



**Item:** Resolution 10073, Authorizing a Loan from the Montana Board of Investments  
**From:** Jennifer Reichelt, Deputy City Manager  
**Initiated By:** Jennifer Reichelt, Deputy City Manager  
Sara Sexe, City Attorney  
**Presented By:** Sara Sexe, City Attorney  
**Action Requested:** Adopt Resolution 10073 Authorizing a Loan from the Montana Board of Investments.

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**Suggested Motion:**

1. Commissioner moves:

“I move that the City Commission (adopt/deny) Resolution 10073.”

2. Mayor calls for a second, discussion, public comment, and calls the vote.

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**Staff Recommendation:** City Commission adopt Resolution 10073, authorizing a loan from the Montana Board of Investments.

**Background:** In November 2012, the Board of Directors for ADF Group USA, INC., (ADF) approved an estimated \$24 million plan to build a new structural steel fabrication complex in Great Falls, Montana. The facility will employ three hundred permanent full time employees within the next four years and will serve the western United States and western Canada markets with heavy structural steel services including engineering, fabrication and construction services.

ADF is a North American leader in the design and engineering of connections, fabrication and installation of complex steel structures, heavy steel built-ups, as well as miscellaneous and architectural metalwork. They provide products and services for five principal segments of the non-residential construction market, including: office towers and high-rises, commercial and recreational complexes, airport facilities, industrial complexes and transport infrastructures.

The Great Falls facility has an annual fabrication capacity of 25,000 tons and their areas of focus include the fabrication of standard steel components and the fabrication and assembly of modular steel structures. ADF has also been working with Great Falls College MSU to

customize the college's Welding-Fitting Program and to integrate new industry-related specialized skills training in an effort to meet their existing and future employment needs.

ADF offers pay of up to \$20 an hour, as well as benefits and profit sharing for their employees. Long range employment plans for ADF in Great Falls include hiring up to 300 employees to work inside the manufacturing facility and up to 800 employees to work in the yard doing assembly work. They are dedicated to becoming a good member of the Great Falls community.

ADF has already purchased and made improvements to a 100 acre lot ("Lot"), located north of Great Falls, Montana. ADF completed construction of their 100,000 square foot facility (manufacturing plant and office) in October, 2013. They have been issued a Temporary Certificate of Occupancy, complied with all required Building, Plumbing, and Electrical Codes and obtained all required City permits.

The Department of Commerce oversees the Montana Board of Investments (MBOI), which operates the Infrastructure Loan Program. The program is funded by an \$80 million allocation from the Permanent Coal Tax Trust.

Applications are submitted by eligible local governments and the loans fund infrastructure projects that provide facilities/services to basic sector businesses. Businesses pay user fees to local governments that are pledged to the Board for loan repayment. Businesses may reduce their Montana state income tax liability by the amount of the fee (15-31-301, MCA).

In order to be eligible, businesses must create at least 15 full time basic sector jobs. The basics of the Infrastructure Loan Program include:

- Maximum loan size \$16,666 times the number of full time jobs created
- Minimum loan size \$250,000
- Maximum loan term 25 years
- Up to 2.5% interest rate reduction for job creation

For this project, the City will apply for an infrastructure loan from the Montana Board of Investments ("Loan"), which will be used to finance the purchase of the Lot, including the completed site preparation, facility construction, and other public infrastructure including sidewalks, parking lots and water and wastewater mains.

As required by the Infrastructure Loan Program, ADF will convey to the City unrestricted fee title to the Lot and improvements, and will lease back the Lot and improvements, subject to an option reserved by ADF for the repurchase of the Lot upon full satisfaction of the City's obligation under the Loan. The City will lease the Lot and all improvements back to ADF for no more than 15 years, with an option to pay back the lease at any time without penalty.

As outlined in the Lease Agreement, ADF will be required to pay the City a monthly rental fee of \$31,955.36 for 15 years, which is equal to the infrastructure loan payments set forth in the Loan Agreement entered into by MBOI and the City.

If the Loan is approved, the first payment will be due on May 1, 2014 and the final payment will be due on May 1, 2029. The interest rate with job credits is 1.98%. ADF can make additional rental payments without prepayment penalty.

The lease states that ADF will be responsible for all utilities, rendered and supplied on or in connection with their leased premises. ADF will also be required to provide insurance coverage including property and casualty coverage and comprehensive general liability insurance. ADF will hold the City harmless from any cause, claim, demand or action arising from or out of their occupation, use or possession of the leased premises.

If the Loan is approved the property will be owned the City of Great Falls and ADF will not be required to pay property taxes (government owned properties are exempt) and this particular site will not be contributing increment to the Central Montana Agri-Tech Park Tax Increment Financing District until the loan is paid in full and ownership reverts back to ADF. The lease does stipulate that ADF is required to pay any other applicable taxes and assessments due on the site, including all real estate taxes, special improvement district taxes, special city taxes, special assessments and other charges and taxes.

As outlined in the Development Agreement, ADF may choose to improve the property, or carve out a portion of the site to develop for future expansion and development, separate from the Lot owned by the City, subject to the consent of the City and MBOI. The carve out would be subject to all appropriate taxes and assessments and contribute to the increment in the Tax Increment Financing District.

Options for ADF to complete and improve the carve out would be for ADF to pay in full all outstanding principal and interest due on the Loan and purchase the property under the option to purchase set forth in the Lease. Or, ADF, could pay an amount of the Loan which correlates in direct proportion to the property ADF intends to improve.

Throughout the term of the lease, ADF at its own cost, is responsible for maintaining in good condition, the leased premises, the building and improvements as well as the adjacent sidewalk areas and parking lots.

ADF does not have the right to assign the Lease Agreement or sublet the premises, or any part of the Lot, without the prior written permission of the City and MBOI.

**Fiscal Impact:** There will be no fiscal impact to the City of Great Falls; all funds to finance this project will be coming from the Department of Commerce; Montana Board of Investments Infrastructure Loan Program. The City of Great Falls will serve as the pass through agency.

In developing the legal documents, the staff endeavored to work in the best interest of the City and to indemnify and hold harmless the City from financial and legal hardship.

The City will make an application to the Montana Board of Investment's Infrastructure Loan Program for a loan of approximately \$4,999,800, which will be used to purchase the Lot and other public infrastructure including sidewalks, parking lots and water and wastewater mains.

ADF shall convey to the City the Lot, including all fixtures or improvements, but will retain sole ownership of any equipment or personal property that is not a fixture to the building improvements.

As mentioned previously, because the City will own the property, the City will not be collecting property taxes on the property and the site will not be contributing to the tax increment financing district until the loan is paid in full.

**Concurrences:** The City Commission approved the annexation and zoning of the ADF site (1900 Great Bear Avenue) on February 5, 2013 and had a Work Session discussion regarding the Montana Board of Investment Loan Infrastructure Program on December 17, 2013.

**Alternatives:** The City Commission could choose to deny Resolution 10073 and not authorize a loan from the Montana Board of Investments.

**Attachments/Exhibits:**

Resolution 10073

Development Agreement

Loan Agreement

**RESOLUTION NO. 10073**

**A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, TO AUTHORIZE LOAN FROM MONTANA BOARD OF INVESTMENTS**

**WHEREAS**, the City of Great Falls is duly organized and operates under the Commission-Manager form of government established by charter with self-governing powers; and

**WHEREAS**, the Department of Commerce oversees the Montana Board of Investments, which operates the Infrastructure Loan Program. Pursuant to § 17-6-316(1), MCA, the Montana Board of Investments is authorized to make loans to a local government to build infrastructure as contemplated by § 7-15-4288(4), MCA; and

**WHEREAS**, ADF Group USA, Inc., seeks funding through the City's ability to borrow from the Montana Board of Investment Infrastructure Loan program for the purchase of the 100 acre lot upon which its steel manufacturing plant and office is located, and to complete site infrastructure improvements to the land; and

**WHEREAS**, the City of Great Falls has applied for a \$4,999,999 infrastructure loan from the Montana Board of Investments in order to finance the purchase of the heavy industrial manufacturing facility, including the public improvements; and

**WHEREAS**, the City of Great Falls and ADF Group USA, Inc., have entered into a Development Agreement and other documentation to effect the loan and transfer; and

**WHEREAS**, the terms of the Montana Board of Investments loan commitment have been accepted by the City of Great Falls.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA**, that the borrowing of funds from the Montana Board of Investments to finance the purchase of the facility, including public improvements, of the ADF Group USA, Inc. facility located at 1900 Great Bear Avenue, Great Falls, Montana, is hereby approved; and

**BE IT FURTHER RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA**, that the City Manager or his designee(s) are hereby authorized to execute and deliver all agreements and other instruments and documents as are approved by counsel for the City of Great Falls in connection with borrowing funds from the Montana Board of Investments up to the aggregate loan amount of \$4,999,999.

PASSED AND ADOPTED by the City Commission of the City of Great Falls,  
Montana, April 15, 2014.

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Michael J. Winters, Mayor

ATTEST:

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Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

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Sara Sexe, City Attorney

## **DEVELOPMENT AGREEMENT**

This Development Agreement (the "Development Agreement") is entered into as of \_\_\_\_\_, \_\_\_\_, 2014 by and between **CITY OF GREAT FALLS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 59021, Great Falls, Montana 59403 ("City")., and **ADF International Inc.**, a Florida corporation and **ADF Group USA INC.**, a Delaware corporation, ("ADF"), 1900 Great Bear Avenue, Great Falls, Montana 59404.

### **RECITALS**

1. ADF plans to locate and start a facility in Great Falls, Montana, to serve the western United States and western Canada markets with heavy structural steel services including, engineering, fabrication and construction services. The facility would employ within four years three hundred permanent full time employees ("Project").
2. ADF has already purchased and made certain improvements to a 100 acre lot ("Lot"), located north of Great Falls, Montana, upon which an 100,000 square foot steel manufacturing plant and office is located. ADF seeks funding through the City's ability to borrow from the Montana Board of Investment Infrastructure Loan program. The borrowed money would be used to purchase the Lot including completed site infrastructure improvements to the land.
3. The City applied for an infrastructure loan from the Montana Board of Investment ("Loan"), The City has determined that it may apply for financing from federal and state programs such as the MBOI Infrastructure Loan Program, incorporated herein by this reference, in order to finance the purchase of the Lot, with the completed site preparation, facility construction, and other public infrastructure including sidewalks, parking lots and water and wastewater mains.
4. ADF will convey to the City unrestricted fee title to the Lot and improvements, and thereafter ADF will lease the Lot and improvements, subject to an option reserved by ADF for the repurchase of the Lot upon full satisfaction of the City's obligation under the Loan. The City will lease the Lot and all improvements thereon back to ADF for no more than 15 years, with option to pay back the lease at any time without penalty.

NOW, THEREFORE, for good and valuable consideration, ADF and the City hereby agree as follows:

**A. Regarding the Land:**

1. ADF will convey all of its right, title and interest to the Lot and its completed improvements, more particularly described in **Exhibit A**, hereto, to the City by Deed of Conveyance in the form of **Exhibit B** attached hereto. The title to the Lot must be free of all liens, mortgages, encumbrances, easements, or other clouds on the title, except for those which the City agrees to be acceptable.
2. City will execute a quit claim deed in the form of **Exhibit C (if used)** attached hereto from the City to ADF, with an amended legal description to account for approved and effected separated property, as referenced in section D. from the date of this agreement until exercise of ADF's option rights, which will be delivered to ADF upon ADF's exercise of its option rights, satisfactory completion of the requirements hereof and upon written confirmation from MBOI that the loan is paid in full.
3. ADF has surveyed and has provided a legal description in order to create a conveyable parcel. The City will have the Lot appraised, at ADF's expense, \$5,500 USD of which has been tendered to the City, in order to satisfy requirements of the Loan.
4. The Fair Value of the Lot value has been determined by a September 27, 2013 appraisal by Tom L. Stuckey, MAI, RM.
5. The City shall lease the Lot and all its improvements to ADF for the purposes of operating the Project for a period of 15 years and for additional terms and under the conditions set forth in the Lease, attached hereto by this reference incorporated herein. **Exhibit D.**

**B. Regarding Infrastructure Construction:**

1. ADF has completed the site preparation and design, and has financed and constructed the infrastructure for Facility as referenced above. To that end, ADF has selected, employed and paid for architects, engineers and general contractors as may be required.
2. ADF has completed the Facility in October, 2013, and a Certificate of Occupancy has been issued by the City, indicating that construction has been completed to the satisfaction of the City.
3. ADF has complied with all required Building, Plumbing, Electrical Codes and obtained permits from the City of Great Falls.

4. ADF has complied and will comply with all Federal, State and City requirements as pertains to stormwater control and discharge and all water and wastewater rules and regulations.
5. The parties agree that ADF is not to be considered as a contractor or agent of the City for any purpose. ADF is not authorized to represent the City or otherwise bind the City in any dealings between ADF and any third parties.
6. ADF will comply with and ensure that all its contractors and subcontractors comply with the applicable requirements of the Workers' Compensation Act, Title 39, Chapter 71, MCA, and the Occupational Disease Act of Montana, Title 39, Chapter 71, MCA. ADF, its contractors and subcontractors, shall maintain workers' compensation coverage for all its employees, members and employees of contractor's or subcontractors' business, except for those members who are exempted as independent contractors under the provisions of §39-71-401, MCA.
7. ADF shall require its contractors and subcontractors to furnish the City upon demand with copies showing one of the following: (1) proof of registration as a registered contractor under Title 39, Chapter 9, MCA; (2) a binder for workers' compensation coverage by an insurer licensed and authorized to provide workers' compensation insurance in the State of Montana; or (3) proof of exemption from workers' compensation granted by law for independent contractors.
8. To the fullest extent permitted by law, ADF shall fully indemnify, defend, and save City, its agents, representatives, employees, and officers harmless from and against any and all claims, actions, costs, fees, losses, liabilities or damages of whatever kind or nature arising from or related to this agreement or construction of the Project and contractor's work on the Project or work of any subcontractor or supplier to any contractor.
9. ADF shall maintain those insurance policies set forth on the attached **Exhibit E**. ADF shall notify City thirty (30) days prior to the expiration of any such required insurance coverage and shall ensure such required insurance coverage is timely renewed during the term of this Agreement so that there is no lapse in coverage during ADF's performance of this Agreement. ADF shall further notify City within two (2) business days of ADF's receipt of notice that any required insurance coverage will be terminated or ADF's decision to terminate any required insurance coverage for any reason. In Addition, an Additional Insured Endorsement must be provided as evidence that the City is an additional insured on the general liability insurance policy.

10. ADF has and will comply with all federal, state and local laws, ordinances, rules and regulations, including the safety rules, codes, and provisions of the Montana Safety Act in Title 50, Chapter 71, MCA. ADF will ensure that its contractors and subcontractors have a City safety inspection certificate or business license.
11. ADF agrees that all hiring by ADF of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin.

**C. Regarding Purchase of Facility by the City:**

1. ADF has paid for and will refinance the Project using part of the purchase proceeds financed through the Loan and other private or grant money available to ADF.
2. ADF shall convey to the City the Lot, including all fixtures or improvements thereon, but will retain sole ownership of any equipment or personal property that is not a fixture to the building improvements.
3. City will:
  - a. Make an application to the Montana Board of Investment's Infrastructure Loan Program for a loan of approximately \$4,999,800 USD, which will be used in purchasing the Lot, and other public infrastructure including sidewalks, parking lots and water and wastewater mains.
  - b. The approval of the Infrastructure Loan is contingent upon certain terms and conditions which shall be reflected in the loan documents, which are integral parts of this Agreement.
4. The City's ability to purchase the Lot with improvements with MBOI Loan funds is contingent upon receipt of the Loan funds described above which the City shall use its best efforts to obtain. In the event that the Loan is not approved, the City may terminate this agreement at anytime.
5. ADF shall provide all reasonable applicable information needed to prepare the aforementioned Loan applications, and to document ADF's hiring accomplishments, aggregate wage levels, aggregate employee benefits, and other information needed to ensure compliance with reporting requirements established by the City and the Montana Board of Investments in financing the Project.

6. ADF will, within 45 working days of receiving Certificate of Occupancy, present City with a final accounting of actual cost of construction of the Project. The final accounting must delineate the cost of the site preparation, and other public infrastructure including sidewalks, parking lots and water and wastewater mains.

**D. Further Construction on Premises:**

ADF may choose to improve the property at issue in the future, subject to the consent of the City and MBOI, which consent shall not be unreasonably withheld. If it intends to do so, it must:

1. Pay, in full all outstanding principal and interest then due on the MBOI Loan and purchase the property under the option to purchase set forth in the Lease attached as Exhibit D, so as to cause the title to the property to revert back to ADF and the terms of this Agreement to be fulfilled; however, ADF shall have no right to exercise the option to purchase, if it is in default of the terms and conditions of the MBOI loan agreement or
2. Notify the City and MBOI that it intends to pay an amount of the MBOI loan which correlates in direct proportion to the property that ADF intends to improve. Upon such notice, ADF shall also separately identify that portion of the property, which has been identified for improvement, by a certified real estate surveyor. Upon the City's and the MBOI's approval, considering factors such as the then value of the property-to-debt ratio, the title to that surveyed portion of the property may be separated from the total property subject to this Agreement, and upon ADF's complying with MBOI requirements to obtain a partial release of the Mortgage collateral according to the provisions of the Loan Agreement and Use Fee Agreement, ADF may purchase the separated property according to the terms of the option to purchase set forth in Exhibit D attached hereto. At such time and upon such payments, the City will quit claim any interest in the surveyed portion to ADF and said surveyed property portion will become ADF's sole and exclusive property, excepting any and all rights of ingress or egress to the remaining property.

If ADF conducts future improvements to the property without exercising requirement 1. or 2. above, it must:

1. Withhold from earnings one percent (1%) of the gross contract price if the gross contract price is Five Thousand Dollars (\$5,000 USD) or more, pursuant to the terms of MCA§ 15-50-101.

2. Agree to pay and ensure that its contractors and subcontractors shall pay to their employees prevailing wages at the time the work is performed. For purposes of prevailing wage requirements, the project under the Scope of Services is considered as Building. The current Montana Prevailing Wage Rates for this type of project, as attached to this Agreement as **Exhibit F (if used)**, are incorporated herein by this reference. ADF, for itself and its contractors, will abide by the following requirements:
  - a. ADF or its Contractor shall post a legible statement of all wages and fringe benefits to be paid to all employees and the frequency of such payments (i.e., hourly wage employees shall be paid weekly). Such posting shall be made in a prominent and accessible location at the site of the project and shall be made no later than the first day of work. Such posting shall be removed only upon the final completion of the Project and the termination of the applicable construction agreement.
  - b. In performing the terms and conditions of the construction agreement and the work on the public works project, ADF and its contractor shall give preference to the employment of bona fide residents of Montana, as required by §18-2-403, MCA, and as such term is defined by §18-2-401(1), MCA. When making assignments of work, contractor shall use workers both skilled in their trade and specialized in their field of work for all work to which they are assigned.
  - c. Pursuant to §§18-2-403 and 18-2-422, MCA, all wages, benefits, and expenses shall be paid as set forth herein. ADF and its Contractor shall pay all hourly wage employees on a weekly basis. Violation of the requirements may subject ADF or the contractor to the penalties set forth in §18-2-407, MCA. ADF and its Contractor shall maintain payroll records and provide certified copies to the City. ADF and its Contractor shall maintain such payroll records during the term of this Agreement, the course of the work on the public works project, and for a period of three (3) years following the date of final completion of the public works project and termination of this Agreement; and
3. ADF shall maintain those security guarantees, including but not limited to bonds or other forms of security, in amounts sufficient to guarantee the full amount of the construction of such future improvements.
4. ADF shall maintain the insurances set forth in Exhibit E, shall require all its contractors on the Project to maintain those insurances as may be required by City as set forth on the attached Exhibit E(if used),

Required Insurance Coverage, and ADF shall require its contractors to provide City with proof of such insurance coverage with this Project. Contractor shall notify City thirty (30) days prior to the expiration of any such required insurance coverage and shall ensure such required insurance coverage is timely renewed during the term of this Agreement so that there is no lapse in coverage during Contractor's performance of this Agreement. Contractor shall further notify City within two (2) business days of Contractor's receipt of notice that any required insurance coverage will be terminated or Contractor's decision to terminate any required insurance coverage for any reason. In Addition, an Additional Insured Endorsement must be provided as evidence that the City is an additional insured on the general liability insurance policy.

