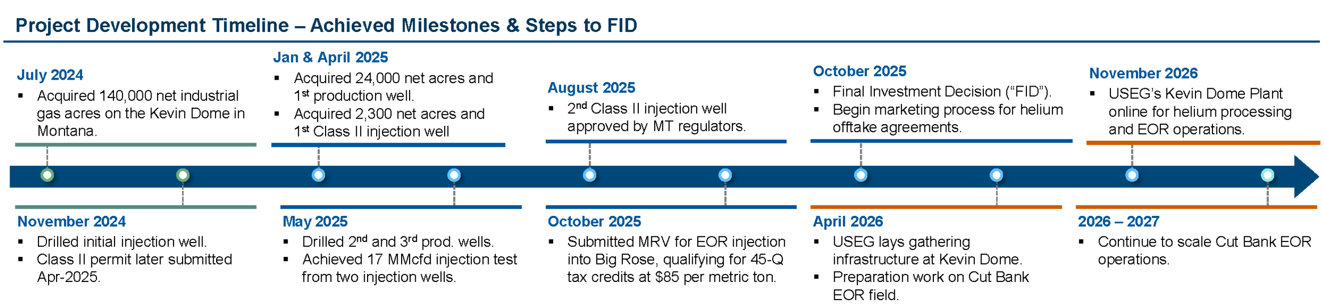
By focusing on helium, carbon dioxide, and related industrial gases, the Company is integrating production, advanced processing, and commercialization using proven technologies and existing infrastructure—positioning itself to meet growing demand for critical and lower-carbon industrial gases.

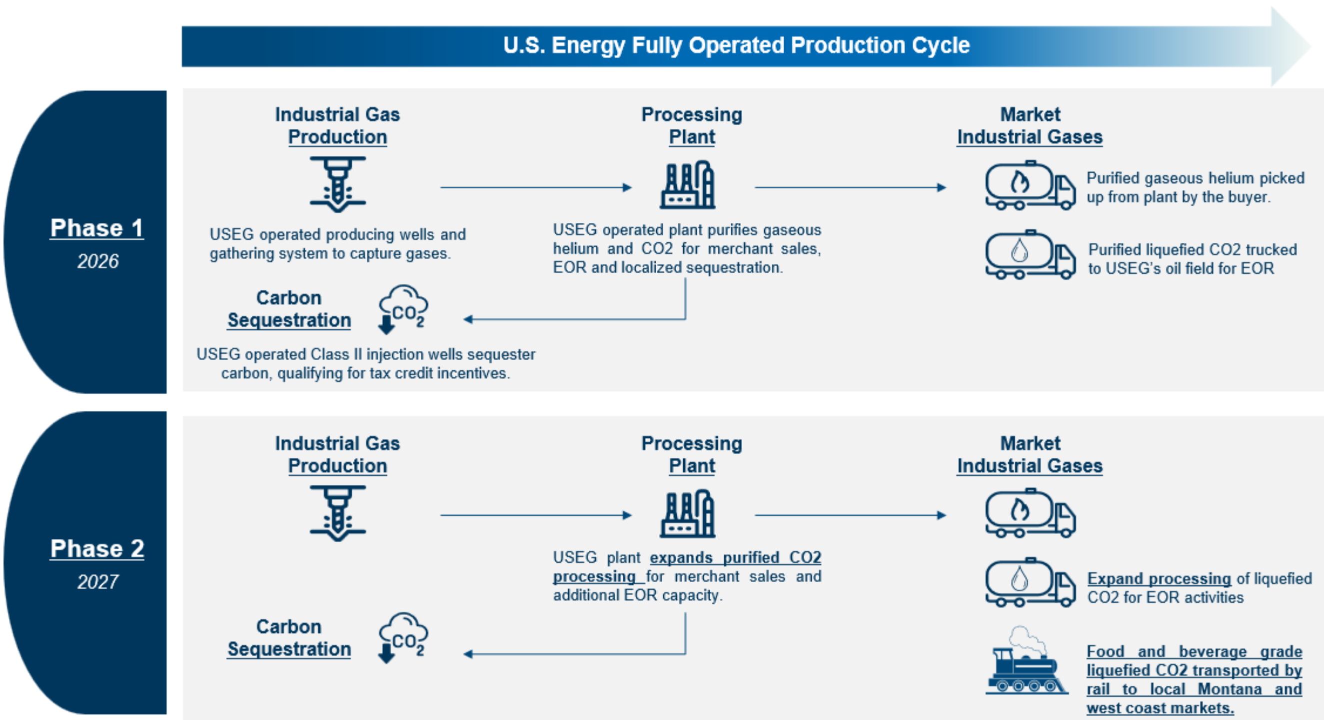
In June 2024, the Company acquired approximately 144,000 acres across the Kevin Dome in Toole County, Montana for the purposes of exploring and exploiting multiple, industrial gas streams. It is focusing on drilling and completing wells and evaluating processing plant designs and supporting infrastructure in this region. The Company holds Montana injection permits on multiple wells and in late 2025 submitted two applications to the EPA for the sequestration carbon, which it believes are complementary to its ongoing development activities. On January 7, 2025, US Energy acquired an additional 24,000 net acres that are contiguous to its existing positions in Toole County.

The Montana Project will process 11.9 million cubic feet per year of gaseous helium for merchant sales and carbon sequestration of 0.126 million metric tons per annum of CO2. The Company is developing a processing plant and infrastructure to process high purity helium, inject CO2 for enhanced oil recovery, and enhanced gas recovery qualifying for section 45-Q tax credits.

The full project is estimated at $52.15 million where $35 million will be provided via the MFFA in taxable bonds. The first interest-only payment will start on 6/1/2026. Capitalized interest will cover debt service until 6/1/2028 with a debt service reserve fund.

The following two figures show the timeline and production cycle of the Montana Project.

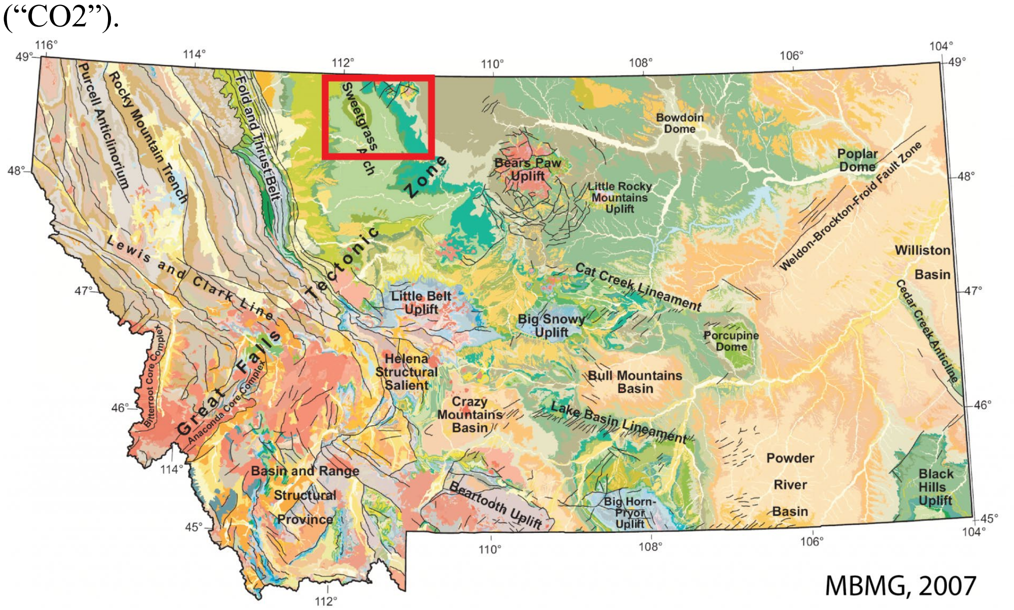




The Company believes this investment will enable contracted industrial gas production, deliver greater cash-flow visibility and predictability, and establish a more stable, long-term operating profile.

THE KEVIN DOME

Through the Montana State University's Energy Research Institute, the Big Sky Carbon Sequestration Partnership ("BSCSP") studied a geologic structure known as the Kevin Dome. The Kevin Dome is located in Toole County, Montana, in the Sweetgrass Arch region in north-central Montana and covers more than 750 square miles and has trapped naturally occurring carbon dioxide ("CO2").



Sources/Uses

Sources:	
Bond Proceeds	35,000,000
Equity-Sponsor	17,156,000
Total Sources	**$ 52,156,000**
Uses:	
Project Fund	37,556,000
Reserve Fund	3,500,000
Capitalized Interest	6,300,000
Third Party Reports	150,000
Lender Fees	2,150,000
FBSW Credit Facility Repayment	2,500,000
Total Uses	**$ 52,156,000**

Job Creation

Currently, the Cut Bank oil field supports 10 full-time employees and US Energy expects to add an additional eight new jobs over the initial phase of the project.

Program Taxable Stand-Alone Economic Development Bond

Loan Term 10 years

Interest Rate Est.12% Fixed Rate

Closing date Est. May 2026

Maturity Date Est. May 2036

Security

The bond will be secured by revenues and cash inflows of the Project, including (i) helium and (ii) merchant CO_2 sales, and (iii) monetization of Section 45Q tax credits (to the extent permitted) assigned to the Trustee; a first mortgage on all of the Company's Montana assets; and an assignment of material contracts, including offtake, and O&M agreements.

Competition / Market Share

US Energy's operations are highly competitive in the search for and acquisition of complementary industrial facilities and logistics operations and industrial gas resources. Its competitors principally consist of independent operators, small, and intermediate-sized industrial gas, oil and natural gas companies. Specifically, it competes for property acquisitions and its operating partners compete for the equipment and labor required to operate and develop its properties. The Company's larger competitors may be able to pay more for properties and may be able to define, evaluate, bid for and purchase a greater number of properties than US Energy can.

FINANCIALS

Balance Sheet	2022	2023	2024
Current Assets			
Cash & Cash Equivalents	4,411,000	3,351,000	7,723,000
Oil and Natural Gas Sales	3,193,000	2,336,000	1,298,000
Marketable Equity Securities	107,000	164,000	131,000
Commodity Derivative Asset - Current	-	1,844,000	-
Other Current Assets	558,000	527,000	572,000
Real Estate Assets Held for Sale, net	175,000	150,000	-
Total Current Assets	**8,444,000**	**8,372,000**	**9,724,000**
Oil and Nat. Gas Properties			
Unevaluated Properties	1,584,000	-	-
Evaluated Properties	203,144,000	176,679,000	142,029,000
Less Accumulated Depreciation and Amortization	(96,725,000)	(106,504,000)	(112,958,000)
Net Oil and Nat. Gas Properties	**108,003,000**	**70,175,000**	**29,071,000**
Unimproved Properties not Subject to Amor.			9,384,000
Other Assets			
Property and Equipment, net	651,000	899,000	660,000
Right of Use Asset	868,000	693,000	528,000
Other Assets	354,000	305,000	300,000
Total Other Assets	**1,873,000**	**1,897,000**	**1,488,000**
Total Assets	**118,320,000**	**80,444,000**	**49,667,000**
Current Liabilities			
Accounts Payable & Accrued Expenses	4,329,000	4,064,000	5,466,000
Accrued Compensation and Benefits	1,111,000	702,000	850,000
Revenue and Royalties Payable	$3,503,000	$4,857,000	$4,836,000
Commodity derivative liability - current	$1,694,000	$0	$0
Asset retirement obligations - current	668,000	1,273,000	1,000,000
Current lease obligation	189,000	182,000	196,000
Total Current Liabilities	**11,494,000**	**11,078,000**	**12,348,000**
Noncurrent Liabilities			
Credit Facility	12,000,000	5,000,000	-
Asset retirement obligations - noncurrent	14,774,000	17,217,000	13,083,000
Long-term lease obligation, net of current portion	794,000	611,000	415,000
Deferred tax liability	898,000	16,000	-
Other noncurrent liabilities	6,000	-	-
Total Noncurrent Liabilities	**28,472,000**	**22,844,000**	**13,498,000**
Total Shareholder Equity	**78,354,000**	**46,522,000**	**23,821,000**
Total Liabilities and Shareholder Equity	118,320,000	80,444,000	49,667,000

Operational Financials	2022	2023	2024
Operating Revenue			
Oil	$ 36,293,000	$ 28,352,000	$ 18,165,000
Natural Gas and Liquids	8,259,000	3,964,000	2,454,000
Total Revenue	**44,552,000**	**32,316,000**	**20,619,000**
Operating Expenses			
Lease Operating	$ 16,667,000	$ 15,254,000	$ 11,160,000
Gathering, Trans., and Treating	$ 573,000	$ 557,000	$ 205,000
Production Taxes	$ 3,010,000	$ 2,107,000	$ 1,276,000
Depreciation and Amortization	$ 9,607,000	$ 11,235,000	$ 8,254,000
Acquisition Trans. Costs	$ -	$ -	$ 369,000
Impairment of Oil and Nat. Gas Properties	$ -	$ 26,680,000	$ 11,918,000
General and Administrative Expenses	$ 11,157,000	$ 11,523,000	$ 8,197,000
Loss on Sale of Assets	$ -	$ -	$ 4,978,000
Total Operating Expenses	**$ 41,014,000**	**$ 67,356,000**	**$ 46,357,000**
Operating Income (loss)	**$ 3,538,000**	**$ (35,040,000)**	**$ (25,738,000)**
Other Income (Expense)			
Commodity derivative gain (loss), net	$ (5,682,000)	$ 2,882,000	$ 537,000
Interest (expense), net	$ (544,000)	$ (1,114,000)	$ (530,000)
Other income (expense), net	$ (168,000)	$ 25,000	$ (33,000)
Total Other Income (Expense)	**$ (6,394,000)**	**$ 1,793,000**	**$ (26,000)**
Net Income (loss) Before Taxes	**$ (2,856,000)**	**$ (33,247,000)**	**$ (25,764,000)**
Income tax (expense) benefit	$ 1,893,000	$ 891,000	$ (20,000)
Net Income (loss)	**$ (963,000)**	**$ (32,356,000)**	**$ (25,784,000)**

Financial Analysis

The reported operating losses from fiscal years 2022 through 2024 reflect a deliberate transition to diversify revenue streams. During this period, U.S. Energy executed planned divestitures of non-core oil and gas assets, addressed non-cash impairments in line with commodity cycles and accounting standards, and made targeted investments in engineering, regulatory approvals, staffing, and early-stage infrastructure to advance the Kevin Dome project toward commercial readiness. These steps were intentionally taken in advance of revenue generation, setting the stage for stronger future performance.

Assets & Liabilities

- Total revenue decreased from $44.55 million in FY 2022 to $20.61 million in FY 2024. In 2022, the Company produced 1,700 barrels of oil equivalent (boe) per day at an average realized sales price of $71.79 per boe. In 2024, production was 1,136 boe/day at an average realized sales price of $49.58 per boe. Price decreases reflect the then current market value for crude oil and natural gas. The reduction in production resulted primarily by series of planned divestments that began in the 4th quarter of 2023 and continued through 2024. The proceeds from these divestments went to begin development of the Company's Kevin Dome project in Montana and reduce outstanding debt.
- Under noncurrent liabilities, credit facility was $12 million in FY 2022 then $5 million in FY 2023, then $0 in FY 2024. The Company generated $6.7 million in net proceeds from property divestments. These proceeds along with cash on hand were used to reduce the debt outstanding from $12 million as of December 31, 2022, to $5 million as of December 31, 2023. Similarly, the Company utilized cash on hand and cash generated by operations and investing activities to pay the remaining balance outstanding on the credit facility. The Company regularly reduces outstanding debt in line with its commitment to balance sheet discipline and conservative financial management.
- Evaluated properties decreased from $203.14 million in FY 2022 to $176.67 million in FY 2023 to $142.02 million in FY 2024. Changes in gross evaluated properties are impacted by several factors including proceeds from divestitures, impairments, removal of asset retirement costs resulting from divestitures, capitalizable costs, if any, and the reallocation of capital costs when gain or loss is recognized in the statement of operations as was the case in 2024.

Revenue and Expenses

- Impairments of oil and natural gas properties were $26.68 million in FY 2023 to $11.91 million in FY 2024. The Company accounts for its oil and gas activities under the full cost method which specifies a method for determining an impairment for companies that utilize the full cost accounting method. In short, evaluated oil and gas properties net of accumulated depletion costs are compared to the value of the proven oil and gas reserves using historical 12-month commodity prices discounted at 10 percent. Because commodity prices decreased significantly from 2022 to 2023, the formulaic nature of the calculation resulted in larger impairment in 2023 relative to the price change that occurred between 2023 and 2024.
- In FY 2024 there was a $4.97 million loss on sale of assets. Under SX 4.10 (requirements for financial reporting of oil and gas activities), divestitures are treated differently under the accounting rules depending on their relative significance. If a divestiture is sufficiently large that it significantly alters the relationship between capitalized costs and proved reserves (i.e. depletion rate per boe), a gain or loss is recognized in the statement of operations. In 2024 the Company closed on a sale of East Texas properties that represented approximately 36% of the Company's then proven oil and gas reserves. The divestment was concluded to be a significant alteration in the full cost pool and loss was recognized in the statement of operations as required under SX 4.10.
- Commodity derivatives fluctuated from ($5.68 million) in FY 2022 to $2.88 million in FY 2023 to $537,000 in FY 2024. Under US GAAP, in most situations, commodity derivatives are required to be reported at fair value on the balance sheet. Depending on the positions that are open on a particular balance sheet date, the pricing and volumetric terms embedded in those instruments, subsequent price movements in crude oil and natural gas prices and interim cash settlements on those contracts, there can be significant changes in the balances attributed to derivatives.

PROJECTIONS / PRO FORMA

Projected Operating Statement	2026	2027	2028	2029	2030
Revenue					
Oil sales	4,107,012	9,627,098	13,620,218	15,360,283	15,565,166
NGL sales	103,370	105,115	106,870	108,635	110,412
Helium sales	406,287	2,503,996	2,586,182	2,656,490	2,736,184
CO2 sequestration	1,487,347	9,163,287	9,460,631	9,714,422	10,002,451
Total revenue	6,104,016	21,399,496	25,773,901	27,839,830	28,414,213
Operational Expenses					
Plant and industrial gas	580,797	3,658,690	3,820,280	3,886,060	3,886,060
Oil field	2,243,631	2,868,390	3,279,564	3,417,751	3,384,158
Trucking	16,104	305,316	499,224	578,160	578,160
Production tax	406,197	1,091,798	1,458,576	1,621,509	1,647,122
General and administrative	1,266,300	1,266,300	1,266,300	1,266,300	1,266,300
Total operating expense	4,513,029	9,190,494	10,323,944	10,769,780	10,761,799
EBITDA	**1,590,987**	**12,209,002**	**15,449,957**	**17,070,050**	**17,652,414**

US Energy 5 Year Pro Forma	2027	2028	2029	2030
Interest Expense	**1,980,290**	**3,826,639**	**3,542,572**	**3,224,352**
Principal Repayment	1,995,172	2,232,339	2,502,118	2,801,542
Total Debt Service	3,975,462	6,058,978	6,044,689	6,025,894
EBITDA (from above)	12,209,002	15,449,957	17,070,050	17,652,414
NTM Debt Service	**5,955,751**	**5,925,038**	**5,894,562**	**5,857,801**
NTM EBITDA	15,285,648	17,032,470	17,593,017	18,290,796
Debt Service Ratio	**2.57x**	**2.87x**	**2.98x**	**3.12x**

** Debt service doesn't start until 2027

** Pro Forma provided by Borrower

INHERENT RISKS OF THE INDUSTRY

The Company's industrial gas exploration and development activities are dependent on the availability of drilling rigs and related equipment in the Kevin Dome Structure in Toole County. Increases in exploration activities could result in higher demand and limited availability for some types of drilling rigs and equipment in certain areas, which may result in delays to the Company's planned exploration and development activities.