**B. Items of Mutual Agreement:**

1. This Agreement may be amended only by the written, mutual consent of the Parties.
2. Additional agreements by and between any of the following parties, the State of Montana, the City, the Montana Board of Investments, and ADF, may be necessary for the development of the Project. ADF and the City agrees that provisions in certain agreements between the City and ADF must conform to the requirements of the Montana Board of Investments. In the event a provision in this agreement or additional agreement conflicts with requirement provision in the Loan, the Loan prevails.
3. This Agreement supersedes any and all verbal or written Agreements executed by both parties hereto and related to the subject matter herein prior to the signing of this agreement.

**Term of the Agreement:**

This Agreement is effective as of the date first set forth above and shall continue until the later of the Loan having been satisfied in full and the option exercised by ADF.

**IN WITNESS WHEREOF**, the parties hereto have entered into this Development Agreement by their officers duly authorized as of the \_\_\_\_ day of \_\_\_\_\_, 2014.

ATTEST:

CITY OF GREAT FALLS

\_\_\_\_\_  
Lisa Kunz, City Clerk

\_\_\_\_\_  
Gregory Doyon, City Manager

APPROVED AS TO FORM AND CONTENT:

\_\_\_\_\_  
Sara R. Sexe, City Attorney

ADF International, Inc.

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

Its: \_\_\_\_\_

ADF Group USA INC.

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

Its: \_\_\_\_\_

## EXHIBIT A

The following described real estate, situated in the City of Great Falls, County of Cascade, State of Montana, to wit:

A portion of the S1/2 of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, as shown and described as LOT 1A on the "FIRST AMENDMENT OF THE INTERNATIONAL MALTING COMPANY, LLC ADDITION and TRACT 1 OF COS 3891 PREPARED FOR EUGENE C. SHUMAKER AND JOSEPH G. ALINE": as recorded in the Office of the Clerk, Cascade County, Montana as Plat No. P2012-0000037

Said LOT 1A being secondarily described by metes and bounds as follows:

COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a 1/2" rebar with a yellow plastic cap marked "M.HENEN, 9523LS";

THENCE, N 89°24'34" E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12'53" W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

CONTINUING, N 00°12'53" W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37'42" W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18'36" W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01'29" W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44'38" W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55'54" W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41'35" W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48'16" E, 850.56 feet, to a point;

THENCE, S 00°03'09" W, 615.04 feet, to a point;

THENCE, N 89°37'42" E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres

Said LOT 1A subject to and together with any all other easements, restrictions and or covenants of record or apparent.

Together with all the tenements, hereditaments, and appurtenances thereto belonging, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest in and to the property, possession, claim and demand whatsoever in law and in equity, of the said Party of the First Part, of, in or to the said premises and every part and parcel thereof,

DEED REFERENCE: R0265249

**EXHIBIT B**

**Deed of Conveyance**

Return to:

## DEED OF CONVEYANCE

THIS INDENTURE, made this \_\_\_\_\_ day of \_\_\_\_\_, 2014, between ADF International, Inc., Party of the First Part, and City of Great Falls, of P.O. Box 5021, Great Falls, Montana 59403, Party of the Second Part.

WITNESSETH: That the said Party of the First Part for and in consideration of the sum of One Dollar and other valuable consideration (\$1.00 and o.v.c.) lawful money of the United States of America, to it in hand paid by the said Party of the Second Part, receipt of which is hereby acknowledged; does hereby convey, remise, release, warrant and forever confirm unto the said Parties of the Second Part, and to their heirs, and assigns, all right, title and interest in and to the following described real estate, situated in the City of Great Falls, County of Cascade, State of Montana, to wit:

A portion of the S1/2 of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, as shown and described as LOT 1A on the "FIRST AMENDMENT OF THE INTERNATIONAL MALTING COMPANY, LLC ADDITION and TRACT 1 OF COS 3891 PREPARED FOR EUGENE C. SHUMAKER AND JOSEPH G. ALINE": as recorded in the Office of the Clerk, Cascade County, Montana as Plat No. P2012-0000037

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COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a 1/2" rebar with a yellow plastic cap marked "M.HENEN, 9523LS";

THENCE, N 89°24'34" E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12'53" W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

CONTINUING, N 00°12'53" W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37'42" W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18'36" W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01'29" W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44'38" W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55'54" W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41'35" W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48'16" E, 850.56 feet, to a point;

THENCE, S 00°03'09" W, 615.04 feet, to a point;

THENCE, N 89°37'42" E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres

Said LOT 1A subject to and together with any all other easements, restrictions and or covenants of record or apparent.

Together with all the tenements, hereditaments, and appurtenances thereto belonging, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest in and to the property, possession, claim and demand whatsoever in law and in equity, of the said Party of the First Part, of, in or to the said premises and every part and parcel thereof,

DEED REFERENCE: R0265249

And the said Party of the First Part, and its heirs, does hereby covenant that it will forever WARRANT and DEFEND all right, title and interest in and to the said premises and the quiet and peaceable possession thereof, unto the said Party of the Second Part, and to its successors, agents and assigns against all acts and deeds of the said Party of the First Part, and all and every person and persons whomsoever lawfully claiming or to claim the same.

IN WITNESS WHEREOF, the said Party of the First Part has hereunto set its hand and seal the day and year first above written.

ADF International, Inc.

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

Its: \_\_\_\_\_

STATE OF Montana )  
ss.

COUNTY OF Cascade )

On this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, \_\_\_\_\_, a Notary Public for the State of Montana, personally appeared \_\_\_\_\_, known to me, whose name is subscribed to the within instrument, and acknowledged to me that he has executed the same.

\_\_\_\_\_  
Notary Public for the State of Montana  
Printed Name: \_\_\_\_\_  
Residing at Great Falls, Montana  
My Commission Expires: \_\_\_\_\_

EXHIBIT C  
~~Quit Claim Deed~~  
Withdrawn

**EXHIBIT D**

**Lease**

## LEASE AGREEMENT

THIS AGREEMENT, made and entered into effective the 15<sup>th</sup> day of April, 2014, by and between The City of Great Falls, 2 Park Drive South, Great Falls, Montana 59401, hereinafter referred to as “Lessor” or “City”, and ADF International, Inc., a Florida Corporation, and ADF Group USA, INC., a Delaware Corporation, of 1900 Great Bear Avenue, Great Falls, Montana 59404, hereinafter referred to as “Lessee” or “ADF”:

### WITNESSETH:

That, in consideration of the covenants herein contained on the part of Lessee to be observed and performed, Lessor does hereby lease unto Lessee, and Lessee does hereby lease from Lessor, a 100 acre lot (Lot) with Public Improvements, located north of Great Falls, Montana and more particularly described as follows on Exhibit A attached hereto. The parties have entered into a Development Agreement with respect to potential additional future development on the Lease premises, dated April 15, 2014, the terms and conditions of which are incorporated herein by this reference.

NOW, THEREFORE, it is hereby agreed by the parties as follows:

1. **Term.** The term of this Lease Agreement shall be for a period of fifteen (15) years, commencing on the 15<sup>th</sup> day of April, 2014, and ending on the 1<sup>st</sup> day of May, 2029.
2. **Rental.**
  - a. Lessee shall pay Lessor as monthly rental for the leased premises the amount of \$31,955.36 which is equal to the infrastructure loan payments as set forth in the attached Loan Agreement entered into by the Montana Board of Investments (MBOI) and the City.

b. Lessee shall have the right to make additional rental payments with no prepayment penalty. However, any such prepayment will not excuse the Lessee's obligation to make timely monthly payments until the balance of the MBOI loan is paid in full.

3. **Acceptance of Condition.** Lessee acknowledges familiarity with the condition of said leased premises and that no representation, statement or warranty, expressed or implied, has been made by or on behalf of Lessor as to such condition. In no event shall Lessor be liable for any defect in such property or for any limitation on its use. The taking of possession of the leased premises shall be conclusive evidence that Lessee accepts the same "as is" and that the leased premises were in good condition at the time possession took place. Lessee agrees to accept the leased premises in the condition in which they exist at the date of taking possession, without representation or warranty, express or implied, in fact or by law, by Lessor, and without recourse to the Lessor as to the nature, condition or unsuitability thereof, or as to the uses to which the Premises may be put.

4. **Utilities.** Lessee shall pay all charges for utilities used, rendered or supplied upon or in connection with the leased premises.

5. **Insurance.**

a. **Property and Casualty Coverage.** During the entire term of this Agreement, Lessee shall cause the Public Improvements to be insured at all times against loss or damage by special perils and related casualty in an amount representing the full insurable replacement value thereof as determined by Lessor and MBOI. Replacement coverage shall be subject to such deductible clauses as are required in order to obtain coverage at reasonable cost, and which coverage shall be increased by Lessee as may be necessary to provide that the insurance proceeds will be sufficient to cover replacement, repairs or reconstruction with comparable quality materials. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. In lieu of separate policies, blanket policies having the coverage required herein may be maintained. Such policy or policies shall

name Lessor and MBOI as insured and all policy proceeds shall be payable to MBOI and Lessor. At the request of Lessor or MBOI, policies or certificates evidencing such insurance shall be delivered to Lessee.

b. **Comprehensive liability insurance.** Lessee shall maintain in effect throughout the term of this Lease Agreement comprehensive general liability insurance covering the use, occupation or condition of leased premises in the amount of One Million Dollars (\$1,000,000.00) for injury to or death of any one person per occurrence, and in the amount of Two Million Dollars (\$2,000,000.00) aggregate for injury to or death of any number of persons in one occurrence. Such insurance shall specifically insure Lessee against all liability assumed by it hereunder, as well as liability imposed by law, and shall insure both Lessor and Lessee, but shall be endorsed so as to create the same liability on the part of the insurer as though separate policies had been written for Lessor and Lessee.

Lessee, for itself, its employees, agents, successors and assigns, shall fully save and hold harmless Lessor from any cause, claim, demand or action of any sort or nature arising from or out of Lessee's occupation, use or possession of the said leased premises; excepting therefrom only, any cause, claim, demand or action of any sort or nature arising out of the negligence of Lessor or its agents.

c. **Lessor's right to pay premiums on behalf of Lessee.** All of the policies of insurance referred to in this Lease Agreement shall be written in form satisfactory to Lessor and by insurance companies satisfactory to Lessor. Lessee shall pay all of the premiums and deliver evidence of such policies to Lessor, and in the event of failure of Lessee either to effect such insurance in the name hereinabove called for or to pay the premiums therefor, or to deliver evidence of said insurance to Lessor, Lessor shall be entitled to, but shall have no obligation to, effect such insurance and pay the premiums therefor, which premiums shall be repayable to Lessor by Lessee with the next installment of rental due under this Lease Agreement, and Lessee's failure to repay the same shall carry with it the same consequences as failure to pay any installment of rental under this Lease Agreement. Each insurer shall agree, by endorsement on the policy or policies issued by it, or by independent instruments furnished to Lessor, that it will give to Lessor thirty (30) days' written notice before the policy or policies in question shall be altered or canceled. Lessor agrees not to unreasonably withhold its approval as to the form or to the insurance companies selected by Lessee.

d. **Damage or destruction of leased premises.** In the event the premises are damaged or destroyed by fire or other casualty, Lessor may, at its option, proceed with all due diligence to restore and repair the premises to its original condition prior to the damage or destruction, unless delayed by strike, riots or acts of God. If Lessor does not choose to commence within sixty (60) days to restore the premises, then Lessee shall have the right, at its option, to terminate this Lease Agreement.

**6. Taxes and Assessments.**

a. **Taxes as additional rental.** As additional rental hereunder, Lessee shall pay and discharge as they become due, promptly and before delinquency, all real estate taxes, special improvement district taxes, special city taxes, special assessments and other charges and taxes of every nature and kind whatsoever if any can be and are assessed against the land and building. All of the taxes and assessments under this paragraph shall be prorated at the commencement and at the expiration of this Lease Agreement.

b. **Receipt.** Lessee shall obtain and deliver copies of all receipts showing taxes and assessments which have been paid promptly on payment thereof to Lessor at the address provided for under the "Payments and Notices" paragraph, below.

**7. Repairs and Maintenance.**

a. **Maintenance of Leased Premises.** Lessee shall, throughout the term of this Lease Agreement, and at its own cost and without any expense to Lessor, keep and maintain the leased premises, including the building and improvements, and all appurtenances thereto, including, sidewalks adjacent thereto and parking lots, in good condition and repair. Lessor shall not be obligated to make any repairs, replacements or renewals of any kind, nature or description whatsoever to the leased premises or any improvements thereon; PROVIDED further that Lessor shall not be responsible for repairs or maintenance resulting from the negligence of Lessee, its employees, agents, or invitees, which shall be the sole responsibility of Lessee.

b. **Entry by Lessor for Failed Maintenance.** Should Lessee at any time fail, neglect or refuse to fulfill this obligation to repair and maintain, Lessor may, but need not, enter the leased premises and make such repairs or alternations as in its opinion it may deem necessary, and may charge the costs of the same to Lessee to be paid upon the first day of the following month as part of the rental, and should said costs not be so paid, this Lease Agreement shall be considered in default.

8. **Right of Entry.** Lessor, or its agents or employees, shall have the right to enter the leased premises at all reasonable hours to examine the same or to make such repairs or temporary alterations as shall be deemed necessary for the safety or preservation of the leased premises. There shall be no rebate of rent nor liability for any loss of occupation or quiet enjoyment occasioned thereby.

9. **Use of Lot.** Lessee agrees to use and operate the Lot continuously during the term of this Lease Agreement primarily for Lessee's business purposes and services convenient to Lessee and incidental thereto. Lessee further agrees that it will not make or suffer any unlawful, improper or offensive use of the leased premises, or in any way use or occupy the same contrary to any law of the State or any ordinance of the City, now or hereafter made. Lessee shall not commit, or suffer to be committed, any waste on the leased premises or any nuisance. Lessee agrees that no use shall be made or permitted to be made of the leased premises, or acts done, which will cause a cancellation of any insurance policy covering the leased premises or any part thereof.

At its own cost, responsibility and risk, Lessee intends to use the property to operate a facility on the Lot to serve the western United States and western Canadian markets with heavy structural steel services including, engineering, fabrication and construction services. In such use, Lessee shall comply with the terms and conditions set forth in the Development Agreement between the parties, dated April 15, 2014.

10. **Subletting and Assignment.** Lessee shall not have the right to assign this Lease Agreement or sublet the premises, or any part thereof, without the prior written permission of Lessor and MBOI. Should Lessor and MBOI grant such permission, any assignment or sublease shall be subject to all the provisions of this Lease Agreement, the rental reserved herein shall not be altered in any manner whatsoever, and Lessee shall continue to be bound by all the terms, conditions and covenants of this Lease Agreement and be liable for the rents reserved in this Lease Agreement; provided, however, anything in this Lease Agreement to the contrary notwithstanding, Lessor, with the written consent of MBOI, may release Lessee from any further

liability whatsoever, at its option by doing so in writing. Permission given by Lessor to an assignment or sublease shall not be deemed to be permission given to any subsequent assignment or sublease. Any assignment or sublease made without the prior written permission of Lessor and MBOI shall be void, and shall, at the option of Lessor, terminate this Lease Agreement.

Lessee acknowledges and agrees that Lessor has assigned or will assign this Lease to MBOI as security for the Loan and Lessee hereby consents to such assignment.

11. **Improvements.** With Lessor's and MBOI's consent, which shall not be unreasonably withheld, Lessee shall be permitted during the term of this Lease Agreement to make such improvements and alterations to the leased property as it may see fit; provided, however, that under no circumstances shall Lessee be permitted to destroy or break the main frame of the leased premises or construct additional buildings or expansion of current buildings, without the prior written permission of Lessor and MBOI. At the termination of this Lease Agreement, the Lessee shall be entitled to remove its trade fixtures and equipment which are not permanently attached to the premises, at Lessee's expense. Any improvements or trade fixtures not so removed shall become the sole property of Lessor upon termination of this Agreement.

12. **Lessor and Lessee's Title.** Lessor is not and never shall be liable to any creditor of Lessee or any claimant against the estate or property of Lessee for any debt, loss, contract or other obligation of Lessee. The relationship between Lessor and Lessee is solely that of landlord and tenant, and does not and never shall be deemed a partnership or joint venture.

13. **Liability for Liens.** Lessor's interest in and to said leased premises shall not be subject to or permitted to become subject to any lien or claims from or arising out of the use and occupation of the leased premises by Lessee. If and in the event such liens or claims arise or

occur, Lessee shall promptly and forthwith cause the same to be released or discharged to the extent that the interest of Lessor is encumbered thereby.

14. **Condition of Premises Upon Surrender.** At the expiration of this Lease Agreement, Lessee shall quit and surrender the premises hereby demised in as good condition as when received, reasonable wear and tear and damage by the elements excepted.

15. **Environmental.**

a. **Environmental Law and Hazardous Materials.**

**“Environmental Law”** means any federal, state or local statute, law, rule, regulation, ordinance, code, guideline, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including, without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; and any state and local counterparts and equivalents, including without limitation the Montana Hazardous Waste and Underground Storage Tank Act, MCA §75-10-401, et seq., and the Montana Comprehensive Environmental Cleanup and Responsibility Act, MCA § 75-10-701, et seq.

**“Hazardous Materials”** means (a) any oil, petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of “hazardous chemical,” “hazardous material,” “hazardous substance,” “hazardous waste,” “pollutant,” or “contaminant” or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, the presence, collection, storage, use, generation, manufacturing, treatment, transportation, disturbance, disposal or exposure to or of which is prohibited, limited or regulated by any governmental authority and/or under any applicable Environmental Law.

**“Hazardous Materials Contamination”** means the contamination (whether presently existing or occurring after the date of this Agreement) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, the Public Improvements or any Excepted Parcel by Hazardous Materials, or the contamination (whether before or after the date of this instrument) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time emanating from the Public Improvements or any Excepted Parcel.

b. **Lessee’s Obligations.** Lessee will:

i. represent and warrant to Lessor that: (1) during the period of ADF’s prior ownership of the leased premises described in Exhibit A, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination by any person on, under, about or from any of the Public Improvements, other than Hazardous Materials which are present, stored, handled or used in ADF’s ordinary course of business and in compliance with all applicable laws, including Environmental Laws; and (2) ADF has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws involving the subject property; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from the Public Improvements by any prior owners or occupants of any of the Public Improvements; (c) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from any property adjoining the Public Improvements; (d) any underground storage tanks or underground storage tank systems located under or on the subject property; or (e) any actual or threatened litigation or claims of any kind by any person relating to such matters. The representations and warranties contained herein are based on ADF’s due diligence in investigating the subject property for Hazardous Materials.