The Company may encounter hazards inherent in drilling activities. Examples of such hazards include unusual or unexpected formations, abnormal pressures or rock properties, adverse weather conditions, mechanical difficulties, conditions which could result in damage to plant or equipment or shortages or delays in the delivery of rigs and/or other equipment. Drilling may result in wells that, or which encounter resources, that may not achieve economically viable results.

While the Company intends to take adequate precautions to minimize risks associated with drilling activities, there can be no guarantee that the Company will not experience one or more material incidents during drilling activities that may have an adverse impact on the operating and financial performances of the Company, including costs associated with control of well operation, recovery of plant and equipment, environmental rectification and compensation along with delays and other impacts on anticipated results

GOVERNANCE / MANAGEMENT

Ryan Smith, CEO – Mr. Smith joined the Company in 2017 and served as Chief Financial Officer from that time through 2023 when he became CEO. Prior to U.S. Energy, Mr. Smith served as Emerald Oil Inc.'s Chief Financial Officer from 2014 to 2017 and Vice President of Capital Markets and Strategy from 2013 to 2014. Prior to joining Emerald, Mr. Smith was a Vice President in Canaccord Genuity's Investment Banking Group focused solely on the energy sector. Mr. Smith joined Canaccord Genuity in 2008 and was responsible for the execution of public and private financing engagements along with mergers and acquisitions advisory services. Prior to joining Canaccord Genuity, Mr. Smith was an Analyst in the Wells Fargo Energy Group, working solely with upstream and midstream oil and gas companies. Mr. Smith holds a Bachelor of Business Administration degree in Finance from Texas AandM University.

Marc Zajac, CFO – Mr. Zajac began his public accounting career in 1994 with Arthur Andersen and later joined KPMG where he was a partner and national industry leader for many years prior to his retirement. Mr. Zajac's career includes serving a variety of public and private companies throughout the energy value chain, including exploration and production, master limited partnerships, trading and marketing, independent power sectors and Special Purpose Acquisition Companies as well as extensive experience with securities and exchange offerings, mergers and acquisitions and global accounts. These experiences have exposed him to a wide variety of business experiences including PCAOB requirements, IPOs, emerging accounting and industry views, internal control effectiveness assessments, security offerings and various rules and regulations of the Securities and Exchange Commission. Mr. Zajac earned his Bachelor of Business Administration and Master of Business Administration, from Texas Tech University. He is a licensed Texas Certified Public Accountant.

Tug Eiden, VP of Production and Commercial Development – Mr. Eiden has served as the Company's VP of Production and Commercial Development since 2024. Prior to U.S. Energy, Mr. Eiden served in executive roles at multiple private ventures focused on the acquisition of EandP companies within the Rocky Mountain region. Mr. Eiden was also a corporate advisor at Anadarko Petroleum where he was focused on the development strategies of Anadarko's domestic and international unconventional asset portfolio. Mr. Eiden has served as a drilling and completions engineer at EOG Resources and as an operations engineer at BP, where he started his career. He is a licensed PE and holds a Bachelor of Science in Petroleum Engineering from Montana Technological University and a Master of Business Administration from Southern Methodist University.

Kip Ferguson, Exploration and Business Development - Mr. Ferguson has served in this role since 2022. He brings over thirty-five years of executive management experience in public and private corporations encompassing energy evaluation, drilling and completion operations, acquisitions and divestitures and project management for both fossil fuels and green sustainability programs. Mr. Ferguson served as EVP of Magnum Hunter Corp. and President of the Eagle Ford division building it into a $1 billion asset and property using successful development strategies with technical evaluations, optimization and efficiencies. Mr. Ferguson has managed large oil and gas reserve evaluations that follow Securities Exchange Commission guidelines for public company disclosures. Mr. Ferguson has served on several Board of Directors in the United States, Canada and Australia and has co-authored industry technical papers, as well as, served on many executive teams and professional panels. Mr. Ferguson received a Bachelor of Science degree in Geology from The University of Texas at Austin.

Jakob Hulcy, VP of Operations - Mr. Hulcy has been with the Company since 2022. Prior to U.S. Energy, Mr. Hulcy served at H2O Midstream, LLC. from 2020 to 2022 and at Delaware Energy Services as the Senior Facilities Engineer from 2018 to 2020, managing pipelines, facility designs and construction, as well as daily operations. Prior to his time in the midstream sector, he served various operational engineering roles from 2012 to 2018 at Murex Petroleum Corporation with a primary focus on unconventional Bakken wells. Mr. Hulcy earned his B.S. in Petroleum Engineering from Texas Tech University.

Mason McGuire, VP of Finance and Strategy - Mr. McGuire has been with the Company since 2022 and is largely responsible for acquisition and divestiture diligence and corporate finance related functions. Prior to joining U.S. Energy, he served as a Consultant at Opportune LLP in its Restructuring and Complex Financial Reporting group. While at Opportune, his efforts were focused on transactional due diligence and in- and out-of-court restructuring advisory services to a variety of public and private clients primarily within the upstream and oilfield service space. Mr. McGuire earned his B.A. in Finance and Energy Management from the University of Oklahoma.

FINANCE TEAM MEMBERS

Finance Team Member	Firm	Primary
Bond Counsel	Jackson, Murdo & Grant	Nathan Bilyeu
Placement Agent Counsel	Chapman and Cutler LLP	Hillary Phelps
Placement Agent	KeyBanc Capital Markets	Kurtis Holle

STRENGTHS

- Long organizational history and experienced management.
- Projected financials show significant revenues from Montana Project.

WEAKNESSES

- Continued revenue decreases and asset liquidation.
- Build up of project is expected to take 8-10 months from financing before substantial project revenue has been produced.

RECOMMENDATION

- Approval of the financing is recommended based upon the Borrower’s expansion plans to meet debt service, the strength of its leadership team and the potential revenues from expansion of services.

RESOLUTION NO. 26-02

RESOLUTION RELATING TO REVENUE BONDS, SERIES 2026 (U.S. ENERGY PROJECT); MAKING FINDINGS WITH RESPECT TO THE PROJECT AND THE BONDS; AUTHORIZING AND APPROVING THE SALE AND ISSUANCE OF THE BONDS SECURED BY PAYMENTS TO BE RECEIVED PURSUANT TO A LOAN AGREEMENT, AND AN ASSIGNMENT OF THE AUTHORITY'S INTEREST IN THE LOAN AGREEMENT AND PAYMENTS THEREUNDER TO THE OWNERS OF THE BONDS; AND AUTHORIZING THE EXECUTION OF DOCUMENTS WITH RESPECT THERETO.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

ARTICLE I

RECITALS

Section 1.01. The Authority is authorized by Montana Code Annotated, Title 90, Chapter 7, Parts 1, 2 and 3, as amended (the "Act"), to issue and sell its revenue bonds and loan the proceeds thereof to one or more institutions (as defined in the Act) to finance, refinance or provide reimbursement for certain allowable costs of acquiring, constructing and equipping eligible facilities (as defined in the Act). Bonds so issued are payable solely from the revenues and assets derived from the participating institutions (as defined in the Act) and do not constitute a debt, liability or obligation of the State of Montana (the "State") or a pledge of the faith and credit thereof. The Authority is required to secure the bonds by pledging the revenues received from the participating institutions. The Authority may also secure the bonds by mortgages, assignments, and other security devices deemed advantageous by the Authority pursuant to a trust agreement between the Authority and a corporate trustee.

Section 1.02. U.S. Energy Corp (NASDAQ: USEG) (the "Corporation") is an independent energy company, incorporated in Delaware, authorized to do business in the State.

Section 1.03. The Corporation desires to construct and/or develop a processing plant and infrastructure to process high purity gaseous helium, supply liquefied enhanced oil recovery grade carbon dioxide, and sequester carbon dioxide (the "Project") and has requested that the Authority, acting pursuant to and in accordance with the Act, authorize the issuance of its Montana Facility Finance Authority Revenue Bonds, Series 2026 (U.S. Energy Project) (the "Series 2026 Bonds"), in a principal amount not to exceed $40,000,000, the proceeds of which will be loaned by the Authority to the Corporation to fund a portion of the costs of the Project (the "Loan"). Under the provisions of the Act, the Series 2026 Bonds shall be a special, limited obligation of the Authority payable solely from revenues, including loan repayments from the Corporation, and shall not constitute a debt, liability, obligation or pledge of the faith, credit, or taxing powers of the State. Costs of the Project in excess of the proceeds of the Series 2026 Bonds shall be paid by the Corporation with other available cash.

Section 1.04. The Series 2026 Bonds are intended to be issued as taxable bonds, and thus the Authority does not intend to conduct a public hearing under Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), with respect to the financing of the Project and the issuance and sale of the Series 2026 Bonds.

Section 1.05. If the Series 2026 Bonds are issued and sold, the Authority will enter into various agreements, including but not limited to a bond indenture of trust (the "Bond Indenture") or similar agreement with a trustee (the "Bond Trustee") providing for the issuance of the applicable Series 2026 Bonds, and a loan agreement or similar agreement with the Borrower satisfying the requirements of the Act (the "Loan Agreement"). If Program Bonds are issued and sold, the following documents will be prepared and entered into (collectively, the "Program Documents"):

(a) The Loan Agreement (the "Loan Agreement") to be entered into by the Authority and the Corporation (a preliminary draft of which has been provided to the Authority);

(b) Indenture of Trust (the "Indenture"), to be entered into by the Authority and U.S. Bank Trust Company, National Association, or similar trust company, as trustee (the "Bond Trustee") (a preliminary draft of which has been provided to the Authority);

(c) Combination Mortgage, Security Agreement, and Fixture Financing Statement to be executed by Borrower in favor of the Program Trustee, or similar security document;

(d) Other documents as may reasonably be required by the purchasers of the Series 2026 Bonds; and

Section 1.06. Unless the context requires otherwise, the terms defined in the Loan Agreement and Indenture shall, for all purposes of this Resolution (including the recitals and exhibits hereto), be incorporated herein by this reference, and shall have the meanings specified in such places, such definitions to be equally applicable to both the singular and plural forms of any of the defined terms.

ARTICLE II

FINDINGS

Based on information provided by the Corporation and such other facts and circumstances as the Authority deems relevant, the Authority hereby finds, determines, and declares as follows:

(a) Each of the facilities being financed by the Project is an "eligible facility" within the meaning of the Act, and will be owned and/or operated by the Corporation, which is an "institution" within the meaning of the Act;

(b) The Loan payments to be made by the Corporation pursuant to the Loan Agreement and the Indenture shall be sufficient, if paid timely and in full, to pay the principal of, premium, if any, and interest on the applicable Bonds as and when the same shall become due and payable, to maintain sufficient debt service reserve funds therefor, to meet all other obligations in connection with such agreement and to provide for costs of servicing and securing such Bonds and loan of the proceeds of such Bonds;

(c) The loan of the proceeds of the Series 2026 Bonds to the Corporation pursuant to the Loan Agreement will not exceed the total eligible costs of the Project as determined by the Corporation;

(d) Based solely upon information provided and representations made by the Corporation, the Project is financially feasible and the Corporation will have sufficient revenues to provide for the payment of the principal of and interest with respect to the Series 2026 Bonds as due;

(e) Pursuant to the Indenture, the loan repayments and certain other amounts payable under the Loan Agreement will be pledged to the repayment of the Bonds;

(f) Based solely upon information provided and representations made by the Corporation, the Corporation has sufficient expertise to operate the Project;

(g) Based solely on information provided and representations made by the Corporation, the facilities being financed through the Project do not significantly affect the quality of the human environment, within the meaning of Montana Code Annotated, Section 75-1-201(1)(a)(iv);

(h) The Project Facilities are or will be owned and/or operated by the Corporation for the purpose of fulfilling its obligations to provide an eligible facility under the Act;

(i) Based solely upon information provided and representations made by the Corporation, the Corporation has sufficient experience and expertise to operate the facilities being financed; and

(j) Based solely upon information provided and representations made by the Corporation, including projected Project revenues and expenses, the Project is financially feasible and the Corporation will have sufficient revenues to provide for the payment of the principal of and interest on the Loan, as due.

The foregoing findings and determinations are made pursuant to the Act and are not made for the benefit of, and may not be relied upon by the Owner of the Series 2026 Bonds.

ARTICLE III

APPROVAL AND AUTHORIZATIONS

Section 3.01. Authority hereby determines that the issuance of its Bonds is in the best interests of the State of Montana (the "State") and authorizes its staff, together with Jackson, Murdo and Grant P.C., or other nationally recognized bond counsel, as bond counsel to the Authority ("Bond Counsel"), to prepare documents necessary to issue the Bonds and loan the proceeds thereof to the Borrower. The Authority hereby approves the issuance of the Bonds in a maximum aggregate principal amount not to exceed $40,000,000 for the purposes set forth in Section 1.03 hereof. The Series 2026 Bonds shall be special, limited obligations of the Authority payable solely from and secured by the payments required to be made by the Borrower (except to the extent payable from the proceeds of the Series 2026 Bonds) and will not constitute or give rise to a pecuniary liability of the Authority or a charge against the general credit or taxing powers of the State.

The Bonds may be sold to one or more underwriters in public offerings and/or one or more financial institutions in private placement transactions (each, a "Purchaser"), each such Purchaser to be selected by the Authority and the Borrower. The Bonds will be sold pursuant to one or more Bond Purchase Agreements among the Authority, the Borrower, and the applicable Purchaser (each, a "Bond Purchase Agreement").

Section 3.02 The Authority hereby authorizes and directs any one or more of the Executive Director, the Chair, or the other members of the Authority to negotiate the sale of the Bonds to the applicable Purchasers. The Bonds shall be in the principal amounts, mature on such dates, bear interest at such rates, be subject to redemption, bear such dates, and be sold at such purchase prices as are set forth in the applicable Bond Purchase Agreement; provided that:

(a) the aggregate principal amount of the Series 2026 Bonds shall not exceed $40,000,000 (exclusive of any original issue premium or discount thereon);

(b) the true interest cost for each series of the Bonds shall not exceed 15.00% per annum, or such other true interest cost as shall be negotiated in the Bond Purchase Agreement and which, in the judgment of the Executive Director, shall provide Debt Service Ratios that do not impair the reasonable likelihood of repayment of the Series 2026 Bonds given the information detailed in the Company's pro forma provided to the Authority, as amended from time to time;

(c) the final maturity of each series of Bonds shall not exceed 40 years from the date of issuance thereof; and

(d) the provisions for prepayment, purchase, and redemption of the Series 2026 Bonds prior to their stated maturity shall be detailed in the Indenture and/or Loan Agreement.

Such approval by the Executive Director shall be conclusively evidenced by the Executive Director's execution of the documents approved herein. The Series 2026 Bonds shall be dated their date of issuance and in such form as is approved by the officer or officers executing the same.

The Series 2026 Bonds shall be a special limited obligation of the Authority, payable solely from the money and investments in the Bond Fund.

The Series 2026 Bonds shall be secured by the Program Documents and by a pledge of the money and investments in the Bond Fund. As additional security for the Series 2026 Bonds, the Authority shall assign its rights, title, and interests in the Indenture, the Series 2026 Bonds, the Loan Agreement, and all other loan documents to the Owner of the Series 2026 Bonds, without recourse.

The Series 2026 Bonds shall be executed on behalf of the Authority with the facsimile or manual signatures of the Chair and the Executive Director of the Authority, and shall be authenticated by an authorized representative of the Registrar.

Section 3.02. The Authority hereby authorizes, accepts, approves and agrees to all the terms and conditions of the following documents, in substantially the forms available to the Authority on this date, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, to be in the best interest of the Authority, which documents authorize, *inter alia*, the delivery of the Series 2026 Bonds; the Loan of the proceeds of the Series 2026 Bonds to the Corporation for the Project; the appointment of the U.S. Bank Trust Company, National Association, or similar trust company, as the Bond Trustee and Registrar; the establishment with the Bond Trustee of a "Bond Fund" as a special trust fund for the payment of and security for the Series 2026 Bonds; the pledge of the money and investments in the Bond Fund as security for the Series 2026 Bonds; and the assignment or delegation, as appropriate, of the Authority's rights, title and interest in the Loan Agreement, the Indenture and all other loan documents to the Owner, without recourse, as additional security for the Series 2026 Bonds:

(a) The Indenture,

(b) The Loan Agreement,

(c) The Series 2026 Bonds,

(d) The Combination Mortgage, Security Agreement, and Fixture Financing Statement; and

(e) All other certificates, documents, and other papers which, in the judgment of either the Chair, the Executive Director, and/or the Associate Director of the Authority (whoever actually executes such documents), are necessary to the sale and delivery of the Series 2026 Bonds, and the loan of the proceeds thereof to the Corporation for the Project.

Section 3.03. The Chair, the Executive Director and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are each hereby authorized and directed to execute or endorse and assign, as appropriate, for and on behalf of the Authority, and to deliver to the parties entitled to executed copies of the same, the Indenture, the Loan Agreement, the Series 2026 Bonds, the Combination Mortgage, Security Agreement, and Fixture Financing Statement, and the certificates, documents and other papers described in Section 3.02(e) hereof, in each case, with such additions, deletions and modifications as are hereafter deemed by the Chair, the Executive Director and/or the Associate Director of the Authority (whoever actually executes such documents) to be necessary to conform such documents to each other and/or to be in the best interests of the Authority. The Chair and the Executive Director of the Authority are hereby authorized and directed to execute, for and on behalf of the Authority, the Series 2026 Bonds, and to deliver the same to the Purchaser in consideration of payment in full of the purchase price therefor. The Chair, the Executive Director, and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are authorized, for and on behalf of the Authority, to endorse to the Owner, without recourse, any and all negotiable instruments made payable to the Authority in payment for the Series 2026 Bonds. The Chair, the Executive Director, and the Associate Director of the Authority, or any one or more of them acting alone or in combination, are hereby authorized and directed to take such other actions to consummate the sale of the Series 2026 Bonds as may be necessary or desirable.

In connection with any public offering of the Series 2026 Bonds, the Authority staff is hereby authorized and directed to cooperate with the Borrower, the applicable Purchasers and each of their counsel in the preparation of a Preliminary Official Statement and a final Official Statement to be distributed to prospective purchasers of such Series 2026 Bonds; provided, however, that the Authority takes no responsibility for, and makes no representations or warranties as to, the accuracy, completeness or sufficiency of the information in any Preliminary Official Statement or any final Official Statement, except as to matters relating to the Authority. The Executive Director is authorized on behalf of the Authority to deem any Preliminary Official Statement near final as of its date, in accordance with Rule 15c2-12(b)(1) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Section 3.04. The Series 2026 Bonds shall not be valid or obligatory for any purpose or be entitled to any right or benefit hereunder unless an authorized representative of the Registrar shall have manually signed on the Series 2026 Bonds a certificate of authentication. Such certificate of authentication shall be conclusive evidence that the Series 2026 Bonds so authenticated has been duly issued under this Resolution, and that the Owner is entitled to the benefits hereof.

Section 3.05. The Authority, the Registrar, the Corporation and their respective successors, each in its discretion, may deem and treat the Owner as the absolute owner of the Series 2026 Bonds for all purposes; and neither the Authority, the Registrar, the Borrower, nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on the Series 2026 Bonds shall be made only to or upon the order of the Owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Series 2026 Bonds to the extent of the sum or sums so paid.

Section 3.06. If the Series 2026 Bonds become mutilated, lost, stolen or destroyed, the Registrar may authenticate and deliver a new Series 2026 Bonds of the same outstanding principal amount, interest provisions and maturity and of like tenor and effect in substitution therefore, all in accordance with the provisions of applicable State law. Or, if the mutilated, lost, stolen, or destroyed Series 2026 Bonds have matured, the Registrar may, at its option, pay the same without the surrender thereof. However, no such substitution or payment shall be made unless the applicant shall furnish (a) evidence satisfactory to the Registrar of the destruction or loss of the original Series 2026 Bonds and of the ownership thereof; (b) any written affidavit required by applicable

State law; and (c) any such additional security and indemnity as may be required by the Registrar. No substitute Series 2026 Bonds shall be furnished unless the applicant shall reimburse the Authority and the Registrar for their expenses in the furnishing thereof. Any such substitute Series 2026 Bonds so furnished shall be clearly marked "Duplicate."