ADF agrees: (1) that neither ADF nor any tenant, contractor, agent or other authorized user of any of the subject property or any Excepted Parcel shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Materials on, under, about or from any of the subject property or any Excepted Parcel, other than such presence, storage, use or handling of Hazardous Materials as may occur in the ordinary course of business of ADF or such authorized user and in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws; (2) to give notice to CITY and MBOI

immediately upon acquiring knowledge of: (i) the presence of any Hazardous Materials on the subject property or any Excepted Parcel, other than Hazardous Materials which are placed, stored, used or handled in compliance with clause (1) of this Subsection, or (ii) of any Hazardous Materials Contamination of the subject property or any Excepted Parcel, with a full description thereof in either case; (3) to deliver to CITY and MBOI promptly after receipt copies of any documents received from or submitted to any governmental regulatory, environmental, or health agency concerning any actual, alleged or potential violation or noncompliance with any Environmental Law with respect to operations upon the Subject property or any Excepted Parcel; (4) to comply, and to cause any and all lessees or other authorized users of the Subject property or any Excepted Parcel to comply, with any applicable requirements of Environmental Laws, including without limitation, at ADF's or such authorized user's own expense, preparation, submission and carrying out of any plans and financial assurances that may be required by any governmental authority with respect to any cleanup or remediation of any Hazardous Materials or Hazardous Materials Contamination; and (5) upon the reasonable request of CITY or MBOI, at any time and from time to time during the existence of this Agreement, to provide at ADF's sole expense an inspection or audit of the Subject property or any Excepted Parcel from an engineering or consulting firm approved by CITY and MBOI, indicating the presence or absence of Hazardous Materials or Hazardous Materials Contamination on or in the Subject property or any Excepted Parcel. If ADF fails to provide such inspection report or audit after reasonable notice, CITY or MBOI may order same, and ADF grants to CITY and MBOI and their employees and agents access to the Subject property or any Excepted Parcel for the purpose of inspecting and testing for the presence of Hazardous Materials and Hazardous Materials Contamination. The cost of such tests shall be a demand obligation owing by ADF to CITY hereunder (for benefit of CITY or MBOI as applicable) together with interest thereon;

- ii. obtain, maintain in full force and effect, and strictly comply with any and all governmental permits, approvals and authorizations necessary for the conduct of Lessee's business operations;
- iii. supply Lessor with copies of any such permits, approvals and authorizations;
- iv. promptly notify Lessor of the expiration or revocation of any such permits, approvals and authorizations; and

- v. except to the extent of CITY's or MBOI's gross negligence or willful misconduct, ADF hereby (1) releases and waives any future claims against CITY and MBOI for indemnity or contribution in the event ADF becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless CITY and MBOI from and against any and all fines, claims, losses, liabilities, damages, settlements, judgments, penalties, costs, expenses, attorney, expert and consultant fees, and actions of any kind (including without limitation, administrative or court investigative, enforcement, cleanup, remediation and restoration proceedings) which CITY or MBOI directly or indirectly sustain or suffer resulting from a breach of Section 15.b. of this Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of Hazardous Materials or Hazardous Materials Contamination on the subject property or any Excepted Parcel, or from any failure of ADF to provide information, make submissions or take steps required under any Environmental Law. The provisions of this Subsection of this Agreement, including the obligation to indemnify and defend, shall survive the payment of the Loan and the termination, expiration or satisfaction of this Agreement and the Loan Agreement, and shall not be affected by CITY's or MBOI's acquisition of any interest in any of the Public Improvements or any Excepted Parcel, whether by foreclosure or otherwise.

c. CITY or MBOI, as applicable, shall notify ADF in writing within ten (10) days if any action or proceeding involving a liability indemnified against under Section 15(b) and/or Section 16 is brought against MBOI or City. ADF, at its own cost and expense, may, and upon written demand from CITY or MBOI, shall assume the defense of such action or proceeding including the employment of counsel, who shall be counsel satisfactory to CITY or MBOI, as applicable, or their officers, employees or agents, as the case may be. CITY or MBOI or their officers, employees or agents may employ separate counsel in any such action and participate in the defense thereof. In that event, the fees and expenses of the separate counsel shall be the responsibility of such indemnitee. ADF will not be liable to indemnify any person or entity for the settlement of any action made without its consent. The omission to notify ADF as herein provided will not relieve ADF from any liability which it may have to any indemnified party pursuant hereto except to the extent such omission materially prejudices the interests of ADF.

This indemnification shall survive the end of the term of this lease and any extensions thereof and shall inure to the benefit of Lessor, its heirs and assigns.

16. **Indemnity.** Lessee agrees to indemnify, defend and save Lessor harmless from and against all claims for or on account of damages to property or injuries (including death) to

persons arising out of Lessee's use and occupancy of the leased Premises. Lessor shall not be liable to Lessee or any third party for any damage or injury (including death) to persons or property resulting from any defect in the leased Premises or the improvements thereon, whether such defects be the result of improper construction, lack of maintenance or repair, improper maintenance or repair or other cause whatsoever.

17. **Waiver of Subrogation.** Each party releases the other party (which term as used in this paragraph includes employees and agents of the other party) from all liability, whether for negligence or otherwise, in connection with loss covered by an insurance policy which the releasee carries with respect to the leased Premises or any interest or property therein or thereon (whether or not such insurance is required to be carried under this Lease), but only to the extent that such loss is collected under said insurance policies. Such release is further conditioned upon the inclusion in the policy or policies of a provision whereby any such release shall not adversely affect such policies or prejudice any right of the releasor to recover thereunder. Each party agrees that its insurance policies will include such a provision so long as the same shall be obtainable without extra cost, or if extra cost shall be charged therefor, so long as the party for whose benefit the cause or endorsement is obtained shall pay such extra cost. If extra costs shall be chargeable therefor, each party shall advise the other thereof of the amount of the extra cost, and the other party, at its election, may pay the same, but shall not be obligated to do so.

18. **Enforcement.** In the event either party resorts to judicial proceedings to enforce any rights under this Lease or to obtain relief for the breach of any covenant hereof, the party ultimately prevailing in such proceedings shall be entitled to recover from the defaulting party the costs of such proceedings, including reasonable attorneys' fees.

19. **Default.** If any default shall be made by Lessee in the performance of any of the covenants or terms of this Lease Agreement or the Public Improvements Use Fee Agreement, and, if applicable, such default shall continue beyond any notice period applicable with respect to such default hereunder or under the terms of the Public Improvements Use Fee Agreement (whether notice is given by Lessor hereunder or by MBOI as provided in the Public Improvements Use Fee Agreement); or if the premises shall become vacated or abandoned; or if Lessee shall be dispossessed therefrom during the term of this Lease Agreement; or if a petition for bankruptcy or assignment for the benefit of creditors shall be filed by Lessee (or by any one of the corporations comprising Lessee) or if Lessee (or any one of the corporations comprising Lessee) shall be finally adjudicated bankrupt and the same shall not be discharged within ten (10) days after written demand therefor by Lessor; then Lessee does hereby authorize and empower Lessor to annul and cancel this Lease Agreement at once and to re-enter the premises and take possession of said premises immediately and by force if necessary without any previous notice of intention to re-enter, and remove all persons and their property therefrom, and to use such force and assistance in effecting and perfecting such removal as Lessor may deem advisable to recover at once full and exclusive possession of all of said leased premises, whether the said premises be in possession of Lessee or of third persons, or whether the premises be vacant.

Alternatively, Lessor may, at its option, at any time after such default in the performance of any of the covenants or terms of this Lease Agreement, re-enter and take possession of said premises without such re-entering working a forfeiture of the rents to be paid and the covenants to be kept and performed by Lessee for the full term of this Lease Agreement. In such event, Lessor may, at its option, re-let the premises and receive the rental therefor, applying the same first to the

payment of expenses for re-entering and re-letting (including reasonable attorneys' fees and the expense of making the premises acceptable to a new tenant), and then for the payment of rent and the fulfillment of Lessee's agreements hereunder, in which case Lessee shall remain liable only for the difference, if any, between the amounts due for the remainder of the term of this Lease Agreement and the amount received from a new tenant, after deducting the expenses set forth above.

The foregoing remedies shall not be deemed exclusive, and Lessor may, at its option, pursue any other applicable remedy available under the laws of the State of Montana, including without limitation any remedy or remedies provided in the Public Improvements Use Fee Agreement or any related Document.

20. **Lease Subordination.** Lessee agrees that this Lease and the Option to Purchase provided herein shall be subordinate to any mortgages or trust deeds that are now or may hereafter be placed upon the leased premises, including without limitation the Mortgage given by CITY to secure the Loan, and to the interest thereon and all renewals, replacements and extensions thereof, provided the mortgagee or beneficiary named in said mortgages or trust deeds shall agree to recognize the Lease of Lessee in the event of foreclosure if Lessee is not in default. If any mortgagee or beneficiary elects to have this Lease superior to its mortgage or deed of trust by notice to Lessee, then this Lease shall be deemed superior to the lien of any such mortgage or trust deed, whether this Lease is dated or recorded before or after said mortgage or trust deed.

21. **Lease Subject to Use Fee Agreement.** Lessee acknowledges and agrees that this Lease and the Option to Purchase provided in section 24 hereof shall be subordinate and subject to the provisions of the Public Improvements Use Fee Agreement between Lessor and Lessee,

including but not limited to paragraph 3.4 of such Use Fee Agreement. The provisions of this Lease shall supplement and shall not be deemed to supersede or replace the provisions of such Use Fee Agreement, and in the event of a conflict between any provisions of the respective agreements, the provisions of such Use Fee Agreement shall control.

22. **Estoppel Certificates.** Lessee agrees that from time to time, upon the request of Lessor, to execute, acknowledge and deliver to Lessor a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified and stating the modifications), and the dates to which the fixed rent and other charges have been paid in advance, if any, and confirming Lessee's acceptance of the leased premises, the commencement of the Lease Term, and the rent provided under the Lease, it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any prospective purchaser, mortgagee or assignee of any mortgagee of the leased premises.

23. **Attornment.** Lessee shall, in the event any proceeding is brought for the foreclosure of or in the event of exercise of the power of sale under any mortgage made by Lessor covering the leased premises, attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as the landlord under this Lease.

24. **Payments and Notices.** The rentals due hereunder shall be paid by Lessee to Lessor or its designee at MBOI, P.O. Box 200126, Helena, MT 59620-0126, or at such other place as Lessor may from time to time direct by written notice given to Lessee thirty (30) days prior to the date of payment.

Any notices required or which may be submitted hereunder from Lessee to Lessor may be sent by registered or certified mail to the address designated above for the payment of rent, or may be personally served upon Lessor.

Any notices required or which may be submitted hereunder from Lessor to Lessee may be sent by registered or certified mail to the premises leased hereunder, or may be personally served upon Lessee.

All notices referred to in the Default paragraph hereinabove shall be sufficient for all purposes if they describe the default or defaults in general terms.

For any notice, service by mail shall be deemed complete when the notice is enclosed in an envelope, duly sealed, with postage prepaid and deposited in the United States Post Office or any regular depository thereof, directed to Lessor or Lessee at the addresses hereinabove provided.

25. **Option to Purchase.** Lessor and Lessee recognize and agree that Lessee shall have the exclusive right and option to purchase the property and adjoining lot, subject to the terms and conditions herein provided. The consideration for the option is Lessee's agreement to enter into this Lease Agreement. Lessee shall not have the option to purchase the property, at any time when Lessee is in default under any of the terms or conditions of this Lease Agreement. The purchase price for the property if the option is exercised by the Lessee, shall be equal to Ten Dollars, and full payment of all then existing amounts due under the MBOI loan to Lessor evidenced in the Loan Agreement and Public Improvements Use Fee Note ("Note") of even date therewith. Lessee shall have no right to exercise the option granted herein if the Lease is terminated for any reason at any time prior to closing of the sale of the property.

26. **Termination.** Lessee acknowledges and agrees that, in the event of termination of this Lease, for any reason and under any circumstances, Lessor has the right to accelerate payment of the Public Improvements Use Fee payments due from Lessee under the Public Improvements Use Fee Agreement to the extent that termination of this Lease results in an acceleration of the indebtedness owed by the City under the MBOI Loan Agreement and Note. This section shall not be modified by Lessor and Lessee without MBOI's prior written consent.

27. **Invalidity.** The invalidity or ineffectiveness for any reason of this Lease Agreement shall in no way affect the validity or enforceability of the remaining portion thereof and any invalid or unenforceable provisions shall be deemed severed from the remainder of the Lease Agreement.

28. **Waiver.** The waiver by Lessor of, or the failure of Lessor to take action with respect to, any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition, or subsequent breach of same, or any other term, covenant or condition herein contained.

29. **Effect of Lessee's Holding Over.** Any holding over after the expiration of the term of this Lease Agreement with the consent of Lessor shall be construed to be a tenancy from month to month, at the same monthly rental as required pursuant to the terms of this Lease Agreement, and shall otherwise be on the terms and conditions herein specified so far as applicable.

30. **Binding Effect.** It is mutually understood and agreed that each and every provision of this Lease Agreement shall bind and inure to the benefit of the agents, administrators, successors and assigns of the respective parties hereto. Masculine pronouns shall be construed as

feminine or neuter pronouns and singular pronouns and verbs shall be construed as plural in any place in which the context may require such construction.

31. **Time of the Essence.** Time is of the essence of this Lease Agreement, and of each and every provision hereof.

32. **Applicable Law, Jurisdiction and Venue.** This Lease Agreement shall be governed by and constructed in accordance with the laws of the State of Montana without giving effect to the conflicts-of-laws principles thereof. The parties hereby consent to jurisdiction and venue for any litigation or dispute arising from this Lease Agreement in the Montana state district court in the Eighth Judicial District in and for Cascade County.

IN WITNESS WHEREOF, Lessor and Lessee have hereunto set their hands and seals the day and year first hereinabove written.

**City of Great Falls, Montana**

**ADF International, Inc.**

By \_\_\_\_\_  
**Gregory T. Doyon, City Manager**

By \_\_\_\_\_  
**Print Name:** \_\_\_\_\_  
**Print Title:** \_\_\_\_\_

**ADF Group USA, INC.**

By \_\_\_\_\_  
**Print Name:** \_\_\_\_\_  
**Print Title:** \_\_\_\_\_

**ATTEST:**

**(Seal of the City)**

\_\_\_\_\_  
**Lisa Kunz, City Clerk**

**APPROVED AS TO FORM**

By \_\_\_\_\_  
**Sara R. Sexe, City Attorney**

## EXHIBIT A

The following described real estate, situated in the City of Great Falls, County of Cascade, State of Montana, to wit:

A portion of the S1/2 of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, as shown and described as LOT 1A on the "FIRST AMENDMENT OF THE INTERNATIONAL MALTING COMPANY, LLC ADDITION and TRACT 1 OF COS 3891 PREPARED FOR EUGENE C. SHUMAKER AND JOSEPH G. ALINE": as recorded in the Office of the Clerk, Cascade County, Montana as Plat No. P2012-0000037

Said LOT 1A being secondarily described by metes and bounds as follows:

COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a ½" rebar with a yellow plastic cap marked "M.HENEN, 9523LS";

THENCE, N 89°24'34" E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12'53" W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

CONTINUING, N 00°12'53" W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37'42" W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18'36" W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01'29" W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44'38" W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55'54" W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41'35" W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48'16" E, 850.56 feet, to a point;

THENCE, S 00°03'09" W, 615.04 feet, to a point;

THENCE, N 89°37'42" E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres

Said LOT 1A subject to and together with any all other easements, restrictions and or covenants of record or apparent.

Together with all the tenements, hereditaments, and appurtenances thereto belonging, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof; and also all the estate, right, title, interest in and to the property, possession, claim and demand whatsoever in law and in equity, of the said Party of the First Part, of, in or to the said premises and every part and parcel thereof,

DEED REFERENCE: R0265249

EXHIBIT E

Required Insurance

## **General Change Endorsement**

This endorsement is attached to and forms part of the following designated policy:

**Account Number: 1-37093**  
**Policy Number: RC558**

**Endorsement Number: 04**  
**Effective Date of Change: See Below**

---

### **Insured: Groupe ADF Inc.**

---

All terms and conditions remain unchanged except:

Additional Premium due now: \$1,377 US (pro-rata of \$5,575 US)

The following changes are made to Form No. S-1, Declarations:

**Effective Jan 31, 2014:**

The following location is removed from Item 2 SECTION D., INSURANCE PROVIDED:

**Location Schedule**

**Limits of Liability**

5. U.S. Highway 87 and Great Bear Avenue, Great Falls, MT, 59404, Index No. 002684.57

Real Property	\$10,000,000
Personal Property	\$5,000,000

Item 1 of SECTION D., INSURANCE PROVIDED is amended to read as follows:

1. All risks of direct physical loss or damage, as defined and limited herein, on Real Property, Personal Property, Stock and Supplies, Business Interruption, including the Extensions of Coverage applying at the following described locations:

1. 300-310 and 300A Henry-Bessemer Street and 880-882 Industriel Blvd., Terrebonne, QC, J6Y 1T3  
Index No. 000627.69

5. 1900 Great Bear Avenue, Great Falls, MT, 59404-6041

Due to a change in value at the following location, under Item 1 SECTION D., INSURANCE PROVIDED, an additional premium of \$1,450 is due.

5. 1900 Great Bear Avenue, Great Falls, MT, 59404, Index No. 002684.57

**INSURED: Groupe ADF Inc.**  
**ACCOUNT NO.: 1-37093**  
**POLICY NO.: RC558**  
**ENDORSEMENT NO.: 04**

The following Item under SECTION E., SUB-LIMITS is amended to read as follows:

3. \$25,000,000 per location for any loss under this policy at the following location:  
5. 1900 Great Bear Avenue, Great Falls, MT, 59404-6041
- \$1,700,000 per location for any loss under this policy at the following location:  
2. 3301 Northwest 168th Street, Miami Gardens, FL, 33056

The following Item under SECTION G., DEDUCTIBLE AMOUNT is amended to read as follows:

8. \$25,000 All Other Losses.

The following Item is added to SECTION H, SPECIAL TERMS AND CONDITIONS:

20. **Additional Named Insured**

The following is (are) named as Additional Named Insured(s) on property described below, as their interest may appear:

Additional Named Insured

Location/Interest

Montana Board of Investment and  
City of Great Falls  
and/or  
ADF International Inc.  
1900 Great Bear Avenue  
Great Falls, MT 59404

With respect to Building and Rental value at the  
following location:  
5. 1900 Great Bear Avenue, Great Falls, MT, 59404

**Effective Feb 01, 2014:**

The following location is deleted from Item 2 SECTION D, INSURANCE PROVIDED:

4. 1321/1325 8th Avenue North, Great Falls, MT, 59401-1646

Return Premium: \$73

BY:   
Authorized Representative  
Giancarlo Miele  
Office: Montreal Operations GM/lg  
Date: Feb. 5, 2014

**GENERAL CHANGE ENDORSEMENT**

<b>NAME AND ADDRESS OF AGENCY</b>  INTEGRO USA INC 1 STATE STREET PLAZA, 9TH FL NEW YORK NY 10004 AGENCY 0000093098	<b>INSURANCE COMPANY</b> Granite State Insurance Company  175 Water Street - 18th Floor. New York NY 10038
<b>NAME AND MAILING ADDRESS OF INSURED</b> GROUPE ADF USA INC. ET ADF INTERNATIONAL INC. 1900 GREAT BEAR AVE GREAT FALLS MT 59404	<b>POLICY NUMBER</b> 02-LX -011738643-1/002  <b>POLICY PERIOD</b> FROM: 05-01-13 TO: 05-01-14  at 12:01 A.M. standard time at the mailing address shown.