Section 3.07. The Authority hereby appoints the Bond Trustee to serve as the initial Registrar for the Series 2026 Bonds. The Registrar shall keep proper registry and transfer records in which shall be noted the registration and transfer of the Series 2026 Bonds, in the manner and to the extent specified in this Resolution. The Registrar for the Series 2026 Bonds shall be one or more associations or corporations organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise trust powers, having a combined capital and surplus of at least $20,000,000 and subject to supervision or examination by federal or state authority. In case at any time the Registrar shall cease to be eligible in accordance with the provisions of this Section 3.07 and another association or corporation is eligible, the Registrar shall resign immediately in the manner and with the effect specified in the following paragraph. The Registrar may resign and be discharged by giving to the Authority, the Owner and the Borrower 90 days' advance written notice. Such resignation shall take effect on the day specified in such notice but the resigning Registrar shall not be discharged from its obligations on such date unless another Registrar has been appointed or is acting hereunder. For so long as the Bank is the Owner of the Series 2026 Bonds, the Authority shall not remove the Trustee as the Registrar unless the Bond Trustee fails to qualify to serve as the Registrar pursuant to this Section 3.07 or has breached its obligations as Registrar hereunder.

ARTICLE IV

FEES

As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning services fees. The Authority hereby determines that the initial planning service fee for the Series 2026 Bonds shall be determined in accordance with current policy and is currently estimated to be 12.5 basis points (0.125%) times the original principal amount of the Series 2026 Bonds, and the annual planning service fee for the Series 2026 Bonds shall be 5 basis points (0.05%) times the then- outstanding principal amount of the Series 2026 Bonds, unless and until changed by the Authority. No Owner of the Series 2026 Bonds or any other outstanding bonds of the Authority shall have any interest in such funds or any right, by contract or otherwise to direct the application of such funds to the payment or security of such bonds.

ARTICLE V

LIMITED LIABILITY OF AUTHORITY AND STATE OF MONTANA

The Series 2026 Bonds are a special, limited obligation of the Authority, payable solely from the Bond Fund, and shall be secured by the Program Documents and a pledge of the money and investments in the Bond Fund. The Series 2026 Bonds shall not constitute or give rise to a pecuniary liability of the Authority or a charge against the credit or general taxing powers, if any, of the State. The State is not liable on the Series 2026 Bonds. The Series 2026 Bonds are not a debt of the

State, and neither the faith and credit nor the taxing power of the State is pledged to the payment of the principal of or the interest on the Series 2026 Bonds. The Owner of the Series 2026 Bonds shall have no right to compel the exercise of the taxing power, if any, of the State or any political subdivision thereof to pay any principal of or interest on the Series 2026 Bonds.

PASSED AND APPROVED BY THE MONTANA FACILITY FINANCE AUTHORITY, this February 10, 2026.

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By: Vu Pham
Its: Chair

Native American Development Corporation
Billings, Montana
Trust Fund Loan & Direct Loan Combination
Loan Summary

ELIGIBLE HEALTH FACILITY

The Native American Development Corporation ("NADC" or the "Organization") is a nonprofit organization established in 1996 and located in Billings, Montana. The Organization acts as a liaison for state, regional, national, and international economic development organizations and agencies for American Indian-owned businesses in Montana, Wyoming, and North and South Dakota.

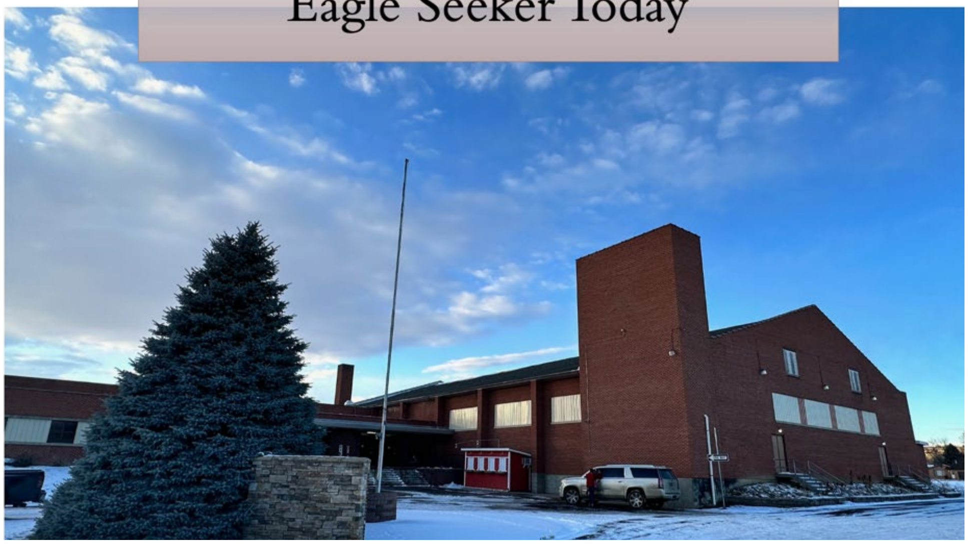
In 2018, the Organization opened the Billings Urban Indian Health and Wellness Center ("BUIHWC" or the "Clinic") to serve the American Indian population living in Billings and Yellowstone County through a range of culturally appropriate medical services. In 2024, the Organization created another entity, Indigenuity Clinical Lab, LLC. This entity was created to enhance healthcare delivery and support community health initiatives, tackling significant health disparities that affect both Native Americans and other underserved populations. Indigenuity Clinical Lab, LLC is a wholly owned subsidiary.

PROJECT AND COST

The Authority received a loan application from the Organization on January 29, 2026. The loan amount is **$2,000,000** for a project where the MFFA loans will be used to fund the replacement and expansion of the Organization's current Billings Urban Indian Health and Wellness Center. The full project cost is $20.5 million where $18 million will be a loan placed by the Coldwell Banker Richard Ellis Group ("CBRE"), $2 million is from the MFFA, and $500,000 from grant funds.

- Located at 1125 Broadwater Avenue, the new 35,500-square-foot facility will double current patient capacity and expand the range of integrated services, including comprehensive primary care, behavioral health, pharmacy, diagnostic laboratory, physical therapy, dental and community-based wellness programming.
- The Clinic's outpatient health clinic and community health programs aim to reach 35,000 to 40,000 American Indian and Alaska Native individuals and families across Eastern Montana, over 50% of Montana's Native population.
- The Clinic's operations are designed to generate revenue through insurance reimbursements and in-house pharmacy and lab services. Surplus income will support future community initiatives such as affordable housing, workforce development, and programs that promote economic self-sufficiency.

Eagle Seeker Today



New Eagle Seeker Project Renderings

Sources & Uses

Sources:	
Eagle Seeker Project	
CBRE Loan	18,000,000
MFFA Trust Fund Loan	1,500,000
MFFA Direct Loan	500,000
Murdock Trust Grant	500,000
TOTAL	**$ 20,500,000**
Uses:	
Building Construction	16,000,000
Refinance of Building Purchase	2,500,000
Reimbursement for Construction	1,500,000
Furniture Fixtures, Equipment	500,000
TOTAL	**$ 20,500,000**

Program Trust Fund Loan & Direct Loan Combination

Loan Term 25-Year Trust Fund Loan; 10-Year Direct Loan

Interest Rate Est. 6.02% Trust Fund Loan & 4.56% Direct Loan

Payment Est. $14,919.10 a month; $179,029.24 annually

Closing date Est. 3/30/2026

Maturity Date Est. 4/15/2051 Trust Fund Loan; 4/15/2036 Direct Loan

Security UCC on cash account or mortgage on other properties held by NADC

Utilization Statistics

	FY2022	FY2023	FY2024
Medical	2,233	2,314	2,234
Behavioral Health	3,627	3,733	4,096
Enabling Services Patient Naviga-tion/NAEP/Transportation	573	1,412	1,979

Payor Mix

Payor Mix	FY 2022	FY 2023	FY 2024
Medicaid	71%	72%	66%
Medicare	7%	8%	11%
Blue Cross Blue Shield	13%	11%	12%
Commercial	9%	9%	11%
Total	**100%**	**100%**	**100%**

MARKET/COMPETITION

NADC cares for eligible recipients as defined in the Indian Health care Improvement Act residing within Yellowstone County. The Organization provides primary health care to eligible recipients under a contract funding Title V of the Indian Health Care Improvement Act.

The current clinic provides primary, mental and behavioral healthcare services to approximately over 1,000 patients a month and 12,000 annually. The number of patients served is limited due to a smaller staff as a result of limited space. The Clinic operates with a conservative staff of approximately 30 employees.

The health services provided are: primary care, pediatric care, MAT services, diabetes education and nutrition, cancer related services, laboratory services to support medical and behavioral health services, health education and harm reduction, integrated behavioral health, outpatient mental health therapy, outpatient substance use disorder treatment, behavioral health peer support, behavioral health integration, cultural competency training, community health and wellness, veteran health, and school based behavioral health services.

This project will allow the Organization to expand into additional health services including, but not limited to: dental, physical therapy, occupational therapy, geriatrics, school based medical and dental services, care coordination and sobor living, telehealth, lab services to Tribal communities and pharmacy services. Other considerations are cardiac rehabilitation, optometry, speech, audiology, and personal fitness services under a prescription for good health. The additional services will require additional staff resulting in the ability to service approximately 20,000 more patients. This will bring approximately30,000 patients annually.

Other organizations in this industry are Riverstone Health and Rimrock Foundation. NADC is the only entity that provides culturally sensitive services and awareness.

GOVERNANCE

The Organization is governed by a board of directors presently consisting of seven voting members. All members are Native American individuals and serve three-year terms.

EXECUTIVE MANAGEMENT TEAM

Leonard Smith, Chief Executive Officer and Founder – Mr. Smith is an enrolled member of the Assiniboine & Sioux tribe and current Executive Director of the Native American Development Corporation and Interim Director of the Billings Urban Indian Health & Wellness Center. Mr. Smith has a Bachelor of Science in Business Management from Montana State University Billings and 30 years experience in organizational and business development. His experience consists of founding NADC, Native American Manufacturer’s Network, a consortium of managers for tribal enterprises and organizing funding for the Tribal Leadership Council for Montana and Wyoming Tribes. His business experience consists of working as the Chief Executive Officer of a Tribal Enterprise, Deputy District Director/Assistant District Director for Business Development with the U.S. Small Business Administration, Montana District Office, Director of Missoula Indian Center, Assistant Vice president of the Indian Credit Corporation and owner of a business consulting firm.

Mary Walks Over Ice, Chief Operations Officer – Mrs. Walks Over Ice is an enrolled member of the Assiniboine Tribe of Ft Belknap and is the COO for the Organization. Previously, Mary managed the Procurement Technical Assistance Center which is funded by the Department of Defense with oversight from the Defense Logistics Agency. Mary was in managerial roles with the program since its inception in 2009. Before joining NADC in 2009, Mary worked for her family's Engineering firm which serves over 26 reservations in a six-state area. Mary holds a Bachelor of Science Degree in Microbiology from Montana State University and has studied Business Administration at Rocky Mountain College.

Shayne Frank, Chief Development Officer – Mrs. Frank is an enrolled member of the Assiniboine & Sioux Tribes of the Fort Peck Indian Reservation and is the Chief Development Officer for NADC. With over 20 years of experience in diverse business sectors, Shayne is an executive known for optimizing resources, empowering teams, and delivering impactful results. She is leading the construction project acting as the representative/project manager based on her construction background. Shayne holds a Bachelor's degree in education and business administration, as well as an MBA.

Piyush Barad, Chief Financial Officer – Mr. Barad brings more than a decade of senior financial leadership experience in Indigenous-serving organizations across Canada. Prior to joining NADC, Mr. Barad held positions including Finance Manager, Director of Finance and Operations, and Chief Financial Officer for various First Nations communities, where he specialized in fiscal oversight, risk management, fund accounting, and operational leadership. Piyush is currently focused on enhancing NADC's financial stability, liquidity, and long-term growth. His role includes overseeing financial operations across NADC and its affiliated entities, guiding strategic acquisitions, and developing new business opportunities that align with the organization's mission to empower Native communities.

Brandy M. Couture, PHD.- Director of Strategy and Senior Vice President for Indigenuity Clinical Lab, Inc. – Dr. Couture is a performance psychologist, executive leader, and practitioner-scholar with more than 15 years of experience advancing organizational effectiveness, performance optimization, and equity-centered systems across healthcare, community development, higher education, and athletics. She holds a Doctor of Philosophy in Psychology with an emphasis in Performance Psychology and a Master of Science in Leadership from Grand Canyon University. Dr. Couture serves in senior executive leadership roles including Director of Strategy and Senior Vice President for Indigenuity Clinical Lab, Inc., a Native-led, CLIA-certified laboratory focused on improving health outcomes in Tribal and underserved communities. In addition to her executive leadership, Dr. Couture is the Founder and Chief Executive Officer of Optimized Performance Solutions, Ltd., an independent consulting firm specializing in performance optimization, organizational effectiveness, and strategic capacity building.

Laura Kraft McRae, Loan Program Manager – Mrs. Kraft McRae leads the underwriting, structuring, and administration of commercial and community development loans supported by federal and mission-driven capital sources. Laura oversees a multi-fund revolving loan portfolio, including EDA and SSBCI-supported programs, and manages the full lending lifecycle from credit analysis and closing through post-closing monitoring and portfolio reporting. She holds a Master of Business Administration and is currently pursuing a Doctor of Business Administration in Finance, with a focus on CDFI sustainability, risk management, and capital stewardship.

Ben Sanders, Business Finance Manager – Mr. Sanders is an enrolled member of the Northern Cheyenne Nation and has a Bachelor of Science degree in Exercise Physiology with a minor in Business Administration and Mathematics from Rocky Mountain College. Additionally, Mr. Sanders holds an Masters in Business Administration from Gonzaga University with a focus in American

Indian Entrepreneurship. His experience includes management roles in finance as Staff Accountant, Treasurer, Financial Administrator, and Comptroller. His tribal business experience with the Section 17 Corporation at Northern Cheyenne includes responsibilities as a Board Member and CEO. Before joining, NADC in 2021, Ben worked as an independent consultant providing services to tribes and tribal entities in business management.

Jessica Big Bull, Director of Finance and Accounting – Mrs. Big Bull is an experienced Accounting and Finance professional with a strong background in financial management, reporting, and internal controls within complex organizational environments. Mrs. Big Bull plays a critical role in ensuring the accuracy, integrity, and timeliness of financial statements in accordance with GAAP and applicable regulatory requirements. She works closely with senior leadership, external auditors, and financial partners to support audits, lender reporting, and compliance obligations tied to financing and credit agreements. Mrs. Big Bull holds a degree in Commerce, CAFM, Accounting and Public Administration. She has 18 years of accounting experience supporting operational and strategic financial decision-making.

Kenneth R. Smoker, Jr., Center Director, Billings Urban Indian Health and Wellness Center – Mr. Smoker has spent over four decades advancing community health and wellness across Indian Country. Mr. Smoker oversees comprehensive acute care, preventive health, behavioral health, and school-based services that reach Native and non-Native families across the Billings area. Prior to this role, Mr. Smoker served for over 20 years as Health Programs Specialist and Director of Health Promotion and Disease Prevention for the Indian Health Service and the Fort Peck Tribes.

Mr. Smoker's helped construct the Thundering Buffalo Health and Wellness Center, a 55,000-square-foot facility offering comprehensive medical care. This award-winning facility stands as a national model for tribally led health infrastructure and earned recognition from Harvard University's Kennedy School of Government for Excellence in Tribal Governance. He has also overseen the development of five school-based health clinics on the Fort Peck Reservation, delivering integrated care. A graduate of Rocky Mountain College and the University of Mary, Mr. Smoker combines strategic planning, business acumen, and deep community commitment to build partnerships that improve health access and equity.

Historical Financials

FISCAL YEARS ENDED 9/30	FY2022	FY2023	FY2024
ASSETS			
Cash & Cash Equivalents	4,395,908	3,199,044	14,765,806
Accounts Recvbls (net) & Due from 3rd-Party Payors	133,551	3,295,820	1,551,400
Other Receivables	1,296,888	306,851	600,105
All Other Current Assets	16,669	-	-
Total Current Assets	**$ 5,843,017**	**$ 6,801,715**	**$ 16,917,311**
Fixed Assets	1,551,233	4,715,141	6,015,225
Accumulated Depreciation	334,352	543,038	744,695
Fixed Assets (net)	1,216,880	4,172,103	5,270,530
Other Assets	691,313	1,109,676	1,202,564
Total Assets	**$ 7,751,210**	**$ 12,083,494**	**$ 23,390,405**
LIABILITIES			
Accounts Payable & Other Accrued Expenses	717,536	975,292	1,102,051
Current Portion of Long-Term Debt	252,498	256,203	255,182
Other Current Liabilities	4,728,313	3,171,651	3,504,217
Total Current Liabilities	**$ 5,698,347**	**$ 4,403,146**	**$ 4,861,450**
Long-Term Debt (Less Current Portion)	796,647	2,510,244	2,472,482
Unrestricted Fund Balance	(314,187)	3,820,377	15,001,987
Restricted Fund Balance	1,570,403	1,349,727	1,054,486
Fund Balance	1,256,216	5,170,104	16,056,473
Total Liabilities & Fund Balance	**$ 7,751,210**	**$ 12,083,494**	**$ 23,390,405**
Operating Revenue & Support	1,467,670	7,535,125	5,478,671
Donations	-	-	10,000,000
Other Operating Revenue	6,579,618	4,597,196	6,614,427
Total Operating Revenue	**$ 8,047,288**	**$ 12,132,321**	**$ 22,093,098**
Interest	46,438	186,153	148,774
Depreciation & Amortization	65,211	208,686	277,671
Other Operating Expenses	8,058,690	8,984,611	10,624,597
Total Operating Expenses	**$ 8,170,339**	**$ 9,379,450**	**$ 11,051,042**
Income from Operations	$ (123,051)	$ 2,752,871	$ 11,042,056
Excess of Rev Over Exp Excl Extraord Items	**$ (123,051)**	**$ 2,752,871**	**$ 11,042,056**

KEY RATIOS

Key Ratios	FY 2022	FY 2023	FY 2024
Current Ratio	1.03	1.54	3.48
Cushion Ratio	64.31	7.29	36.46
Days Cash on Hand	197.96	127.32	500.26
Days in Accounts Receivable	33.21	159.65	36.58
Operating Margin	-1.53%	22.69%	49.98%
Debt to Capitalization	165.12%	39.65%	14.15%
Debt Service Coverage (x)	-0.17	7.18	28.32

FINANCIAL OBSERVATIONS

Fiscal Year 2025 Financial Observations (12 months)

NADC did not receive another $10 million donation like it did in FY 2024 so income from operations decreased from $11.04 million in FY 2024 to $215,088 in FY 2025. Assets and liabilities decreased slightly from $23.39 million in FY 2024 to $22.84 million in FY 2025. Funds available for debt service are still positive at $219,255.

Current Assets / Liabilities:

- Cash and cash equivalents increased from $3.19 million in FY 2023 to $14.76 million in FY 2024. The increase was due to an unrestricted $10 million donation received near the end of 2024.
- Accounts receivable fluctuated from $133,551 in FY 2022 to $3.29 million in FY 2023 to $1.55 million in FY 2024. This change was due to multiyear reimbursable grants and with timing and revenue deferred.
- Fixed assets changed from $1.55 million in FY 2022 to $6.01 million in FY 2024. This change was due to the renovations to the clinic building and purchasing equipment for the lab.
- Unrestricted fund balance changed from ($314,187) in FY 2022 to $15 million in FY 2024. The $10 million unrestricted donation was the majority reason for this change as well as an increase in revenue for third-party revenue for medical reimbursements.