EFFECTIVE 02-01-14 THIS POLICY IS AMENDED AS SHOWN

**COMMERCIAL GENERAL LIABILITY**

For an additional/return premium, the items below are changed as indicated:

ADDITIONAL INTERESTED PARTIES  
 MONTANA BOARD OF INVESTMENT AND CITY OF GREAT FALLS  
 ARE ADDED AS ADDITIONAL INSURED'S BUT ONLY IN RESPECT OF  
 LIABILITY ARISING OUT OF THE NAMED INSURED'S PREMISES  
 OR OPERATIONS

STATE-1

LOC CLASSIFICATION	CODE	PREMIUM BASIS	PMS RATE	PDTS RATE
1	61212	AREA	100,880	
PRODUCTS-COMPLETED OPERATIONS ARE SUBJECT TO THE GENERAL AGGREGATE LIMIT				

TERRORISM RISK INSURANCE ACT IS INCLUDED \$24

<b>ADDITIONAL PREMIUM DUE FOR Commercial General Liability</b>	<b>\$2,416</b>
--	----------------

<b>TOTAL ADDITIONAL PREMIUM DUE FOR THIS ENDORSEMENT</b>	<b>\$2,416</b>
--	----------------

WORKSHEET - ENDORSEMENT

<p>NAME AND ADDRESS OF AGENCY</p> <p>INTEGRO USA INC          1 STATE STREET PLAZA, 9TH FL          NEW YORK NY 10004          AGENCY 0000093098</p>	<p>INSURANCE COMPANY</p> <p>Granite State Insurance Company          175 Water Street - 18th Floor.          New York NY 10038</p>
<p>NAME AND MAILING ADDRESS OF INSURED</p> <p>GROUPE ADF USA INC. ET          ADF INTERNATIONAL INC.          1900 GREAT BEAR AVE          GREAT FALLS MT 59404</p>	<p>POLICY NUMBER</p> <p>02-LX -011738643-1/002</p> <p>POLICY PERIOD</p> <p>FROM: 05-01-13 TO: 05-01-14          END. DATE: 02-01-14</p> <p>at 12:01 A.M. standard time at the mailing address shown.</p>

<p>THIS ENDORSEMENT CONSISTS OF CHANGES IN THE COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.</p>	
	<p>PREMIUM</p> <hr/>
COMMERCIAL PROPERTY COVERAGE PART	
COMMERCIAL GENERAL LIABILITY COVERAGE PART	2,416
COMMERCIAL CRIME COVERAGE PART	
COMMERCIAL INLAND MARINE COVERAGE PART	
COMMERCIAL AUTO COVERAGE PART	
GARAGE COVERAGE PART	
MISCELLANEOUS PROFESSIONAL LIABILITY	
<b>TOTAL PREMIUM</b>	<b>\$2,416</b>

ONLY ONE COVERAGE PART SELECTED.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
04/08/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Integro (Canada) Ltd. Montreal 1010 Sherbrooke Street West Suite 2100 Montreal, Quebec H3A2R7 Suzanne Cuillerier 1-514-787-7200	<b>CONTACT NAME:</b> PHONE (A/C, No. Ext): E-MAIL ADDRESS: FAX (A/C, No.):
<b>INSURED</b> ADF International, Inc. and ADF Group USA Inc. 1900 Great Bear Avenue Great Falls, MT 59404	<b>INSURER(S) AFFORDING COVERAGE</b> INSURER A: Granite State Insurance Company INSURER B: INSURER C: INSURER D: INSURER E: INSURER F:

**COVERAGES**                      **CERTIFICATE NUMBER:** 39199843                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<b>GENERAL LIABILITY</b> <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC			02-LX-011738643-1/000	05/01/13	05/01/14	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 5,000,000 PRODUCTS - COMP/OP AGG \$ excluded
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> NON-OWNED AUTOS						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						WC STATUTORY LIMITS    OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
 Certificate of insurance 2013-90  
 with respect to the lease agreement for the location: 1900 Great Bear Avenue, Great Falls, Montana, 59404

(See supplementary page)  
 Policy issued through Integro USA Inc., 1 State Street Plaza, 9th Floor, New York, NY 10004

<b>CERTIFICATE HOLDER</b> Montana Board of Investment - MBOI 2401 Colonial Drive PO Box 200126 Helena, MT 59620-0126 USA	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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# SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE

04/08/2014

NAME OF INSURED: ADF International, Inc.  
and ADF Group USA Inc.

Attached to & forming part of certificate of insurance 2013-90:

With respect to the lease agreement for the location: 1900 Great Bear Avenue, Great Falls, Montana, 59404.

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

The City of Great Falls and Montana Board of Investment - MBOI are added as additional insured but only with respect to the liability arising out of operations of the Named Insured and in reference to the above.



# SUPPLEMENT TO CERTIFICATE OF INSURANCE

DATE

04/08/2014

NAME OF INSURED: ADF International, Inc.  
and ADF Group USA Inc.

Attached to & forming part of certificate of insurance 2013-89:

With respect to the lease agreement for the location: 1900 Great Bear Avenue, Great Falls, Montana, 59404.

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL MAIL (30) DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT.

The City of Great Falls and Montana Board of Investment - MBOI are added as additional insured but only with respect to the liability arising out of operations of the Named Insured and in reference to the above.

**EXHIBIT F**  
**Prevailing Wages**

**MONTANA  
PREVAILING WAGE RATES FOR HEAVY CONSTRUCTION 2011**

**Effective: January 27, 2011**

**Brian Schweitzer, Governor  
State of Montana**

**Keith Kelly, Commissioner  
Department of Labor & Industry**

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates visit ERD at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact them at:

Employment Relations Division  
Montana Department of Labor and Industry  
P. O. Box 201503  
Helena, MT 59620-1503  
Phone 406-444-5800  
TDD 406-444-5549

The Labor Standards Bureau welcomes questions, comments and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.

**MONTANA PREVAILING WAGE REQUIREMENTS**

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated, has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of 18-2-401, et seq., Montana Code Annotated. It is required that each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance and per diem applicable to the district in which the work is being performed, as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

**KEITH KELLY  
Commissioner  
Department of Labor and Industry  
State of Montana**

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#### A. Date of Publication January 27, 2011

#### B. Definition of Heavy Construction

The Administrative Rules of Montana (ARM) 24.17.501(4) – (4)(a), Public Works Contracts For Construction Services Subject to Prevailing Rates, states: *“Heavy construction projects include, but are not limited to, those projects that are not properly classified as either ‘building construction’, or ‘highway construction.’*

*Heavy construction projects include, but are not limited to, antenna towers, bridges (major bridges designed for commercial navigation), breakwaters, caissons (other than building or highway), canals, channels, channel cut-offs, chemical complexes or facilities (other than buildings), cofferdams, coke ovens, dams, demolition (not incidental to construction), dikes, docks, drainage projects, dredging projects, electrification projects (outdoor), fish hatcheries, flood control projects, industrial incinerators (other than building), irrigation projects, jetties, kilns, land drainage (not incidental to other construction), land leveling (not incidental to other construction), land reclamation, levees, locks and waterways, oil refineries (other than buildings), pipe lines, ponds, pumping stations (prefabricated drop-in units – not buildings), railroad construction, reservoirs, revetments, sewage collection and disposal lines, sewers (sanitary, storm, etc.), shoreline maintenance, ski tows, storage tanks, swimming pools (outdoor), subways (other than buildings), tipples, tunnels, unsheltered piers and wharves, viaducts (other than highway), water mains, waterway construction, water supply lines (not incidental to building), water and sewage treatment plants (other than buildings) and wells.”*

Federal Davis-Bacon wage rates as published in U.S. Department of Labor General Wage Decision No. MT100001 Modification No.8 have been adopted by the Montana Department of Labor and Industry for use in Heavy Construction projects and are included in this publication. These rates apply statewide or as shown in MT100001 Modification No. 8.

#### C. Definition of Public Works Contracts

Montana Code Annotated, section 18-2-401(11)(a), defines “public works contract” as *“a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000...”*

#### D. Prevailing Wage Schedule

This publication covers only Heavy Construction occupations and rates in the specific localities mentioned herein. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Building Construction, Highway Construction and Nonconstruction Services occupations can be found on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

#### E. Rates to Use for Projects

Rates to be used on a public works project are those that are in effect at the time the project and bid specifications are advertised.

#### **F. Wage rate adjustments for multiyear contracts**

Section 18-2-417, Montana Code Annotated states:

*"(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.*

*(2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.*

*(3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency."*

#### **G. Fringe Benefits**

Section 18-2-412 of the Montana Code Annotated states:

*"(1) To fulfill the obligation...a contractor or subcontractor may:*

*(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;*

*(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or*

*(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.*

*(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor."*

Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

#### **H. Apprentices**

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, section 18-2-416(2), Montana Code Annotated states, *"...The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract."* Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate prevailing wage rate when working on a public works contract.

#### **I. Posting Notice of Prevailing Wages**

Section 18-2-406, Montana Code Annotated, provides that contractors, subcontractors, and employers who are *"performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees."*

#### **J. Employment Preference**

Sections 18-2-403 and 18-2-409, Montana Code Annotated require contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

**MONTANA STATEWIDE PREVAILING  
DAVIS-BACON**

**Effective: January 27, 2011**

**HEAVY CONSTRUCTION WAGE RATES**

**General Wage Determinations Issued Under  
The Davis-Bacon and Related Acts**

**State: Montana**

**Construction Types: Heavy**

**Counties: Montana Statewide.**

**ZONE DEFINITIONS**

**CARPENTERS, CEMENT MASONS\*, LABORERS, AND TRUCK DRIVERS**

The zone hourly rates applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the nearest County Courthouse of the following listed towns to the center of the job:

**BILLINGS, BOZEMAN, BUTTE, GREAT FALLS, HAVRE, HELENA, KALISPELL, LEWISTOWN, MILES CITY, MISSOULA**

Zone 1: 0 to 30 miles - Base Pay

Zone 2: 30 to 60 miles - Base Pay + \$2.95

Zone 3: Over 60 miles - Base Pay + \$4.70

\*CEMENT MASONS ZONES: The above cities plus DILLON, GLASGOW, GLENDIVE, SIDNEY

---

**CARP0028-002 05/01/2009**

	<b>Rates</b>	<b>Fringes</b>
<b>Carpenters: (Zone 1)</b>		
Carpenter & Pilebuck	\$23.25	\$8.90
Millwright	\$27.25	\$8.90

---

**CARP0028-004 06/01/2006**

	<b>Rates</b>	<b>Fringes</b>
Diver Tender	\$27.27	\$7.80
Diver	\$56.54	\$7.80

DEPTH PAY (Surface Diving)  
050 to 100 feet \$2.00 per foot  
101 to 150 feet \$3.00 per foot  
151 to 220 feet \$4.00 per foot  
221 ft & deeper \$5.00

---

**ELEC0044-001 06/01/2010**

	<b>Rates</b>	<b>Fringes</b>
<b>Line Construction</b>		
(1) Lineman	\$37.73	4.75% + \$10.81
(2) Equipment Operator	\$25.13	4.75% + \$10.95
(3) Experienced Groundman	\$20.27	4.75% + \$10.33

**ELEC0233-001 08/01/2009**

BLAINE, BROADWATER, CASCADE, CHOUTEAU, FERGUS, GLACIER, HILL, JUDITH BASIN, LEWIS & CLARK, LIBERTY, MEAGHER, PETROLEUM, PHILLIPS, PONDERA, TETON, TOOLE, VALLEY, AND WHEATLAND COUNTIES

	<b>Rates</b>	<b>Fringes</b>
ELECTRICIAN	\$27.96	4.75% + \$9.36

---

**ELEC0233-002 08/01/2009**

BEAVERHEAD, DEER LODGE, GRANITE, JEFFERSON, MADISON, POWELL, AND SILVER BOW COUNTIES

	<b>Rates</b>	<b>Fringes</b>
ELECTRICIAN	\$26.10	4.75% + \$10.80

---

**ELEC0532-001 06/01/2010**

GALLATIN, PARK, AND SWEET GRASS COUNTIES

	<b>Rates</b>	<b>Fringes</b>
ELECTRICIAN	\$26.61	\$10.27

---

**ELEC0532-003 06/01/2010**

BIG HORN, CARBON, CARTER, CUSTER, DANIELS, DAWSON, FALLON, GARFIELD, GOLDEN VALLEY, MCCONE, MUSSELSHELL, POWDER RIVER, PRAIRIE, RICHLAND, ROOSEVELT, ROSEBUD, SHERIDAN, STILLWATER, TREASURE, WIBAUX AND YELLOWSTONE COUNTIES

	<b>Rates</b>	<b>Fringes</b>
ELECTRICIAN	\$29.38	1.75% + \$6.39

---

**ELEC0768-001 06/01/2009**

FLATHEAD, LAKE, LINCOLN, MINERAL, MISSOULA, RAVALLI, AND SANDERS COUNTIES

	<b>Rates</b>	<b>Fringes</b>
ELECTRICIAN	\$27.02	\$10.37

**ZONE DEFINITIONS FOR POWER EQUIPMENT OPERATORS:**

The zone hourly rates applicable to each project shall be determined by measuring the road miles over the shortest practical maintained route from the nearest County Courthouse of the following listed towns to the center of the job:

**BILLINGS, BOZEMAN, BUTTE, GREAT FALLS, HELENA, KALISPELL, MISSOULA**

- Zone 1: 0 to 30 miles - Base Pay
- Zone 2: 30 to 60 miles - Base Pay + \$3.50
- Zone 3: Over 60 miles - Base Pay + \$5.50

	Rates	Fringes
<b>Power Equipment Operator</b>		
<b>(Zone 1)</b>		
Group 1	\$23.47	\$9.50
Group 2	\$23.94	\$9.50
Group 3	\$24.34	\$9.50
Group 4	\$25.00	\$9.50
Group 5	\$25.50	\$9.50
Group 6	\$26.60	\$9.50
Group 7	\$27.10	\$9.50

**POWER EQUIPMENT OPERATORS CLASSIFICATIONS**

**GROUP 1:** Air Compressor; Auto Fine Grader; Belt Finishing Machine; Boring Machine, small; Cement Silo; Crane, A-Frame Truck Crane; Crusher Conveyor; DW-10, 15, and 20 Tractor Roller; Farm Tractor; Forklift; Form Grader; Front-End Loader under 1 cu yd; Heavy Duty Drills; Herman Nelson Heater; Mulching Machine; Oiler, all except Cranes & Shovels; Pumpman.

**GROUP 2:** Air Doctor; Backhoe/Excavator/Shovel to and including 3 cu yd; Bit Grinder; Bituminous Paving Travel Plant; Boring Machine, large; Broom, Self-Propelled; Concrete Travel Batcher; Concrete Float & Spreader; Concrete Bucket Dispatcher; Concrete Finish Machine; Concrete Conveyor; Distributor; Dozer, Rubber-Tired, Push & Side Boom; Elevating Grader/Gradall; Field Equipment Serviceman; Front-End Loader 1 cu yd to including 5 cu yd; Grade Setter; Heavy Duty Drills, all types; Hoist/Tugger, all; Hydralift & similar; Industrial Locomotive; Motor Patrol, except Finish; Mountain Skidder; Oiler - Cranes & Shovels; Pavement Breaker, EMSCO; Power Saw, Self-Propelled; Pugmill; Pumpcrete/Grout Machine; Punch Truck; Roller, other than Asphalt; Roller, Sheepsfoot, Self-Propelled; Roller, 25 tons and over; Ross Carrier; Rotomill under 6 ft; Trenching Machine; Washing/Screening Plant.

**GROUP 3:** Asphalt Paving Machine; Asphalt Screed; Backhoe/Excavator/Shovel over 3 cu yd; Cableway Highline; Concrete Batch Plant; Concrete Curing Machine; Concrete Pump; Cranes, Creter; Cranes, Electric Overhead; Cranes, 24 tons and under; Curb Machine/Slip Form Paver; Finish Dozer; Front-end Loader over 5 cu yd; Mechanic/Welder; Pioneer Dozer; Roller, Asphalt (Breakdown & Finish); Rotomill, over 6 ft; Scraper, single, twin, or pulling Belly Dump; Yo-Yo Cat.

**GROUP 4:** Asphalt/Hot Plant Operator; Cranes, 25 tons to 44 tons; Crusher Operator; Finish Motor Patrol; Finish Scraper.

**GROUP 5:** Cranes, 45 tons to including 74 tons;

**GROUP 6:** Cranes, 75 tons to including 149 tons; Crane, Whirley (all).

**GROUP 7:** Cranes, 150 tons to including 250 tons (add \$1.00 for every 100 tons over 250 tons); Crane, Stiff-Leg or Derrick; Helicopter Hoist; Crane, Tower (all).

**IRON0014-002 07/01/2009**

FLATHEAD, GLACIER, LAKE, LINCOLN, MINERAL, MISSOULA, AND SANDERS COUNTIES

	<b>Rates</b>	<b>Fringes</b>
IRONWORKER	<b>\$25.34</b>	<b>\$16.58</b>

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**IRON0732-009 06/01/2010**

REMAINING COUNTIES

	<b>Rates</b>	<b>Fringes</b>
IRONWORKER	<b>\$25.57</b>	<b>\$17.21</b>

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**LABO1686-001 05/01/2008**

	<b>Rates</b>	<b>Fringes</b>
LABORER (Zone 1)		
Group 1	<b>\$17.14</b>	<b>\$6.72</b>
Group 2	<b>\$20.10</b>	<b>\$6.72</b>
Group 3	<b>\$20.24</b>	<b>\$6.72</b>
Group 4	<b>\$21.00</b>	<b>\$6.72</b>

**LABORERS CLASSIFICATIONS**

**GROUP 1:** Flagperson

**GROUP 2:** All General Labor Work; Burning Bar; Bucket Man; Carpenter Tender; Caisson Worker; Cement Mason Tender; Cement Handler (dry); Chuck Tender; Choker Setter; Concrete Worker; Curb Machine-Lay Down; Crusher and Batch Worker; Fence Erector; Form Setter; Form Stripper; Heater Tender; Landscaper; Pipe Wrapper; Pot Tender; Powderman Tender; Rail and Truck Loaders and Unloaders; Ripraper; Sealants for concrete and other materials; Sign Erection, Guard Rail and Jersey Rail; Stake Jumper; Spike Driver; Signalman; Tail Hoseman; Tool Checker and Houseman; Traffic Control Worker.

**GROUP 3:** Concrete Vibrator; Dumpman (Grademan); Equipment Handler; Geotextile and Liners; High-Pressure Nozzlemans; Jackhammer (Pavement Breaker); Laser Equipment; Non-Riding Rollers; Pipelayer; Posthole Digger (Power); Power Driven Wheelbarrow; Rigger; Sandblaster; Sod Cutter-Power.

**GROUP 4:** Asphalt Raker; Cutting Torch; Grade Setter; High-Scaler; Power Saws (Faller & Concrete); Powderman (\$1.00 per hour above Group 4 rate); Rock & Core Drill; Track or Truck mounted Wagon Drill; Welder including Air Arc.

**PAIN0260-001 07/01/2002**

BLAINE, BROADWATER, CASCADE, CHOUTEAU, DANIELS, FERGUS, GARFIELD, GLACIER, GRANITE (South of a line running East & West through the Southern city limits of PHILLIPSBURG), HILL, JEFFERSON, JUDITH BASIN, LEWIS AND CLARK, LIBERTY, McCONE, MEAGHER, PETROLEUM, PHILLIPS, PONDERA, POWELL (South of a line running East & West through the Southern city limits of HELMSVILLE), RICHLAND, ROOSEVELT, SHERIDAN, TETON, TOOLE, VALLEY, AND WHEATLAND COUNTIES

	<b>Rates</b>	<b>Fringes</b>
PAINTER	\$13.85	1% + \$3.45

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**PAIN0260-002 07/01/2002**

FLATHEAD, GRANITE (North of a line running East & West through the Southern city limits of PHILLIPSBURG), LAKE, LINCOLN, MINERAL, MISSOULA, POWELL (North of a line running East & West through the Southern city limits of HELMSVILLE), RAVALLI, AND SANDERS COUNTIES

	<b>Rates</b>	<b>Fringes</b>
PAINTER	\$16.85	1% + \$3.45

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**PAIN1922-001 06/01/2009**

BEAVERHEAD, BIG HORN, CARBON, CARTER, CUSTER, DAWSON, DEER LODGE, FALLON, GALLATIN, GOLDEN VALLEY, JEFFERSON, MADISON, MUSSELSHELL, PARK, POWDER RIVER, PRAIRIE, ROSEBUD, SILVER BOW, STILLWATER, SWEET GRASS, TREASURE, WIBAUX, AND YELLOWSTONE COUNTIES

PAINTER  
(Industrial, includes industrial plants, tanks, pipes, bridges)

	<b>Rates</b>	<b>Fringes</b>
	\$21.00	\$0.00

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**PLAS0118-001 05/01/2008**

STATEWIDE (except DEER LODGE, JEFFERSON, POWELL, and SILVER BOW COUNTIES)

	<b>Rates</b>	<b>Fringes</b>
CEMENT MASONS: (Zone 1)		
Area 1	\$18.83	\$6.96
Area 2	\$20.24	\$8.86

AREA 1: STATEWIDE (except DEER LODGE, JEFFERSON, POWELL, and SILVER BOW COUNTIES)  
AREA 2: DEER LODGE, JEFFERSON, POWELL, AND SILVER BOW COUNTIES

**PLUM0030-003 09/01/2009**

BIGHORN, BLAINE, CARBON, CARTER, CASCADE, CHOUTEAU, CUSTER, DANIELS, DAWSON, FALLON, FERGUS, GARFIELD, GOLDEN VALLEY, HILL, JUDITH BASIN, LIBERTY, McCONE, MEAGHER, MUSSELSHELL, PETROLEUM, PHILLIPS, PONDERA, POWDER RIVER, PRAIRIE, RICHLAND, ROOSEVELT, ROSEBUD, SHERIDAN, STILLWATER, TETON, TOOLE, TREASURE, VALLEY, WHEATLAND, WIBAUX AND YELLOWSTONE COUNTIES

	<b>Rates</b>	<b>Fringes</b>
PLUMBER		
Commercial	\$28.25	\$13.40
Industrial – Power Generating Plants	\$30.60	\$13.40

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**PLUM0041-001 07/01/2010**

BEAVERHEAD, BROADWATER, DEER LODGE, GALLATIN, GRANITE, JEFFERSON, LEWIS AND CLARK, MADISON, PARK, POWELL, SILVER BOW, AND SWEET GRASS COUNTIES

	<b>Rates</b>	<b>Fringes</b>
PLUMBER	\$28.25	\$13.05

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**PLUM0459-001 05/01/2010**

FLATHEAD, GLACIER, LAKE, LINCOLN, MINERAL, MISSOULA, RAVALLI, AND SANDERS

	<b>Rates</b>	<b>Fringes</b>
PLUMBER	\$27.51	\$12.08

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**TEAM0002-001 05/01/2008**

	<b>Rates</b>	<b>Fringes</b>
TRUCK DRIVERS: (Zone 1)		
Group 1	\$ 14.14	\$5.92
Group 2	\$ 18.84	\$5.92

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**TRUCK DRIVERS CLASSIFICATIONS:**

**GROUP 1:** Pilot Car

**GROUP 2:** All Combination Trucks and Concrete Mixers; Distributor Driver; All Dry Batch Trucks; Dumpman, Gravel Spreader Box Operator; All Dump Trucks and similar equipment including DW 20, DW 21, or Euclid Tractor; Dumpsters; Flat Trucks; Servicemen; Lowboys, Four-Wheel Trailers; Float Semi-Trailer; Lumber Carriers, Lift Trucks & Fork Lifts; Pick-up Driver hauling material; Powder Truck (Bulk Unloader type); Power Boom; Service Truck Drivers, Fuel Truck Drivers, Tiremen; All Water Tank Drivers; Petroleum Products Drivers; Trucks with Power Equipment such as Winch, A-Frame Truck, Crane, Hydralift, Gout-Crete Truck, and Combination Mulching, Seeding & Fertilizing Truck; Truck Mechanic.

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**WELDERS** - Receive rate prescribed for craft performing operation to which welding is incidental.

**END OF GENERAL DECISION**

**MONTANA  
PREVAILING WAGE RATES FOR NONCONSTRUCTION SERVICES 2013**

**Effective: February 1, 2013**

**Steve Bullock, Governor  
State of Montana**

**Pam Bucy, Commissioner  
Department of Labor & Industry**

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates, visit ERD at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact them at:

Employment Relations Division  
Montana Department of Labor and Industry  
P. O. Box 201503  
Helena, MT 59620-1503  
Phone 406-444-5600  
TDD 406-444-5549

**The Labor Standards Bureau welcomes questions, comments and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.**

**MONTANA PREVAILING WAGE REQUIREMENTS**

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated (MCA), has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of Section 18-2-401 et seq., MCA. It is required that each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance and per diem applicable to the district in which the work is being performed as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the Internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

**PAM BUCY  
Commissioner  
Department of Labor and Industry  
State of Montana**

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### A. Date of Publication February 1, 2013

### B. Definition of Nonconstruction Services Occupations

Section 18-2-401 (9)(a)-(9)(l), Montana Code Annotated defines "nonconstruction services" as "work performed by an individual, not including management, office, or clerical work, for:

- (a) the maintenance of publicly owned buildings and facilities, including public highways, roads, streets, and alleys;
- (b) custodial or security services for publicly owned buildings and facilities;
- (c) grounds maintenance for publicly owned property;
- (d) the operation of public drinking water supply, waste collection, and waste disposal systems;
- (e) law enforcement, including janitors and prison guards;
- (f) fire protection;
- (g) public or school transportation driving;
- (h) nursing, nurse's aid services, and medical laboratory technician services;
- (i) material and mail handling;
- (j) food service and cooking;
- (k) motor vehicle and construction equipment repair and servicing; and
- (l) appliance and office machine repair and servicing."

### C. Definition of Public Works Contract

Section 18-2-401 (11)(a) MCA defines "public works contract" as "a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000..."

#### **D. Prevailing Wage Schedule**

This publication covers only Nonconstruction Service occupations and rates. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Heavy, Highway, and Building Construction occupations can be found on the Internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

#### **E. Rates to use for Projects**

Rates to be used on a public works project are those that are in effect at the time the project and bid specifications are advertised.

#### **F. Wage Rate Adjustments for Multiyear Contracts**

Section 18-2-417, MCA states:

*"(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.*

*(2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.*

*(3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency."*

#### **G. Fringe Benefits**

Section 18-2-412, MCA states:

*"(1) To fulfill the obligation...a contractor or subcontractor may:*

*(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;*

*(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or*

*(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.*

*(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor."*

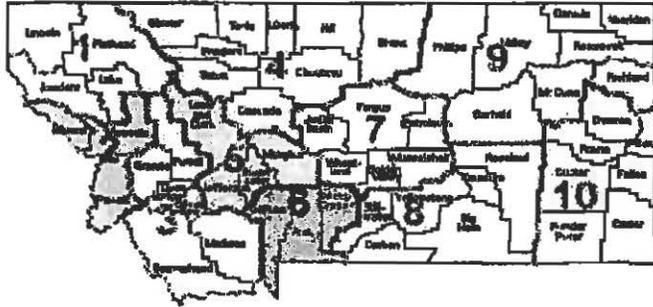
Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

#### H. Per Diem

Per Diem typically covers the costs associated with board and lodging expenses and are paid when an employee is required to work at a location outside the daily commuting distance and is required to stay overnight or longer.

#### I. Prevailing Wage Districts

Montana counties are aggregated into 10 districts for the purpose of prevailing wage. The prevailing wage districts are composed of the following counties:



#### J. Computing Travel Benefits

Travel pay, for the purposes of public works projects, shall be determined by measuring the road miles (one way) over the shortest practical maintained route from *the county courthouse of the designated city for each district or the employee's home, whichever is closer, to the center of the job*. Each city shall be considered the point of origin only for jobs within the counties identified in that district (as shown below):

**District 1 - Kalispell:** includes Flathead, Lake, Lincoln, and Sanders Counties

**District 2 - Missoula:** includes Mineral, Missoula, and Ravalli Counties

**District 3 - Butte:** includes Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow Counties

**District 4 - Great Falls:** includes Blaine, Cascade, Chouteau, Glacier, Hill, Liberty, Pondera, Teton, and Toole Counties

**District 5 - Helena:** includes Broadwater, Jefferson, Lewis and Clark, and Meagher Counties

**District 6 - Bozeman:** includes Gallatin, Park, and Sweet Grass Counties

**District 7 - Lewistown:** includes Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland Counties

**District 8 - Billings:** includes Big Horn, Carbon, Rosebud, Stillwater, Treasure, and Yellowstone Counties

**District 9 - Glasgow:** includes Daniels, Garfield, McCone, Phillips, Richland, Roosevelt, Sheridan, and Valley Counties

**District 10 - Miles City:** includes Carter, Custer, Dawson, Fallon, Prairie, Powder River, and Wibaux Counties

**When travel pay is applicable and is shown as an additional amount added to base pay, it applies for hours worked on the project, not time spent traveling.**

#### K. Apprentices

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, section 18-2-416(2), MCA states, "...*The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract.*" Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate prevailing wage rate when working on a public works contract.

#### L. Posting Notice of Prevailing Wages

Section 18-2-406, MCA provides that contractors, subcontractors and employers who are "*performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees.*"

**M. Employment Preference**

Sections 18-2-403 and 18-2-409, MCA requires contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

**N. Nonconstruction Services Occupations**

**MAINTENANCE OF PUBLICLY OWNED BUILDINGS AND FACILITIES**

BOILER OPERATORS  
BUILDING INSPECTORS  
DITCH RIDERS  
ELEVATOR REPAIRERS  
HIGHWAY MAINTENANCE WORKERS  
JANITORS AND CLEANERS  
STREET CLEANERS AND SWEEPERS

**GROUNDS MAINTENANCE FOR PUBLICLY OWNED PROPERTY**

CEMETERY WORKERS  
FOREST FUELS MITIGATION SAWYERS  
FOREST FUELS MITIGATION THINNERS AND EQUIPMENT OPERATORS  
LANDSCAPING AND GROUNDSKEEPING WORKERS  
PEST CONTROL WORKERS  
PESTICIDE HANDLERS, SPRAYERS AND APPLICATORS  
TIMBER MARKERS  
TREE PLANTERS  
TREE TRIMMERS AND PRUNERS

**OPERATION OF PUBLIC DRINKING WATER SUPPLY,  
WASTE COLLECTION AND WASTE DISPOSAL SYSTEMS**

BASIN OPERATORS  
HAZARDOUS MATERIALS REMOVAL WORKERS  
METER READERS  
PUMP STATION OPERATORS  
REFUSE AND RECYCLABLE COLLECTORS  
SANITARY LANDFILL ATTENDANTS  
SANITARY LANDFILL OPERATORS  
SEWAGE DISPOSAL WORKERS  
SEWER PIPE CLEANERS AND REPAIRERS  
WASTEWATER TREATMENT PLANT ATTENDANTS  
WASTEWATER TREATMENT PLANT OPERATORS  
WATER TREATMENT PLANT OPERATORS

**LAW ENFORCEMENT, INCLUDING CORRECTION AND DETENTION OFFICERS**

ANIMAL CONTROL OFFICERS  
BAILIFFS  
CORRECTION AND DETENTION OFFICERS  
DISPATCHERS  
PARKING ENFORCEMENT OFFICERS  
PROBATION OFFICERS  
SECURITY GUARDS, (Armed)  
SECURITY GUARDS, (Unarmed)

**FIRE PROTECTION**

**FIRE MARSHALLS**  
**FIREFIGHTERS, (Wildlands)**

**PUBLIC OR SCHOOL TRANSPORTATION DRIVING**

**BUS DRIVERS**  
**BUS DRIVERS, (School)**  
**TRUCK DRIVERS, (Light or Delivery)**  
**VAN DRIVERS, (Shuttle)**

**NURSING, NURSE'S AID SERVICES AND MEDICAL LABORATORY TECHNICIAN SERVICES**

**ADVANCED PRACTICE NURSES**  
**EMERGENCY MEDICAL TECHNICIANS**  
**HOME HEALTH AIDES**  
**LICENSED PRACTICAL NURSES**  
**MEDICAL LABORATORY TECHNICIANS**  
**MEDICAL LABORATORY TECHNOLOGISTS**  
**NURSES, (Community Health)**  
**NURSES, (Office)**  
**NURSING AIDES, ORDERLIES AND ATTENDANTS**  
**PHYSICIAN ASSISTANTS**  
**REGISTERED NURSES**

**MATERIAL AND MAIL HANDLING**

**FREIGHT, STOCK AND MATERIAL HANDLERS**  
**MAIL CARRIERS**  
**MAIL SORTERS AND PROCESSORS**

**FOOD SERVICE AND COOKING**

**COOKS, (Institution and Cafeteria)**  
**COUNTER ATTENDANTS**  
**DINING ROOM ATTENDANTS**  
**FOOD PREPARATION WORKERS**

**MOTOR VEHICLE AND CONSTRUCTION EQUIPMENT REPAIR AND SERVICING**

**AUTOMOTIVE MECHANICS**  
**BUS AND TRUCK MECHANICS, (Diesel Engines)**  
**CONSTRUCTION EQUIPMENT MECHANICS**

**APPLIANCE AND OFFICE MACHINE REPAIR AND SERVICING**

**APPLIANCE SERVICE TECHNICIANS**  
**COMPUTER, AUTOMATED TELLER AND OFFICE MACHINE REPAIRERS**  
**RADIO ENGINEER TECHNICIANS**

## **WAGE RATES**

### **MAINTENANCE OF PUBLICLY OWNED BUILDINGS AND FACILITIES:**

#### **BASIN OPERATORS**

**No Rate Established**

#### **BOILER OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.99	\$7.10
District 2	\$17.31	\$8.22
District 3	\$16.83	\$9.05
District 4	\$16.72	\$6.45
District 5	\$16.99	\$7.10
District 6	\$17.44	\$8.57
District 7	\$16.79	\$6.36
District 8	\$16.99	\$7.10
District 9	\$16.72	\$6.45
District 10	\$16.99	\$7.10

#### **BUILDING INSPECTORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$22.60	\$9.03
District 2	\$23.33	\$9.43
District 3	\$23.45	\$8.34
District 4	\$18.40	\$8.00
District 5	\$19.56	\$7.20
District 6	\$20.82	\$6.56
District 7	\$20.74	\$6.46
District 8	\$21.69	\$6.57
District 9	\$22.29	\$8.15
District 10	\$22.29	\$8.15

#### **DITCH RIDERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$13.37	\$2.34
District 2	\$12.00	\$2.81
District 3	\$11.75	\$1.69
District 4	\$14.68	\$2.66
District 5	\$16.31	\$2.34
District 6	\$15.91	\$2.34
District 7	\$16.26	\$2.66
District 8	\$17.89	\$2.66
District 9	\$14.25	\$2.66
District 10	\$14.50	\$2.66

## **ELEVATOR REPAIRERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$46.54	\$28.74
District 2	\$46.54	\$28.74
District 3	\$46.54	\$28.74
District 4	\$46.54	\$28.74
District 5	\$46.54	\$28.74
District 6	\$46.54	\$28.74
District 7	\$46.54	\$28.74
District 8	\$46.54	\$28.74
District 9	\$46.54	\$28.74
District 10	\$46.54	\$28.74

### **Travel:**

#### **All Districts**

0-15 mi. free zone

>15-25 mi. \$37.27/day

>25-35 mi. \$74.54/day

>35 mi. \$72.55/day or cost of receipts for hotel and meals, whichever is greater.

## **HIGHWAY MAINTENANCE WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.02	\$8.78
District 2	\$21.20	\$6.55
District 3	\$23.47	\$9.26
District 4	\$16.95	\$5.36
District 5	\$20.32	\$6.71
District 6	\$19.89	\$7.27
District 7	\$16.76	\$5.35
District 8	\$16.76	\$6.26
District 9	\$14.57	\$3.90
District 10	\$17.98	\$8.77

### **Duties Include:**

Patching pavement, repairing guard rails, clearing brush, and plowing snow. Maintains highways, municipal and rural roads, airport runways, and right-of-ways.

**JANITORS AND CLEANERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$12.87	\$3.96
District 2	\$10.53	\$3.23
District 3	\$11.57	\$4.22
District 4	\$12.74	\$5.33
District 5	\$10.21	\$2.40
District 6	\$13.46	\$2.36
District 7	\$10.17	\$5.95
District 8	\$11.83	\$5.48
District 9	\$11.96	\$3.76
District 10	\$11.79	\$2.03

**Duties Include:**

Heavy cleaning, routine maintenance, tending boiler or furnace, and removing debris or snow from sidewalks.

**STREET CLEANERS AND SWEEPERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.34	\$6.67
District 2	\$14.31	\$6.67
District 3	\$14.81	\$6.67
District 4	\$14.80	\$6.67
District 5	\$14.94	\$6.67
District 6	\$15.80	\$6.67
District 7	\$17.05	\$6.95
District 8	\$15.80	\$6.67
District 9	\$17.00	\$7.65
District 10	\$15.80	\$6.67

**GROUNDS MAINTENANCE FOR PUBLICLY OWNED PROPERTY**

**CEMETERY WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$12.26	\$3.66
District 2	\$11.64	\$3.73
District 3	\$10.70	\$2.55
District 4	\$11.76	\$5.69
District 5	\$11.96	\$3.72
District 6	\$13.36	\$4.20
District 7	\$14.19	\$5.66
District 8	\$17.36	\$7.20
District 9	\$14.07	\$6.20
District 10	\$14.81	\$6.58

**FOREST FUELS MITIGATION SAWYERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.80	No Rate Established
District 2	\$15.80	No Rate Established
District 3	\$15.80	No Rate Established
District 4	\$15.80	No Rate Established
District 5	\$15.80	No Rate Established
District 6	\$15.80	No Rate Established
District 7	\$15.80	No Rate Established
District 8	\$15.80	No Rate Established
District 9	\$15.80	No Rate Established
District 10	\$15.80	No Rate Established

**FOREST FUELS MITIGATION THINNERS AND EQUIPMENT OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.00	No Rate Established
District 2	\$14.00	No Rate Established
District 3	\$14.00	No Rate Established
District 4	\$14.00	No Rate Established
District 5	\$14.00	No Rate Established
District 6	\$14.00	No Rate Established
District 7	\$14.00	No Rate Established
District 8	\$14.00	No Rate Established
District 9	\$14.00	No Rate Established
District 10	\$14.00	No Rate Established

**LANDSCAPING AND GROUNDSKEEPING WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$12.64	\$8.09
District 2	\$11.99	\$7.45
District 3	\$15.54	\$9.05
District 4	\$11.26	\$3.91
District 5	\$12.05	\$4.52
District 6	\$13.39	\$2.99
District 7	\$13.14	\$5.08
District 8	\$15.79	\$6.92
District 9	\$13.04	\$6.12
District 10	\$11.27	\$6.83

**PEST CONTROL WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$12.50	No Rate Established
District 2	\$12.50	No Rate Established
District 3	\$12.50	No Rate Established
District 4	\$12.50	No Rate Established
District 5	\$12.50	No Rate Established
District 6	\$12.50	No Rate Established
District 7	\$12.50	No Rate Established
District 8	\$12.50	No Rate Established
District 9	\$12.50	No Rate Established
District 10	\$12.50	No Rate Established

**PESTICIDE HANDLERS, SPRAYERS AND APPLICATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.69	\$1.93
District 2	\$11.17	\$0.82
District 3	\$13.03	\$0.97
District 4	\$11.17	\$2.72
District 5	\$12.04	\$1.93
District 6	\$12.85	\$0.82
District 7	\$11.85	\$2.72
District 8	\$12.00	\$4.04
District 9	\$12.14	\$4.62
District 10	\$ 9.32	\$3.68