Revenues and Expenses:

- Operating revenue and support increased from $7.53 million in FY 2023 to $15.47 million in FY 2024. The increase was due to the unrestricted $10 million donation received near the end of 2024.
- Other operating expenses increased from $8.98 million in FY 2023 to $10.62 million in FY 2024. The increase was mainly for salaries, benefits, contractors, subrecipients, legal, travel, and AICS expenses and increase in program capacity.

ANTICIPATED FINANCIAL CHANGES DUE TO PROJECT

The construction of a new building allows the Organization the opportunity to grow and meet the needs of the community on a larger scale through services and partnerships that ultimately effect the bottom line. The potential partnerships created extend beyond the Billings community and into its sistering states and beyond. The additional services and partnerships are projected to increase revenues by 25% in the first year of operation and significantly more over the next 3-5 years.

Pro Forma

Pro Forma	FY 2022	FY 2023	FY 2024	Pro Forma FY 2024
Revenues Minus Expenditures	(123,051)	2,752,871	11,042,056	11,042,056
Add Depreciation/Amortization	65,211	208,686	277,671	277,671
Interest Expense	46,438	186,153	148,774	148,774
Available for Debt Service	(11,402)	3,147,710	11,468,501	11,468,501
Existing Debt Service	68,350	438,651	404,977	404,977
Debt Service on New Money	N/A	N/A	N/A	1,617,296
Total Debt Service	68,350	438,651	404,977	2,022,273
Debt Service Ratio Calculation	(0.17)	7.18	28.32	5.67

*Debt service on new money includes:

1,438,267	CBRE Loan
116,541	MFFA Trust Fund Loan
62,488	MFFA Direct Loan

Projected P&L	2026 - 2027	2027 - 2028	2028 - 2029
Revenue			
Grants, Contracts, Donations	2,076,198	2,162,762	2,174,762
Third Party Billing	1,848,060	2,310,076	2,310,076
Lab Dividends	-	420,000	420,000
Pharmacy	-	300,000	300,000
Total Revenue	**3,924,258**	**5,192,838**	**5,204,838**
Expenses			
Personnel	1,122,811	1,438,683	1,401,610
Non Personnel	701,388	701,689	701,388
Debt Service	1,631,712	1,631,712	1,631,712
Total Expenses	**3,455,911**	**3,772,084**	**3,734,710**
Net Income	**468,347**	**1,420,754**	**1,470,128**

Strengths

- The 2024 donation dramatically improves NADC's cash position.
- The Facility holds no long-term debt.
- The Facility receives multiple federal funds for being an Indian Health Services organization.

Weaknesses

- Difficult operating environment for healthcare creates long-term uncertainty.
- Is in the process of building a new facility which can limit revenue sources throughout buildout.

RECOMMENDATION

The MFFA has a reasonable expectation of loan repayment by Native American Development Corporation and approval is recommended for these reasons:

- Small loan amount which can be paid back easily.
- Strong cash position
- Strength of collateral to cover the loan

RESOLUTION NO. 26-03

RESOLUTION ON A PROPOSAL TO MAKE A LOAN TO THE NATIVE AMERICAN DEVELOPMENT CORPORATION PURSUANT TO TITLE 90, CHAPTER 7, AND TITLE 17, CHAPTER 6, PART 3, MONTANA CODE ANNOTATED, AS AMENDED; APPROVING THE RELATED LOAN APPLICATION; APPROVING THE PROJECT AND THE TERMS AND CONDITIONS OF THE LOAN AND THE EXECUTION OF DOCUMENTS RELATED THERETO.

BE IT RESOLVED by the Montana Facility Finance Authority (the "Authority"), as follows:

Section 1. Recitals.

1.01. The Authority is authorized pursuant to Title 90, Chapter 7, and Title 17, Chapter 6, Part 3, Montana Code Annotated, as amended (hereinafter referred to as the "Act"), to make a loan from the Permanent Coal Tax Trust Fund for a capital project as defined in the Act. The Native American Development Corporation, a Montana non-profit corporation with its operations located in Billings, Montana (the "Obligor") has presented a proposal to the Authority requesting the Authority assist the Obligor with renovation and expansion of its Eagle Seeker Community Center facilities used by the Billings Urban Indian Health and Wellness Center (the "Project") by making a loan to the Obligor in an amount not to exceed $1,500,000 (the "Loan").

1.02. The Authority determines that the Loan is for a capital project as described in the Act and does not exceed 10% of the $15,000,000 amount of the Permanent Coal Tax Trust Fund to be administered under the Act by the Authority.

1.03 The Authority has received the Obligor's Loan application and deems the application complete and determines that the Project is eligible for financing under the Act.

1.04 The Authority and the Board of Investments of the State of Montana have calculated the interest rate for the Loan in accordance with a commitment letter specifying the date through which the commitment is valid, the interest rate and term of the Loan.

1.05 The following documents relating to the Project and the Loan will be prepared and shall be placed on file in the office of the Authority:

(a) A Loan Agreement (with exhibits and attachments), the "Loan Agreement," with the Authority as Lender and Obligor as borrower;

(b) A Mortgage and Security Agreement, the "Mortgage", if applicable; and

(c) A Note in the principal amount of the Loan from the Obligor to the Authority (the "Note").

Section 2. Findings.

2.01. Based on the application, the Authority hereby finds, determines, and declares as follows:

(a) the Obligor is an "institution" and the Project consists of the financing or refinancing of "eligible facilities" within the meaning of the Act, in that the improved facility is a medical treatment facility;

(b) the amount of the Loan to the Obligor pursuant to the Loan Agreement based solely on information provided and representations made by the Obligor will not exceed the total eligible costs of the Project;

(c) pursuant to the Loan Agreement, the Loan repayments will be sufficient to pay the principal of, and interest on the Note as due, to meet all other obligations in connection with the Loan Agreement and to provide for costs of servicing and securing the Note;

(d) the Project is to be operated by the Obligor for the purpose of providing medical and mental health services;

(e) based solely upon information and representations provided by the Obligor, the Obligor will have sufficient revenues to provide for the payment of the principal of and interest on the Loan as due;

(f) pursuant to Section 17-6-308(4). MCA, the Loan Agreement will provide that principal and interest payments on the Loan will be deposited in the Coal Severance Tax Permanent Fund until all principal and interest has been paid;

(g) the Project is not subject to certificate of need approval under Montana Code Annotated, Title 50, Chapter 5, Part 3, as amended; and

(h) the Loan complies with the terms of the Authority's Trust Fund Loan Pool Policy.

Section 3. Approval and Authorizations.

3.01. The Project and the Loan are hereby approved by the Authority.

3.02. The forms of (a) the Loan Agreement and the attachments thereto and (b) the Note, filed with the Authority are approved. The Chairman, Executive Director, or any one or more of such officers of the Authority are hereby authorized and directed: (i) to execute the Loan Agreement and its Exhibits and Attachments in the name and on behalf of the Authority, upon execution thereof by the other parties thereto; and (ii) to file or record any security instruments in the name of, and on behalf of, the Authority. The above-referenced documents shall be executed in substantially the form previously approved, subject to such additions thereto or deletions therefrom as are approved by the officers executing the same, which approval shall be conclusively presumed by the execution thereof, and such other documents as required by the Authority's counsel shall also be executed at the closing.

Section 4. Application and Planning Fees.

4.01 As authorized by Section 90-7-211 of the Act, the Authority may assess certain initial planning service fees and annual planning service fees to be paid by participating institutions (as defined in the Act) in connection with any application to the Authority for financial assistance. The initial planning service fee will be one percent (1%) of the final loan amount. The annual planning service fee for the Obligor will be 50 basis points (.50%) of the outstanding amount of the Loan, assessed each month and included in the amortization schedule provided to the Obligor, unless and until changed by the Authority.

Passed and approved by the Authority this 10th day of February, 2026.

MONTANA FACILITY FINANCE AUTHORITY

ATTEST:

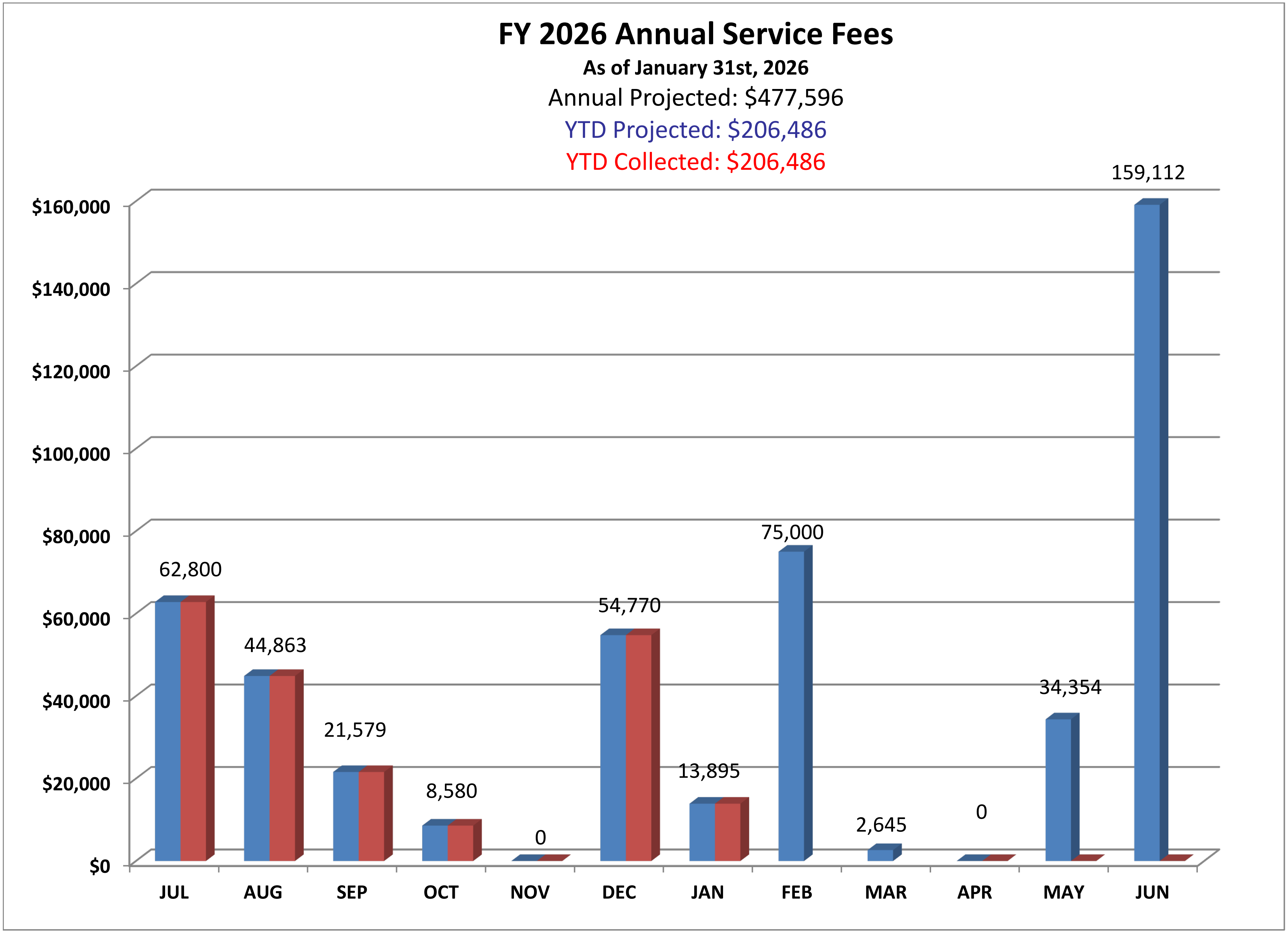
____
By: Vu Pham
Its: Chairman

____
By: Adam Gill
Its: Executive Director

Montana Facility Finance Authority
Budget v. Actual Expenses
01/31/26
58.33 % Expended

Legislative Budget	Category	Year to Date Budget	Actual	$ Variance	% Variance
$ 958,069	**A) INCOME**	**$ 486,283**	**584,323**	98,040	20%
217,000	Application Fees	126,583	112,939	(13,644)	-11%
478,408	Annual Fees	206,481	244,185	37,704	18%
262,661	Investment Income	153,219	227,199	73,981	48%
$ 396,005	**B) PERSONAL SERVICES EXPENSE**	**$ 231,003**	**286,971**	55,968	24%
386,505	Salaries & benefits	225,461	282,171	56,709	
9,500	Board Per Diem	5,542	4,800	(742)	
$ 482,064	**C) OPERATING EXPENSES****	**$ 240,371**	**$ 150,487**	$ (89,884)	**-37%**
138,160	Contracted & Other Services	80,593	30,486	(50,107)	-62%
	Misc. Other Services		14,787		
	Legal Services		11,228		
	Legislative Audit		0		
	ITSD		4,471		
31,218	Supplies/Materials/Equipment	18,211	9,029	(9,182)	-50%
8,090	Communications	4,719	4,107	(612)	-13%
44,967	Travel	26,231	12,818	(13,413)	-51%
0	Equipment Lease	0	1,335	1,335	0%
	Building Lease Amortization	19,743	15,452	(4,291)	-22%
4,181	Repairs & Software Maintenance	2,439	3,211	772	0%
151,603	Miscellaneous	88,435	74,049	(14,387)	-16%
	Commerce Department Services		57,157		
	Administration (statewide) Indirect Costs		2,984		
	Education		3,247		
	Other Miscellaneous		10,661		
$ 80,000	**REVENUES IN EXCESS OF EXPENSES (A-B-C)**	**14,909**	**146,866**	131,956	885%
150,000	Grants-Obligated/Paid	75,000	0		
	Current Year Increase in Net Assets		146,866		
$ (70,000)					
	INCREASE (DECREASE) IN NET ASSETS		146,866		

* Income presented on CASH basis. GAAP accrual accounting would reflect approximately $8,647 less income annually, or < 1.8%


FY 2026 Annual Service Fees
As of January 31st, 2026
Annual Projected: $477,596
YTD Projected: $206,486
YTD Collected: $206,486
$160,000
$140,000
$120,000
$100,000
$80,000
$60,000
$40,000
$20,000
$0
62,800
44,863
21,579
8,580
0
54,770
13,895
75,000
2,645
0
34,354
159,112
JUL
AUG
SEP
OCT
NOV
DEC
JAN
FEB
MAR
APR
MAY
JUN

MFFA Reserve Balances

AS OF 2/1/2026

		Current Balance	Policy Guideline	
A/E 06015	**Operating Account Summary**			
	Total Fund Balance Available Net Capital Reserve "B" Balance	2,603,723		
	Less: Working Capital Reserve Requirement	1,897,044	1,897,044	(a)
	Available for Restricted Capital Reserve "A"	706,679	9,650,386	(b)
	Fund Balance: Sub-Total	2,603,723	11,547,430	
A/E 06015	**Trust Fund Loan Pool**			
	RC 710300, Accounts 521190	36,382		
	Plus: Prior Year End Capital Reserve "B" Fund Balance Sub Total	1,115,325		
	Capital Reserve "B" Fund Balance	1,151,707	1,151,801	(d)
A/E 06012	**Direct Loan Program**			
	Current Program Fund Balance	6,372,640		
	Less: Outstanding Loan Balance	4,664,928		
	Funds Available to Loan from Direct Loan Program	1,707,712		
	Fund Balance: Sub-Total	6,372,640	6,228,009	(c)
	Total Projected Fund Balance	10,128,070	18,927,239	

Notes:

Policy Guidelines - Minimum Funding Requirements

(a) Twice the current Fiscal Year annual budget.	948,522
(b) 10% of the outstanding BOI enhanced bond balance as of 7/1/25	96,503,857
(c) $6,228,009 as of 7/1/25 plus YTD loan payments, account investment earnings.	6,228,009
(d) 10% of the Trust Fund Loan Pool Balance as of 7/1/25	11,518,005

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Grants

12/1/2025-2/1/2026

Commitments Pending

Facility	Location	Date Submitted	Date Approved			Amount	Project	Program
Bitterroot Health	Hamilton	06/27/25	07/01/25		$	25,000	Facility Master Planning	MCAP
Prairie Community Hospital	Terry	08/28/25	08/29/25		$	25,000	Facility Master Planning	MCAP
Dahl Memorial Healthcare	Ekalaka	08/20/25	08/21/25		$	25,000	Energy Efficiency Program	MCAP
Total Pending Grants:					$	75,000		

Grants Paid since 7/1/2025

Grantee	Location	Date	Approved	Paid		Amount	Project	Program
Liberty Medical Center	Chester	10/18/24	11/07/24	*2/2/2026*	$	25,000	Facility Master Planning	MCAP
Northern Rockies Medical Center	Cut Bank	10/18/24	11/07/24	*2/2/2026*	$	25,000	Facility Master Planning	MCAP
Total Grants:					$	50,000		

MONTANA FACILITY FINANCE AUTHORITY

Staff Approved Loans

12/1/2025-2/1/2026

Submitted Applications

Borrower	Location	Date Submitted	Term	Interest	Amount	Project
Native American Development Corporation	Billings	01/29/26	10	4.56%	$ 500,000	Clinic Project
Total Pending Direct Loans:					**$ 500,000**	

Approved Applications

Borrower	Location	Date Approved	Term	Interest	Amount	Project
Fallon Medical Complex	Baker	08/21/25	5	3.97%	$ 199,590	Equipment Purchase
Total Approved Direct Loans:					**$ 199,590**	

Funds Available Under

Direct Loan Program:

Loan Fund: (2/01/2026)	6,372,640
Total Outstanding Loans: (2/01/2026)	4,664,928
Approved Applications from above:	(199,590)
Total Available to Loan at 12/01/2025	**$ 1,508,122**

Funded Applications from 7/1/25:

Borrower	Location	Date Funded	Term	Interest	Amount	Project
Ruby Valley Medical Center	Sheridan	09/04/25	10	4.52%	$ 500,000	Clinic Construction
Total Loans Funded since 7/1/25					**$ 500,000**	

2026

JANUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	Board Mtg	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

APRIL

S	M	T	W	T	F	S
			Board Mtg	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

MAY

S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

JUNE

S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	Board Mtg	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

JULY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

AUGUST

S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	Board Mtg	12	13	14	15
16	17	18	19	20	21	22
23/30	24/31	25	26	27	28	29

SEPTEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

OCTOBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	Board Mtg	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	Board Mtg	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

HOLIDAYS AND OBSERVANCES

1-Jan	**New Year's Day**	**4-Jul**	**Independence Day**	**26-Nov**	**Thanksgiving Day**
19-Jan	**MLK Day**	**7-Sep**	**Labor Day**	**25-Dec**	**Christmas Day**
16-Feb	**Presidents' Day**	**12-Oct**	**Columbus Day**		
25-May	**Memorial Day**	**11-Nov**	**Veterans Day Ob.**		

CONFERENCES

Jan 9	**GFDA Ignite, Great Falls**	**May 19-20**	**MT Credit Unions Conf., Helena**
Mar. 4-5	**NAPPA, Columbus, OH**	**June 10-11**	**MHN, Billings**
Mar. 26-27	**Comm. Health Ctr., Butte**	**Sep 22-24**	**MEDA, Sidney**
Apr 7-9	**MEDA, Helena**	**Oct 4-7**	**NAHEFFA, Santa Barbara, CA**
Apr 8-9	**PACENation, NYC**	**Oct 6-9**	**MHA, Billings**
Apr 12-15	**NAHEFFA, Pensacola, FL**	**Oct. TBD**	**MT Hospitality Assoc., TBD**
Apr 22-24	**MT HFMA, TBD**	**Nov 3-6**	**Rural Econ. Dev. Assoc., SLC**
Apr 29-May 1	**MT Main St. Conf., Glasgow**	**Nov 18-20**	**CDFA, Savannah, GA**
May 18-20	**NWMT Housing Conf., Fairmont**	**TBD**	**MT Bankers Assoc., TBD**