**TIMBER MARKERS**

**No Rate Established**

**TREE PLANTERS**

**No Rate Established**

**TREE TRIMMERS AND PRUNERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$23.74	\$7.98
District 2	\$23.74	\$7.98
District 3	\$23.74	\$7.98
District 4	\$23.74	\$7.98
District 5	\$23.74	\$7.98
District 6	\$23.74	\$7.98
District 7	\$23.74	\$7.98
District 8	\$23.74	\$7.98
District 9	\$23.74	\$7.98
District 10	\$23.74	\$7.98

**Travel:**

**All Districts**

0-25 mi. - free zone

>25-50 mi. - \$20.00/day

>50 mi. - \$70.00/day

**OPERATION OF PUBLIC DRINKING WATER SUPPLY,  
WASTE COLLECTION AND WASTE DISPOSAL SYSTEMS**

**HAZARDOUS MATERIALS REMOVAL WORKERS**

**No Rate Established**

**METER READERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.68	\$9.45
District 2	\$15.68	\$9.45
District 3	\$15.20	\$8.54
District 4	\$15.49	\$6.10
District 5	\$15.36	\$7.43
District 6	\$15.54	\$6.96
District 7	\$15.82	\$5.66
District 8	\$16.43	\$6.96
District 9	\$15.71	\$5.91
District 10	\$18.05	\$6.96

### **PUMP STATION OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.86	\$5.45
District 2	\$15.86	\$5.45
District 3	\$15.86	\$5.45
District 4	\$15.86	\$5.45
District 5	\$15.86	\$5.45
District 6	\$15.86	\$5.45
District 7	\$15.86	\$5.45
District 8	\$15.86	\$5.45
District 9	\$15.86	\$5.45
District 10	\$15.86	\$5.45

### **REFUSE AND RECYCLABLE COLLECTORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.34	\$8.10
District 2	\$17.02	\$7.50
District 3	\$15.72	\$7.52
District 4	\$16.16	\$7.15
District 5	\$16.59	\$6.97
District 6	\$17.36	\$7.47
District 7	\$15.25	\$6.00
District 8	\$18.31	\$8.06
District 9	\$15.30	\$7.79
District 10	\$17.85	\$8.02

### **SANITARY LANDFILL ATTENDANTS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$13.50	\$8.45
District 2	\$13.36	\$7.32
District 3	\$13.20	\$5.66
District 4	\$13.64	\$7.35
District 5	\$14.93	\$6.83
District 6	\$13.01	\$4.47
District 7	\$13.07	\$3.92
District 8	\$11.69	\$2.84
District 9	\$12.37	\$3.86
District 10	\$12.55	\$3.72

**SANITARY LANDFILL OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$19.95	\$7.35
District 2	\$20.09	\$7.89
District 3	\$23.47	\$9.26
District 4	\$15.42	\$5.52
District 5	\$18.88	\$7.07
District 6	\$20.02	\$4.69
District 7	\$16.63	\$5.32
District 8	\$18.01	\$4.93
District 9	\$15.69	\$5.49
District 10	\$18.89	\$6.99

**SEWAGE DISPOSAL WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.85	No Rate Established
District 2	\$15.85	No Rate Established
District 3	\$15.85	No Rate Established
District 4	\$16.85	No Rate Established
District 5	\$15.82	No Rate Established
District 6	\$16.85	No Rate Established
District 7	\$16.85	No Rate Established
District 8	\$16.85	No Rate Established
District 9	\$17.20	No Rate Established
District 10	\$16.85	No Rate Established

**SEWER PIPE CLEANERS AND REPAIRERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.20	\$9.40
District 2	\$15.16	\$9.40
District 3	\$15.16	\$9.40
District 4	\$16.20	\$9.40
District 5	\$15.16	\$9.40
District 6	\$16.51	\$6.99
District 7	\$17.61	\$6.99
District 8	\$17.61	\$5.13
District 9	\$17.61	\$6.99
District 10	\$17.61	\$6.99

**WASTEWATER TREATMENT PLANT ATTENDANTS**

**No Rate Established**

**WASTEWATER TREATMENT PLANT OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$23.38	\$6.76
District 2	\$22.24	\$5.50
District 3	\$23.47	\$9.26
District 4	\$18.62	\$5.44
District 5	\$20.69	\$7.66
District 6	\$21.43	\$8.93
District 7	\$20.94	\$8.06
District 8	\$21.71	\$9.63
District 9	\$20.91	\$8.53
District 10	\$21.71	\$9.63

**WATER TREATMENT PLANT OPERATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$19.42	\$6.53
District 2	\$20.92	\$6.59
District 3	\$21.04	\$6.50
District 4	\$18.04	\$7.34
District 5	\$19.84	\$7.10
District 6	\$22.02	\$8.91
District 7	\$19.91	\$7.92
District 8	\$21.05	\$8.99
District 9	\$19.52	\$7.78
District 10	\$20.60	\$8.63

**LAW ENFORCEMENT, INCLUDING CORRECTION AND DETENTION OFFICERS**

**ANIMAL CONTROL OFFICERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.40	\$7.89
District 2	\$15.88	\$7.91
District 3	\$16.37	\$6.45
District 4	\$16.80	\$6.99
District 5	\$16.34	\$5.71
District 6	\$16.88	\$6.51
District 7	\$17.26	\$6.59
District 8	\$16.90	\$7.39
District 9	\$17.19	\$7.43
District 10	\$16.90	\$7.39

**BAILIFFS**

**No Rate Established**

**CORRECTION AND DETENTION OFFICERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.51	\$6.76
District 2	\$16.11	\$8.60
District 3	\$14.44	\$7.09
District 4	\$14.67	\$4.87
District 5	\$13.57	\$6.54
District 6	\$15.44	\$4.86
District 7	\$15.31	\$4.58
District 8	\$17.58	\$5.12
District 9	\$14.56	\$4.39
District 10	\$12.88	\$5.12

**DISPATCHERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.17	\$4.53
District 2	\$14.31	\$4.08
District 3	\$13.89	\$5.49
District 4	\$14.28	\$3.91
District 5	\$14.03	\$6.60
District 6	\$19.47	\$4.25
District 7	\$16.72	\$5.86
District 8	\$17.99	\$7.42
District 9	\$10.58	\$3.90
District 10	\$17.11	\$7.00

**PARKING ENFORCEMENT OFFICERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.51	No Rate Established
District 2	\$14.51	No Rate Established
District 3	\$14.51	No Rate Established
District 4	\$14.51	No Rate Established
District 5	\$14.51	No Rate Established
District 6	\$14.51	No Rate Established
District 7	\$14.51	No Rate Established
District 8	\$14.51	No Rate Established
District 9	\$14.51	No Rate Established
District 10	\$14.51	No Rate Established

**PROBATION OFFICERS**

**No Rate Established**

**SECURITY GUARDS, (Armed)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.70	\$1.66
District 2	\$11.00	\$2.19
District 3	\$13.68	\$2.19
District 4	\$14.70	\$2.19
District 5	\$14.70	\$2.19
District 6	\$15.40	\$8.12
District 7	\$15.40	\$8.12
District 8	\$15.40	\$8.12
District 9	\$15.40	\$8.12
District 10	\$15.40	\$8.12

**SECURITY GUARDS, (Unarmed)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.54	\$2.75
District 2	\$15.79	\$4.04
District 3	\$ 8.50	\$4.23
District 4	\$11.14	\$4.33
District 5	\$10.25	\$4.90
District 6	\$10.14	\$4.92
District 7	\$10.28	\$4.92
District 8	\$10.00	\$4.23
District 9	\$10.16	\$4.23
District 10	\$10.17	\$4.23

**FIRE PROTECTION**

**FIRE MARSHALLS**

**No Rate Established**

**FIREFIGHTERS, (Wildlands)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.62	\$10.20
District 2	\$26.87	\$11.00
District 3	\$18.74	\$ 8.72
District 4	\$18.62	\$10.20
District 5	\$18.65	\$ 9.87
District 6	\$19.38	\$ 7.51
District 7	\$19.50	\$ 7.30
District 8	\$22.00	\$ 7.61
District 9	\$19.50	\$ 7.30
District 10	\$19.50	\$ 7.30

**PUBLIC OR SCHOOL TRANSPORTATION DRIVING**

**BUS DRIVERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.47	\$6.40
District 2	\$14.48	\$6.99
District 3	\$12.85	\$6.99
District 4	\$15.46	\$6.78
District 5	\$13.45	\$6.40
District 6	\$12.93	\$7.78
District 7	\$14.69	\$7.15
District 8	\$18.97	\$8.02
District 9	\$14.00	\$7.15
District 10	\$11.50	\$7.34

**BUS DRIVERS, (School)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.92	\$4.48
District 2	\$13.63	\$4.64
District 3	\$16.01	\$4.12
District 4	\$14.31	\$4.67
District 5	\$13.04	\$1.93
District 6	\$12.50	\$5.00
District 7	\$17.22	\$4.05
District 8	\$16.23	\$5.97
District 9	\$16.78	\$1.63
District 10	\$16.39	\$5.51

**TRUCK DRIVERS, (Light or Delivery)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$13.10	\$3.00
District 2	\$ 9.50	\$3.65
District 3	\$13.25	\$2.65
District 4	\$15.80	\$3.16
District 5	\$15.51	\$2.85
District 6	\$15.35	\$2.51
District 7	\$14.68	\$3.88
District 8	\$14.84	\$4.72
District 9	\$15.52	\$4.08
District 10	\$18.00	\$2.28

**VAN DRIVERS, (Shuttle)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$10.97	\$3.18
District 2	\$12.39	\$3.22
District 3	\$ 9.92	\$3.22
District 4	\$15.80	\$3.16
District 5	\$12.41	\$3.20
District 6	\$ 9.00	\$3.22
District 7	\$12.58	\$3.24
District 8	\$10.00	\$3.22
District 9	\$14.20	\$3.24
District 10	\$12.39	\$3.22

**NURSING, NURSE'S AID SERVICES, AND MEDICAL LABORATORY TECHNICIAN SERVICES**

**ADVANCED PRACTICE NURSES**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$40.64	\$ 3.88
District 2	\$41.50	\$10.67
District 3	\$44.34	\$10.12
District 4	\$47.60	\$ 9.03
District 5	\$43.31	\$ 7.73
District 6	\$47.15	\$ 9.27
District 7	\$41.74	\$ 8.20
District 8	\$40.64	\$ 8.92
District 9	\$40.80	\$ 8.21
District 10	\$40.46	\$ 8.92

**Occupations Include:**

Nurse Practitioners, Clinical Nurse Specialists, Nurse Anesthetists, and Nurse Midwives.

**EMERGENCY MEDICAL TECHNICIANS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.91	\$3.08
District 2	\$12.16	\$3.01
District 3	\$13.58	\$3.43
District 4	\$12.31	\$3.51
District 5	\$14.49	\$4.07
District 6	\$20.34	\$4.07
District 7	\$20.22	\$4.04
District 8	\$20.65	\$4.04
District 9	\$19.99	\$3.51
District 10	\$14.15	\$3.51

**HOME HEALTH AIDES**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$10.75	\$2.97
District 2	\$12.59	\$2.22
District 3	\$11.03	\$2.90
District 4	\$10.58	\$3.46
District 5	\$ 9.90	\$3.35
District 6	\$10.80	\$3.89
District 7	\$10.87	\$3.99
District 8	\$10.50	\$4.62
District 9	\$11.04	\$4.35
District 10	\$11.01	\$4.45

**LICENSED PRACTICAL NURSES**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.25	\$ 4.12
District 2	\$17.07	\$ 4.37
District 3	\$18.54	\$ 5.95
District 4	\$17.95	\$ 4.88
District 5	\$16.66	\$ 4.71
District 6	\$18.25	\$ 4.12
District 7	\$17.27	\$ 3.60
District 8	\$18.54	\$10.19
District 9	\$19.43	\$ 6.25
District 10	\$18.81	\$ 8.79

**MEDICAL LABORATORY TECHNICIANS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$19.61	\$4.59
District 2	\$17.92	\$3.99
District 3	\$16.41	\$3.76
District 4	\$21.34	\$4.99
District 5	\$20.26	\$4.46
District 6	\$19.98	\$4.27
District 7	\$21.31	\$4.93
District 8	\$21.22	\$4.31
District 9	\$19.46	\$4.45
District 10	\$20.51	\$4.43

**MEDICAL LABORATORY TECHNOLOGISTS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$25.03	\$7.50
District 2	\$22.00	\$6.96
District 3	\$27.58	\$7.37
District 4	\$27.32	\$8.05
District 5	\$26.40	\$7.52
District 6	\$25.66	\$7.08
District 7	\$27.24	\$7.17
District 8	\$28.38	\$5.61
District 9	\$25.54	\$6.40
District 10	\$27.55	\$5.83

**NURSES, (Community Health)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$23.12	\$5.60
District 2	\$23.75	\$5.62
District 3	\$23.32	\$4.94
District 4	\$23.18	\$6.55
District 5	\$22.52	\$4.48
District 6	\$23.74	\$3.28
District 7	\$25.27	\$5.18
District 8	\$26.26	\$4.84
District 9	\$25.65	\$6.62
District 10	\$25.94	\$7.18

**NURSES, (Office)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$19.97	\$5.34
District 2	\$21.74	\$4.38
District 3	\$21.24	\$5.11
District 4	\$24.77	\$6.12
District 5	\$21.59	\$6.23
District 6	\$22.32	\$5.72
District 7	\$21.85	\$5.93
District 8	\$22.40	\$5.50
District 9	\$19.03	\$6.21
District 10	\$21.36	\$5.86

**NURSING AIDES, ORDERLIES AND ATTENDANTS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.78	\$3.14
District 2	\$11.40	\$2.93
District 3	\$12.80	\$4.64
District 4	\$12.35	\$3.42
District 5	\$ 9.42	\$1.96
District 6	\$12.23	\$4.21
District 7	\$10.25	\$3.60
District 8	\$11.57	\$6.26
District 9	\$11.26	\$4.11
District 10	\$10.17	\$1.45

**Occupations Include:**

Certified Nursing Assistants, Hospital Aides, Infirmary Attendants

**PHYSICIAN ASSISTANTS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$41.92	\$ 9.58
District 2	\$39.47	\$ 8.97
District 3	\$46.49	\$10.66
District 4	\$42.57	\$ 9.18
District 5	\$44.19	\$10.26
District 6	\$40.38	\$ 9.75
District 7	\$41.44	\$ 8.21
District 8	\$41.17	\$ 8.98
District 9	\$43.11	\$ 9.10
District 10	\$41.29	\$ 8.98

**REGISTERED NURSES**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$26.25	\$ 6.58
District 2	\$28.81	\$ 7.11
District 3	\$28.00	\$ 7.55
District 4	\$23.74	\$ 4.90
District 5	\$23.65	\$ 6.00
District 6	\$25.60	\$ 4.55
District 7	\$25.68	\$ 3.60
District 8	\$29.92	\$11.37
District 9	\$27.72	\$ 7.16
District 10	\$26.20	\$ 7.79

## MATERIAL AND MAIL HANDLING

### FREIGHT, STOCK AND MATERIAL HANDLERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.29	\$2.82
District 2	\$11.88	\$2.91
District 3	\$11.00	\$2.66
District 4	\$11.32	\$2.76
District 5	\$15.00	\$1.92
District 6	\$11.76	\$3.27
District 7	\$12.55	\$3.21
District 8	\$13.09	\$3.41
District 9	\$13.18	\$3.54
District 10	\$15.78	\$3.71

### MAIL CARRIERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$13.18	No Rate Established
District 2	\$13.18	No Rate Established
District 3	\$12.82	No Rate Established
District 4	\$13.18	No Rate Established
District 5	\$13.18	No Rate Established
District 6	\$13.18	No Rate Established
District 7	\$13.18	No Rate Established
District 8	\$13.18	No Rate Established
District 9	\$13.18	No Rate Established
District 10	\$13.18	No Rate Established

### MAIL SORTERS AND PROCESSORS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.06	\$5.70
District 2	\$10.85	\$5.63
District 3	\$11.03	\$4.84
District 4	\$10.89	\$5.50
District 5	\$10.71	\$5.70
District 6	\$10.66	\$5.63
District 7	\$10.85	\$5.63
District 8	\$10.81	\$5.73
District 9	\$11.02	\$5.40
District 10	\$10.85	\$5.63

## FOOD SERVICE AND COOKING

### COOKS, (Institution and Cafeteria)

	<b>Wage</b>	<b>Benefit</b>
District 1	\$12.90	\$4.72
District 2	\$11.32	\$3.53
District 3	\$11.52	\$4.36
District 4	\$10.72	\$4.36
District 5	\$11.39	\$4.14
District 6	\$13.41	\$4.72
District 7	\$10.56	\$4.27
District 8	\$12.02	\$5.17
District 9	\$12.01	\$3.87
District 10	\$11.50	\$5.55

### COUNTER ATTENDANTS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$11.37	\$2.42
District 2	\$10.43	\$2.42
District 3	\$ 8.92	\$2.31
District 4	\$10.97	\$3.70
District 5	\$ 9.95	\$2.35
District 6	\$ 8.00	\$2.24
District 7	\$ 8.34	\$2.49
District 8	\$ 8.53	\$2.49
District 9	\$ 9.95	\$2.63
District 10	\$ 9.95	\$2.49

### DINING ROOM ATTENDANTS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$7.68	\$3.50
District 2	\$9.93	\$3.50
District 3	\$9.53	\$3.50
District 4	\$7.65	\$3.94
District 5	\$8.75	\$3.50
District 6	\$8.92	\$3.50
District 7	\$8.74	\$3.50
District 8	\$8.77	\$3.50
District 9	\$9.00	\$3.94
District 10	\$8.77	\$3.50

**FOOD PREPARATION WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$ 9.82	\$3.29
District 2	\$10.75	\$2.69
District 3	\$ 9.39	\$3.08
District 4	\$ 9.41	\$3.59
District 5	\$ 9.67	\$2.48
District 6	\$11.35	\$3.75
District 7	\$ 9.72	\$3.37
District 8	\$10.24	\$4.85
District 9	\$10.40	\$3.30
District 10	\$10.26	\$3.64

**MOTOR VEHICLE AND CONSTRUCTION EQUIPMENT REPAIR  
AND SERVICING****AUTOMOTIVE MECHANICS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.22	\$5.39
District 2	\$18.97	\$3.40
District 3	\$18.10	\$4.90
District 4	\$16.15	\$4.39
District 5	\$15.97	\$4.46
District 6	\$20.32	\$4.32
District 7	\$18.92	\$5.25
District 8	\$19.63	\$6.19
District 9	\$24.18	\$6.42
District 10	\$24.43	\$3.26

**BUS AND TRUCK MECHANICS, (Diesel Engine)**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.44	\$5.58
District 2	\$18.80	\$5.11
District 3	\$19.07	\$4.93
District 4	\$18.33	\$6.80
District 5	\$21.50	\$6.21
District 6	\$17.36	\$5.20
District 7	\$19.03	\$6.27
District 8	\$21.43	\$4.67
District 9	\$18.78	\$6.49
District 10	\$20.79	\$5.15

**CONSTRUCTION EQUIPMENT MECHANICS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.55	\$6.81
District 2	\$19.59	\$6.95
District 3	\$20.28	\$5.82
District 4	\$17.85	\$6.75
District 5	\$18.92	\$6.36
District 6	\$21.66	\$4.46
District 7	\$19.10	\$5.98
District 8	\$21.94	\$4.81
District 9	\$18.41	\$6.63
District 10	\$19.29	\$6.31

**APPLIANCE AND OFFICE MACHINE REPAIR AND SERVICING**

**APPLIANCE SERVICE TECHNICIANS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$20.00	\$3.00
District 2	\$19.71	\$2.33
District 3	\$19.50	\$2.00
District 4	\$20.00	\$3.00
District 5	\$18.38	\$2.09
District 6	\$15.00	\$1.00
District 7	\$18.38	\$2.09
District 8	\$19.50	\$2.00
District 9	\$20.00	\$3.00
District 10	\$19.71	\$2.33

**COMPUTER, AUTOMATED TELLER AND OFFICE MACHINE REPAIRERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.62	\$4.24
District 2	\$13.89	\$3.00
District 3	\$16.28	\$3.51
District 4	\$16.54	\$4.37
District 5	\$19.00	\$5.34
District 6	\$16.54	\$4.37
District 7	\$18.96	\$4.37
District 8	\$16.54	\$4.37
District 9	\$16.54	\$4.37
District 10	\$16.54	\$4.37

**RADIO ENGINEER TECHNICIANS**

**No Rate Established**

**MONTANA  
PREVAILING WAGE RATES FOR BUILDING CONSTRUCTION SERVICES 2013**

**Effective: February 1, 2013**

**Steve Bullock, Governor  
State of Montana**

**Pam Bucy, Commissioner  
Department of Labor and Industry**

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates, visit ERD at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact them at:

Employment Relations Division  
Montana Department of Labor and Industry  
P. O. Box 201503  
Helena, MT 59620-1503  
Phone 406-444-5600  
TDD 406-444-5549

**The Labor Standards Bureau welcomes questions, comments and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.**

**MONTANA PREVAILING WAGE REQUIREMENTS**

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated (MCA), has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of 18-2-401, et seq., MCA. It is required that each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance, and per diem applicable to the district in which the work is being performed as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or contact the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

**PAM BUCY  
Commissioner  
Department of Labor and Industry  
State of Montana**

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#### **A. Date of Publication February 1, 2013**

#### **B. Definition of Building Construction**

For the purposes of Prevailing Wage, the Commissioner of Labor and Industry has determined that building construction occupations are defined to be those performed by a person engaged in a recognized trade or craft, or any skilled, semi-skilled, or unskilled manual labor related to the construction, alteration, or repair of a public building or facility, and does not include engineering, superintendence, management, office or clerical work.

The Administrative Rules of Montana (ARM) 24.17.501(2) – 2(a), Public Works Contracts for Construction Services Subject to Prevailing Wage Rates, states: *“Building construction projects generally are the constructions of sheltered enclosures with walk-in access for housing persons, machinery, equipment, or supplies. It includes all construction of such structures, incidental installation of utilities and equipment, both above and below grade level, as well as incidental grading, utilities and paving.”*

*Examples of building construction include, but are not limited to, alterations and additions to buildings, apartment buildings (5 stories and above), arenas (closed), auditoriums, automobile parking garages, banks and financial buildings, barracks, churches, city halls, civic centers, commercial buildings, court houses, detention facilities, dormitories, farm buildings, fire stations, hospitals, hotels, industrial buildings, institutional buildings, libraries, mausoleums, motels, museums, nursing and convalescent facilities, office buildings, out-patient clinics, passenger and freight terminal buildings, police stations, post offices, power plants, prefabricated buildings, remodeling buildings, renovating buildings, repairing buildings, restaurants, schools, service stations, shopping centers, stores, subway stations, theaters, warehouses, water and sewage treatment plants (buildings only), etc.”*

#### **C. Definition of Public Works Contract**

Montana Code Annotated 18-2-401(11)(a), defines “public works contract” as *“a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000...”*

#### **D. Prevailing Wage Schedule**

This publication covers only Building Construction occupations and rates. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Heavy Construction, Highway Construction, and Nonconstruction Services occupations can be found on the internet at [www.mtwagehourbopa.com](http://www.mtwagehourbopa.com) or by contacting the Labor Standards Bureau at (406) 444-5600 or TDD (406) 444-5549.

#### **E. Rates to use for Projects**

Rates to be used on a public works project are those that are in effect at the time the project and bid specifications are advertised.

#### **F. Wage Rate Adjustments for Multiyear Contracts**

Section 18-2-417, MCA states:

*“(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.*

*(2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.*

*(3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency.”*

**G. Fringe Benefits**

Section 18-2-412, MCA states:

*“(1) To fulfill the obligation...a contractor or subcontractor may:*

*(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;*

*(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or*

*(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.*

*(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor.”*

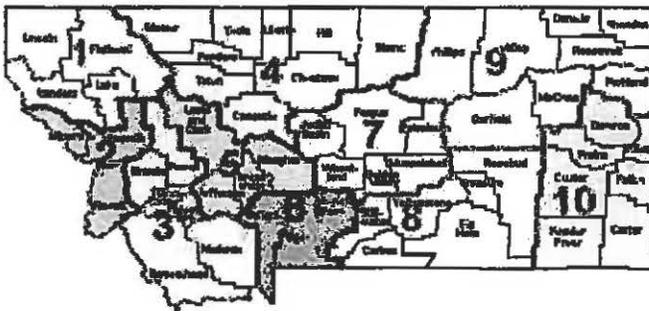
Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

**H. Per Diem**

Per Diem typically covers the costs associated with board and lodging expenses and are paid when an employee is required to work at a location outside the daily commuting distance and is required to stay overnight or longer.

**I. Prevailing Wage Districts**

Montana counties are aggregated into 10 districts for the purpose of prevailing wage. The prevailing wage districts are composed of the following counties:



#### **J. Computing Travel Benefits**

Travel pay, for the purposes of public works projects, shall be determined by measuring the road miles (one way) over the shortest practical maintained route from *the county courthouse of the designated city for each district or the employee's home, whichever is closer, to the center of the job*. Each city shall be considered the point of origin only for jobs within the counties identified in that district (as shown below):

**District 1 - Kallispell:** includes Flathead, Lake, Lincoln, and Sanders Counties

**District 2 - Missoula:** includes Mineral, Missoula, and Ravalli Counties

**District 3 - Butte:** includes Beaverhead, Deer Lodge, Granite, Madison, Powell, and Silver Bow Counties

**District 4 - Great Falls:** includes Blaine, Cascade, Chouteau, Glacier, Hill, Liberty, Pondera, Teton, and Toole Counties

**District 5 - Helena:** includes Broadwater, Jefferson, Lewis and Clark, and Meagher Counties

**District 6 - Bozeman:** includes Gallatin, Park, and Sweet Grass Counties

**District 7 - Lewistown:** includes Fergus, Golden Valley, Judith Basin, Musselshell, Petroleum, and Wheatland Counties

**District 8 - Billings:** includes Big Horn, Carbon, Rosebud, Stillwater, Treasure, and Yellowstone Counties

**District 9 - Glasgow:** includes Daniels, Garfield, McCone, Phillips, Richland, Roosevelt, Sheridan, and Valley Counties

**District 10 - Miles City:** includes Carter, Custer, Dawson, Fallon, Prairie, Powder River, and Wibaux Counties

When travel pay is applicable and is shown as an additional amount added to base pay, it applies for hours worked on the project, not time spent traveling.

#### **K. Apprentices**

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, section 18-2-416(2), MCA states, "...*The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract.*" Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate prevailing wage rate when working on a public works contract.

#### **L. Posting Notice of Prevailing Wages**

Section 18-2-406, MCA provides that contractors, subcontractors and employers who are "*performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees.*"

#### **M. Employment Preference**

Sections 18-2-403 and 18-2-409, MCA requires contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

#### **N. Building Construction Occupations Website**

You can find definitions for these occupations on the following Bureau of Labor Statistics website:  
[http://www.bls.gov/oes/current/oes\\_stru.htm](http://www.bls.gov/oes/current/oes_stru.htm)

#### **O. Welders' Rates**

Welders receive the rate prescribed for the craft performing an operation to which welding is incidental.

#### **P. Foreman's Rates**

Rates are no longer set for foremen. However, if a foreman performs journey level work, the foreman must be paid at least the journey level rate.

## WAGE RATES

### BOILERMAKERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$30.00	\$25.61
District 2	\$30.00	\$25.61
District 3	\$30.00	\$25.61
District 4	\$30.00	\$25.61
District 5	\$30.00	\$25.61
District 6	\$30.00	\$25.61
District 7	\$30.00	\$25.61
District 8	\$30.00	\$25.61
District 9	\$30.00	\$25.61
District 10	\$30.00	\$25.61

**Travel:**  
**All Districts**  
0-120 mi. free zone  
>120 mi. federal mileage rate/mi.

**Per Diem:**  
**All Districts**  
0-70 mi. free zone  
>70-120 mi. \$55.00/day  
>120 mi. \$70.00/day

### BRICK, BLOCK, AND STONE MASONS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$26.06	\$11.21
District 2	\$26.06	\$11.21
District 3	\$26.06	\$11.21
District 4	\$25.16	\$11.21
District 5	\$25.16	\$11.21
District 6	\$25.16	\$11.21
District 7	\$25.16	\$11.21
District 8	\$25.16	\$11.15
District 9	\$25.16	\$11.21
District 10	\$25.16	\$11.21

**Travel:**  
**All Districts**  
0-45 mi. free zone  
>45-60 mi. \$25.00/day  
>60-90 mi. \$55.00/day  
>90 mi. \$65.00/day

### CARPENTERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$20.74	\$10.82
District 2	\$20.90	\$10.47
District 3	\$22.50	\$10.29
District 4	\$20.74	\$10.82
District 5	\$20.74	\$10.82
District 6	\$20.74	\$10.82
District 7	\$20.74	\$10.82
District 8	\$20.74	\$10.82
District 9	\$20.74	\$10.82
District 10	\$20.74	\$10.82

**Travel:**  
**Districts 1 & 4-10**  
0-30 mi. free zone  
>30-50 mi. base pay + \$3.70/hr.  
>50 mi. base pay + \$5.60/hr.

**District 2**  
0-30 mi. free zone  
>30-50 mi. \$20.00/day  
>50 mi. \$30.00/day

**District 3**  
0-30 mi. free zone  
>30-50 mi. \$18.00/day  
>50 mi. \$25.00/day

**Duties include:**  
Install roll and batt insulation.

**CEMENT MASONS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.77	\$8.16
District 2	\$18.77	\$8.16
District 3	\$20.79	\$8.31
District 4	\$18.77	\$1.53
District 5	\$18.77	\$8.16
District 6	\$18.77	\$8.16
District 7	\$18.77	\$8.16
District 8	\$18.77	\$8.16
District 9	\$18.77	\$8.16
District 10	\$18.77	\$8.16

**Travel:**

**Districts 1 & 2**

0-30 mi. free zone

>30-60 mi. base pay + \$1.05/hr.

>60 mi. base pay + \$1.50/hr.

**Districts 3-10**

0-30 mi. free zone

>30-60 mi. base pay + \$2.95/hr.

>60 mi. base pay + \$4.75/hr.

**Duties include:**

Smooth and finish surfaces of poured concrete, such as floors, walks, sidewalks, or curbs. Align forms for sidewalks, curbs, or gutters.

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 2**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$23.94	\$10.40
District 2	\$22.91	\$ 9.67
District 3	\$23.94	\$10.40
District 4	\$23.94	\$10.40
District 5	\$20.65	\$ 7.47
District 6	\$23.94	\$10.40
District 7	\$23.94	\$10.40
District 8	\$23.94	\$10.40
District 9	\$23.94	\$10.40
District 10	\$23.94	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Air Doctor; Backhoe\Excavator\Shovel, up to and incl. 3 cu.yds; Bit Grinder; Bituminous Paving Travel Plant; Boring Machine, Large; Broom, Self-Propelled; Concrete Travel Batcher; Concrete Float & Spreader; Concrete Bucket Dispatcher; Concrete Finish Machine; Concrete Conveyor; Distributor; Dozer, Rubber-Tired, Push, & Side Boom; Elevating Grader\Gradall; Field Equipment Serviceman; Front-End Loader, 1 cu.yd up to and inc. 5 cu. yds; Grade Setter; Heavy Duty Drills, All Types; Hoist\Tugger, All; Hydralift Forklifts & Similar; Industrial Locomotive; Motor Patrol (except finish); Mountain Skidder; Oiler, Cranes\Shovels; Pavement Breaker, EMSCO; Power Saw, Self-Propelled; Pugmill; Pumpcrete\Grout Machine; Punch Truck; Roller, other than Asphalt; Roller, Sheepsfoot (Self-Propelled); Roller, 25 tons and over; Ross Carrier; Rotomill, under 6 ft; Trenching Machine; Washing /Screening Plant.

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 3**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$24.34	\$10.40
District 2	\$24.34	\$10.40
District 3	\$24.34	\$10.40
District 4	\$24.34	\$10.40
District 5	\$24.34	\$10.40
District 6	\$24.34	\$10.40
District 7	\$24.34	\$10.40
District 8	\$24.34	\$10.40
District 9	\$24.34	\$10.40
District 10	\$24.34	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Asphalt Paving Machine; Asphalt Screed; Backhoe\Excavator\Shovel, over 3 cu. yds; Cableway Highline; Concrete Batch Plant; Concrete Curing Machine; Concrete Pump; Cranes, Creter; Cranes, Electric Overhead; Cranes, 24 tons and under; Curb Machine\Slip Form Paver; Finish Dozer; Front-End Loader, over 5 cu. yds; Mechanic\Welder; Pioneer Dozer; Roller Asphalt (Breakdown & Finish); Rotomill, over 6 ft; Scraper, Single, Twin, or Pulling Belly-Dump; YO-YO Cat.

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 4**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$25.00	\$10.40
District 2	\$25.00	\$10.40
District 3	\$25.00	\$10.40
District 4	\$25.00	\$10.40
District 5	\$25.00	\$10.40
District 6	\$25.00	\$10.40
District 7	\$25.00	\$10.40
District 8	\$25.00	\$10.40
District 9	\$25.00	\$10.40
District 10	\$25.00	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Asphalt\Hot Plant Operator; Cranes, 25 tons to and Incl. 44 tons; Crusher Operator; Finish Motor Patrol; Finish Scraper.

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 5**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$25.50	\$10.40
District 2	\$25.50	\$10.40
District 3	\$25.50	\$10.40
District 4	\$25.50	\$10.40
District 5	\$25.50	\$10.40
District 6	\$25.50	\$10.40
District 7	\$25.50	\$10.40
District 8	\$25.50	\$10.40
District 9	\$25.50	\$10.40
District 10	\$25.50	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Cranes, 45 tons to and Incl. 74 tons.

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 6**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$26.60	\$10.40
District 2	\$26.60	\$10.40
District 3	\$26.60	\$10.40
District 4	\$26.60	\$10.40
District 5	\$26.60	\$10.40
District 6	\$26.60	\$10.40
District 7	\$26.60	\$10.40
District 8	\$26.60	\$10.40
District 9	\$26.60	\$10.40
District 10	\$26.60	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Cranes, 75 tons to and incl. 149 tons; Cranes, Whirley (All).

**CONSTRUCTION EQUIPMENT OPERATORS GROUP 7**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$27.10	\$10.40
District 2	\$27.10	\$10.40
District 3	\$27.10	\$10.40
District 4	\$27.10	\$10.40
District 5	\$27.10	\$10.40
District 6	\$27.10	\$10.40
District 7	\$27.10	\$10.40
District 8	\$27.10	\$10.40
District 9	\$27.10	\$10.40
District 10	\$27.10	\$10.40

**Travel:**

**All Districts**

0-30 mi. free zone

>30-60 mi. base pay + \$3.50/hr.

>60 mi. base pay + \$5.50/hr.

**This group includes but is not limited to:**

Cranes, 150 tons up to and incl. 250 tons; Cranes, over 250 tons—add \$1.00 for every 100 tons over 250 tons; Crane, Tower (All); Crane Stiff-Leg or Derrick; Helicopter Hoist.

**CONSTRUCTION LABORERS GROUP 1**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.22	\$7.55
District 2	\$18.88	\$7.32
District 3	\$15.22	\$7.55
District 4	\$13.62	\$6.87
District 5	\$15.22	\$7.55
District 6	\$15.22	\$7.55
District 7	\$15.22	\$7.55
District 8	\$14.70	\$6.98
District 9	\$16.30	\$6.87
District 10	\$16.30	\$6.87

**Travel:**

**District 1**

0-15 mi. free zone

>15-30 mi. base pay + \$0.93/hr.

>30-50 mi. base pay + \$1.31/hr.

>50 mi. base pay + \$2.09/hr.

**District 2**

0-30 mi. free zone

>30-60 mi. base pay + \$1.50/hr.

>60 mi. base pay + \$2.00/hr.

**District 3**

0-15 mi. free zone

>15-30 mi. base pay + \$0.75/hr.

>30-50 mi. base pay + \$1.50/hr.

>50 mi. base pay + \$2.25/hr.

**Districts 5, 6, 7**

0-15 mi. free zone

>15-30 mi. base pay + \$0.93/hr.

>30-50 mi. base pay + \$1.31/hr.

>50 mi. base pay + \$2.09/hr.

**Districts 4, 8, 9, 10**

0-15 mi. free zone

>15-30 mi. base pay + \$0.65/hr.

>30-50 mi. base pay + \$0.85/hr.

>50 mi. base pay + \$1.25/hr.

**CONSTRUCTION LABORERS GROUP 2**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.54	\$5.12
District 2	\$18.20	\$5.91
District 3	\$17.45	\$6.73
District 4	\$16.49	\$4.88
District 5	\$16.19	\$6.33
District 6	\$16.58	\$6.09
District 7	\$17.72	\$7.55
District 8	\$16.07	\$4.79
District 9	\$14.46	\$6.87
District 10	\$17.25	\$6.87

**Travel:**

**District 1**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.93/hr.  
 >30-50 mi. base pay + \$1.31/hr.  
 >50 mi. base pay + \$2.09/hr.

**District 2**

0-30 mi. free zone  
 >30-60 mi. base pay + \$1.50/hr.  
 >60 mi. base pay + \$2.00/hr.

**District 3**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.75/hr.  
 >30-50 mi. base pay + \$1.50/hr.  
 >50 mi. base pay + \$2.25/hr.

**Districts 5, 6, 7**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.93/hr.  
 >30-50 mi. base pay + \$1.31/hr.  
 >50 mi. base pay + \$2.09/hr.

**Districts 4, 9, 10**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.65/hr.  
 >30-50 mi. base pay + \$0.85/hr.  
 >50 mi. base pay + \$1.25/hr.

**District 8**

0-20 mi. free zone  
 >20-35 mi. \$17.00/day  
 >35-55 mi. \$22.00/day  
 >55 mi. \$50.00/day

**This group includes but is not limited to:**

General Labor; Asbestos Removal; Burning Bar; Bucket Man; Carpenter Tender; Calsson Worker; Cement Mason Tender; Cement Handler (dry); Chuck Tender; Choker Setter; Concrete Worker; Curb Machine-lay Down; Crusher and Batch Worker; Heater Tender; Fence Erector; Landscape Laborer; Landscaper; Lawn Sprinkler Installer; Pipe Wrapper; Pot Tender; Powderman Tender; Rail and Truck Loaders and Unloaders; Riprapper; Sign Erection; Guardrail and Jersey Rail; Spike Driver; Stake Jumper; Signalman; Tail Hoseman; Tool Checker and Houseman and Traffic Control Worker.

### CONSTRUCTION LABORERS GROUP 3

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.71	\$7.55
District 2	\$19.28	\$7.32
District 3	\$17.41	\$6.85
District 4	\$17.30	\$6.87
District 5	\$18.14	\$7.55
District 6	\$18.14	\$7.55
District 7	\$18.14	\$7.55
District 8	\$17.30	\$6.87
District 9	\$17.30	\$6.87
District 10	\$17.30	\$6.87

#### Travel:

##### District 1

0-15 mi. free zone

>15-30 mi. base pay + \$0.93/hr.

>30-50 mi. base pay + \$1.31/hr.

>50 mi. base pay + \$2.09/hr.

##### District 2

0-30 mi. free zone

>30-60 mi. base pay + \$1.50/hr.

>60 mi. base pay + \$2.00/hr.

##### District 3

0-15 mi. free zone

>15-30 mi. base pay + \$0.75/hr.

>30-50 mi. base pay + \$1.50/hr.

>50 mi. base pay + \$2.25/hr.

##### Districts 5, 6, 7

0-15 mi. free zone

>15-30 mi. base pay + \$0.93/hr.

>30-50 mi. base pay + \$1.31/hr.

>50 mi. base pay + \$2.09/hr.

##### Districts 4, 8, 9, 10

0-15 mi. free zone

>15-30 mi. base pay + \$0.65/hr.

>30-50 mi. base pay + \$0.85/hr.

>50 mi. base pay + \$1.25/hr.

#### This group includes but is not limited to:

Concrete Vibrator; Dumpman (Grademan); Equipment Handler; Geotextile and Liners; High-Pressure Nozzleman; Jackhammer (Pavement Breaker) Non-Riding Rollers; Pipelayer; Posthole Digger (Power); Power Driven Wheelbarrow; Rigger; Sandblaster; Sod Cutter-Power and Tamper.

**CONSTRUCTION LABORERS GROUP 4**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.04	\$6.91
District 2	\$17.80	\$6.47
District 3	\$18.86	\$7.02
District 4	\$17.87	\$6.70
District 5	\$18.86	\$7.55
District 6	\$17.80	\$6.47
District 7	\$18.26	\$7.55
District 8	\$17.07	\$7.17
District 9	\$17.35	\$6.87
District 10	\$17.35	\$6.87

**Travel:**

**District 1**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.93/hr.  
 >30-50 mi. base pay + \$1.31/hr.  
 >50 mi. base pay + \$2.09/hr.

**District 2**

0-30 mi. free zone  
 >30-60 mi. base pay + \$1.50/hr.  
 >60 mi. base pay + \$2.00/hr.

**District 3**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.75/hr.  
 >30-50 mi. base pay + \$1.50/hr.  
 >50 mi. base pay + \$2.25/hr.

**Districts 4, 9, 10**

0-15 mi. free zone  
 >15-30 mi. base pay + \$0.65/hr.  
 >30-50 mi. base pay + \$0.85/hr.  
 >50 mi. base pay + \$1.25/hr.

**District 8**

0-20 mi. free zone  
 >20-35 mi. \$17.00/day  
 >35-55 mi. \$22.00/day  
 >50 mi. \$50.00/day

**This group includes but is not limited to:**

Hod Carrier\*\*\*; Water Well Laborer; Blaster; Wagon Driller; Asphalt Raker; Cutting Torch; Grade Setter; High-Scaler; Power Saws (Faller & Concrete) Powderman; Rock & Core Drill; Track or Truck Mounted Wagon Drill and Welder including Air Arc.

**Note:** \*\*\*Hod Carriers will receive the same amount of travel and/or subsistence pay as bricklayers when requested to travel.

**DRYWALL APPLICATORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.93	\$10.82
District 2	\$20.90	\$10.47
District 3	\$17.48	\$ 8.20
District 4	\$20.74	\$10.82
District 5	\$20.74	\$10.82
District 6	\$20.74	\$10.82
District 7	\$20.74	\$10.82
District 8	\$20.74	\$10.82
District 9	\$20.74	\$10.82
District 10	\$20.74	\$10.82

**Travel:**

**Districts 1 & 4-10**

0-30 mi. free zone  
 >30-50 mi. base pay + \$3.70/hr.  
 >50 mi. base pay + \$5.60/hr.

**District 2**

0-30 mi. free zone  
 >30-50 mi. \$20.00/day  
 >50 mi. \$30.00/day

**District 3**

0-30 mi. free zone  
 >30-50 mi. \$18.00/day  
 >50 mi. \$25.00/day

**Duties include:**

Drywall and ceiling tile installation.

**ELECTRICIANS: INCLUDING BUILDING AUTOMATION CONTROL**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$26.67	\$11.31
District 2	\$26.67	\$11.31
District 3	\$26.80	\$13.08
District 4	\$28.26	\$11.47
District 5	\$28.26	\$11.47
District 6	\$27.26	\$11.16
District 7	\$28.26	\$11.47
District 8	\$29.68	\$12.07
District 9	\$29.68	\$12.07
District 10	\$29.68	\$12.07

**Travel:**

**Districts 1 & 2**

0-10 mi. free zone  
 >10-45 mi. \$0.59/mi  
 >45 mi. \$65/day

**District 3**

0-10 mi. free zone  
 >10-55 mi. the federal mileage rate/mi. when travelling one way, two times the federal mileage rate/mi. when travelling to and from the job.  
 >55 mi \$60.00/day + the federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when travelling to and from the job.  
 (Big Sky \$75.00/day + the federal mileage rate/mi. when travelling one way, two times the federal mileage rate/mi. when traveling to and from the job.

**Districts 4, 5, 7**

0-8 mi. free zone  
 >8-50 mi. the federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when traveling to and from the job.  
 >50 mi. \$60.00/day

**District 6**

0-18 mi. free zone  
 >18-60 mi. the federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when traveling to and from the job.  
 >60 mi. \$65.00/day  
 (Big Sky \$75.00/day + the federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when traveling to and from the job.

**Districts 8, 9, 10**

0-18 mi. free zone  
 >18-60 mi. the federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when travelling to and from the job.  
 >60 mi. \$75.00/day

**Duties Include:**

Electrical wiring; equipment and fixtures; street lights; electrical control systems. Installation and/or adjusting of building automation controls also during testing and balancing, commissioning and retro-commissioning.

**ELEVATOR CONSTRUCTORS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$46.54	\$28.74
District 2	\$46.54	\$28.74
District 3	\$46.54	\$28.74
District 4	\$46.54	\$28.74
District 5	\$46.54	\$28.74
District 6	\$46.54	\$28.74
District 7	\$46.54	\$28.74
District 8	\$46.54	\$28.74
District 9	\$46.54	\$28.74
District 10	\$46.54	\$28.74

**Travel:**

**All Districts**

0-15 mi. free zone  
 >15-25 mi. \$37.27/day  
 >25-35 mi. \$74.54/day  
 >35 mi. \$72.55/day or cost of receipts for hotel and meals, whichever is greater.

## FLOOR LAYERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$15.86	\$ 2.00
District 2	\$15.86	\$ 2.00
District 3	\$15.86	\$ 2.00
District 4	\$15.86	\$ 2.00
District 5	\$15.86	\$ 2.00
District 6	\$15.58	\$ 2.00
District 7	\$15.96	\$ 2.00
District 8	\$15.62	\$ 2.00
District 9	\$16.04	\$ 2.00
District 10	\$15.62	\$ 2.00

**Travel:**  
**All Districts**  
0-30 mi. free zone  
>30 mi. \$1.50/mi. one way

**Per Diem:**  
**All Districts**  
\$100.00/day

## GLAZIERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.03	\$ 1.00
District 2	\$19.06	\$ 4.35
District 3	\$17.30	\$ 1.96
District 4	\$16.85	\$ 1.00
District 5	\$14.75	\$ 1.00
District 6	\$22.79	\$ 1.31
District 7	\$16.57	\$ 1.17
District 8	\$17.96	\$ 1.31
District 9	\$17.40	\$ 1.96
District 10	\$17.40	\$ 1.96

**Travel:**  
**All Districts**  
0-50 mi. free zone  
>50 mi. \$0.20/mi.

**Per Diem:**  
**All Districts**  
\$32.00/day

## HEATING AND AIR CONDITIONING

	<b>Wage</b>	<b>Benefit</b>
District 1	\$22.52	\$11.34
District 2	\$27.04	\$13.23
District 3	\$27.04	\$13.23
District 4	\$24.22	\$ 9.73
District 5	\$27.04	\$13.23
District 6	\$27.04	\$13.23
District 7	\$27.04	\$13.23
District 8	\$27.04	\$13.23
District 9	\$26.24	\$13.23
District 10	\$18.60	\$13.23

**Travel:**  
**All Districts**  
0-30 mi. free zone  
>30 mi. \$0.25/mi. In employer vehicle  
\$0.55/mi. In employee vehicle

**Per Diem:**  
**All Districts**  
\$55.00/day

**Duties Include:**  
Testing and balancing, commissioning and retro-commissioning, of all air-handling equipment and duct work.

### INSULATION WORKERS-MECHANICAL (HEAT AND FROST)

	<b>Wage</b>	<b>Benefit</b>
District 1	\$27.18	\$15.54
District 2	\$27.18	\$15.54
District 3	\$27.18	\$15.54
District 4	\$27.18	\$15.54
District 5	\$27.18	\$15.54
District 6	\$27.18	\$15.54
District 7	\$27.18	\$15.54
District 8	\$26.15	\$14.72
District 9	\$27.18	\$15.54
District 10	\$27.18	\$15.54

**Travel:**

**All Districts**

0-30 mi. free zone  
 >30-40 mi. \$20.00/day  
 >40-50 mi. \$30.00/day  
 >50-60 mi. \$40.00/day  
 >60 mi. \$45.00/day when traveling back and forth  
 + \$0.50/mi. if transportation is not provided.  
 >60 mi. \$70.00/day on jobs requiring an overnight stay  
 + \$0.50/mi. if transportation is not provided.

**Duties Include:**

Insulate pipes, ductwork or other mechanical systems.

### IRONWORKERS-STRUCTURAL STEEL AND REBAR PLACERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$25.34	\$19.04
District 2	\$25.34	\$18.78
District 3	\$25.75	\$18.83
District 4	\$25.75	\$18.83
District 5	\$25.75	\$18.83
District 6	\$25.75	\$18.83
District 7	\$25.75	\$18.83
District 8	\$25.75	\$18.83
District 9	\$25.75	\$18.83
District 10	\$25.75	\$18.83

**Travel:**

**Districts 1 & 2**

0-45 mi. free zone  
 >45-60 mi. \$25.00/day  
 >60-100 mi. \$50.00/day  
 >100 mi. \$75.00/day

**Districts 3-10**

0-45 mi. free zone  
 >45-85 mi. \$45.00/day  
 >85 mi. \$75.00/day

**Duties Include:**

Structural steel erection; assemble prefabricated metal buildings; cut, bend, tie, and place rebar; energy producing windmill type towers; metal bleacher seating; handrail fabrication and ornamental steel.

### MILLWRIGHTS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$24.74	\$10.85
District 2	\$24.74	\$10.85
District 3	\$24.74	\$10.85
District 4	\$24.74	\$10.85
District 5	\$24.74	\$10.85
District 6	\$24.74	\$10.85
District 7	\$24.74	\$10.85
District 8	\$24.74	\$10.85
District 9	\$24.74	\$10.85
District 10	\$24.74	\$10.85

**Travel:**

**All Districts**

0-30 mi. free zone  
 >30 ml.-50 ml. base pay + \$3.70/hr.  
 >50 ml. base pay + \$5.60/hr.

**PAINTERS: INCLUDING PAPERHANGER**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$14.00	\$ 5.07
District 2	\$18.53	\$ 5.07
District 3	\$22.15	\$ 4.71
District 4	\$16.65	\$ 4.94
District 5	\$24.00	\$ 4.65
District 6	\$19.33	\$ 4.65
District 7	\$19.52	\$ 4.94
District 8	\$20.32	\$ 4.94
District 9	\$23.28	\$ 4.94
District 10	\$23.28	\$ 4.94

**Travel:**  
**Districts 1, 2, 3, 5**  
 Travel is paid at regular hourly rate.

**Districts 4, 6, 7, 8, 9, 10:**  
 No travel established.

**Per Diem:**  
**Districts 1, 2, 3, 4, 5**  
 \$65.00/day

**Districts 6**  
 \$72.55/day or cost of receipts for hotel and meals, whichever is greater.

**District 4, 7, 8, 9, 10**  
 Employer pays for costs of receipts for hotel and meals.

**PILE BUCKS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$20.99	\$10.85
District 2	\$20.99	\$10.85
District 3	\$20.99	\$10.85
District 4	\$20.99	\$10.85
District 5	\$20.99	\$10.85
District 6	\$20.99	\$10.85
District 7	\$20.99	\$10.85
District 8	\$20.99	\$10.85
District 9	\$20.99	\$10.85
District 10	\$20.99	\$10.85

**Travel:**  
**All Districts**  
 0-30 mi. free zone  
 >30 mi.-50 mi. base pay + \$3.70/hr.  
 >50 mi. base pay + \$5.60/hr.

**Duties include:**  
 Set up crane; set up hammer; weld tips on piles; set leads; insure piles are driven straight with the use of level or plum bob. Give direction to crane operator as to speed, and direction of swing. Cut piles to grade.

**PLASTERERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$18.77	\$8.16
District 2	\$18.77	\$8.16
District 3	\$20.79	\$8.31
District 4	\$18.77	\$1.53
District 5	\$18.77	\$8.16
District 6	\$18.77	\$8.16
District 7	\$18.77	\$8.16
District 8	\$18.77	\$8.16
District 9	\$18.77	\$8.16
District 10	\$18.77	\$8.16

**Travel:**  
**Districts 1 & 2**  
 0-30 mi. free zone  
 >30-60 mi. base pay + \$1.05/hr.  
 >60 mi. base pay + \$1.50/hr.

**Districts 3-10**  
 0-30 mi. free zone  
 >30-60 mi. base pay + \$2.95/hr.  
 >60 mi. base pay + \$4.75/hr.

**PLUMBERS, PIPEFITTERS, AND STEAMFITTERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$27.08	\$12.96
District 2	\$27.08	\$12.96
District 3	\$27.57	\$12.48
District 4	\$27.57	\$12.48
District 5	\$27.57	\$12.48
District 6	\$27.57	\$12.48
District 7	\$28.31	\$14.51
District 8	\$28.31	\$14.51
District 9	\$28.31	\$14.51
District 10	\$28.31	\$14.51

**Travel:**  
**Districts 1 & 2**  
 0-30 mi. free zone  
 >30-50 mi. \$20.00/day  
 >50-75 mi. \$35.00/day  
 >75 mi. \$70.00/day  
 If transportation is not provided an additional \$0.35/mi. is added to the amounts above.

**Travel:**  
**Districts 3, 4, 5, 6**  
 0-40 mi. free zone  
 >40-80 mi. \$30.00/day  
 >80 mi. \$60.00/day  
 If employer provides transportation travel, pay will be 1/2 of the amounts listed above unless the employee stays overnight. If the employee chooses to stay overnight, the employee will receive the full amount of travel listed above even if the employer furnishes transportation.

**Travel:**  
**Districts 7, 8, 9, 10**  
 0-70 mi. free zone  
 >70 mi. \$0.55/mi. if transportation is not provided.

**Per Diem:**  
**Districts 7, 8, 9, 10**  
 \$75.00/day

**Duties Include:**  
 Assemble, install, alter, and repair pipe-lines or pipe systems that carry water, steam, air, other liquids or gases. Testing of piping systems, commissioning and retro-commissioning. Workers in this occupation may also install heating and cooling equipment and mechanical control systems.

**ROOFERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$21.57	\$9.72
District 2	\$21.57	\$8.72
District 3	\$22.00	\$8.92
District 4	\$19.02	\$4.84
District 5	\$21.31	\$8.92
District 6	\$18.23	\$6.42
District 7	\$18.40	\$4.64
District 8	\$18.86	\$4.06
District 9	\$18.90	\$2.97
District 10	\$18.90	\$2.97

**Travel:**  
**Districts 1 & 2**  
 0-50 mi. free zone  
 >50 mi. \$0.30/mi. if transportation is not provided.

**Per Diem:**  
**Districts 1 & 2**  
 \$50.00/day

**Travel:**  
**Districts 3, 5, 6**  
 No travel required.

**Per Diem:**  
**Districts 3, 5, 6**  
 Room + \$25.00/day.

**Travel:**  
**Districts 4, 7, 8, 9, 10**  
 0-30 mi. free zone  
 >30 mi. \$0.25/mi. if transportation is not provided.

**Per Diem:**  
**Districts 4, 7, 8, 9, 10**  
 \$35.00/day

**SHEET METAL WORKERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$22.52	\$11.34
District 2	\$27.04	\$13.23
District 3	\$27.04	\$13.23
District 4	\$24.22	\$ 9.73
District 5	\$27.04	\$13.23
District 6	\$27.04	\$13.23
District 7	\$27.04	\$13.23
District 8	\$27.04	\$13.23
District 9	\$26.24	\$13.23
District 10	\$18.60	\$13.23

**Travel:**  
**All Districts**  
 0-30 mi. free zone  
 >30 mi. \$0.25/mi. in employer vehicle  
 \$0.55/mi. in employee vehicle

**Per Diem:**  
**All Districts**  
 \$55.00/day

**Duties Include:**  
 Testing and balancing, commissioning and retro-commissioning, of all air-handling equipment and duct work.

**SPRINKLER FITTERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$29.50	\$17.15
District 2	\$29.50	\$17.15
District 3	\$29.50	\$17.15
District 4	\$29.50	\$17.15
District 5	\$29.50	\$17.15
District 6	\$22.00	\$ 1.60
District 7	\$29.50	\$17.15
District 8	\$27.93	\$ 8.96
District 9	\$29.50	\$17.15
District 10	\$29.50	\$17.15

**Travel:**  
**All Districts**  
 0-60 mi. free zone  
 >60-80 mi. \$15.00/day  
 >80-100 mi. \$25.00/day  
 >100 mi. \$7.38/every 15 miles traveled + an additional \$0.40/mi. if transportation is not provided.

**TAPERS**

	<b>Wage</b>	<b>Benefit</b>
District 1	\$16.22	\$ 5.92
District 2	\$16.27	\$ 5.92
District 3	\$16.27	\$ 5.92
District 4	\$16.27	\$ 5.92
District 5	\$16.27	\$ 5.92
District 6	\$16.27	\$ 5.92
District 7	\$16.27	\$ 5.92
District 8	\$16.27	\$ 5.92
District 9	\$16.27	\$ 5.92
District 10	\$16.27	\$ 5.92

No travel or per diem established.

## TEAMSTERS GROUP 2

	<b>Wage</b>	<b>Benefit</b>
District 1	\$21.45	\$6.81
District 2	\$19.55	\$6.81
District 3	\$21.45	\$6.81
District 4	\$21.45	\$6.81
District 5	\$21.45	\$6.81
District 6	\$21.45	\$6.81
District 7	\$21.45	\$6.81
District 8	\$21.45	\$6.81
District 9	\$21.45	\$6.81
District 10	\$21.45	\$6.81

### Travel:

#### All Districts

0-15 mi. free zone

>15-30 mi. base pay + \$0.65/hr.

>30-50 mi base pay + \$0.85/hr.

>50 mi. base pay + \$1.25/hr.

## TELECOMMUNICATIONS EQUIPMENT INSTALLERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$17.29	\$2.81
District 2	\$22.16	\$7.87
District 3	\$22.26	\$8.02
District 4	\$22.26	\$8.02
District 5	\$22.26	\$8.02
District 6	\$22.16	\$8.11
District 7	\$22.26	\$8.02
District 8	\$22.16	\$8.11
District 9	\$22.16	\$8.11
District 10	\$22.16	\$8.11

### Travel:

#### All Districts

The federal mileage rate/mi. when traveling one way, two times the federal mileage rate/mi. when traveling to and from the job.

### Per Diem:

#### All Districts

Employer pays for meals and lodging up to \$65.00/day.

### Duties include:

Install voice; sound; vision and data systems. This occupation includes burglar alarms, fire alarms, fiber optic systems, and video systems for security or entertainment.

## TILE AND MARBLE SETTERS

	<b>Wage</b>	<b>Benefit</b>
District 1	\$25.00	\$3.00
District 2	\$25.00	\$3.00
District 3	\$25.00	\$3.00
District 4	\$25.00	\$3.00
District 5	\$25.00	\$3.00
District 6	\$25.00	\$3.00
District 7	\$25.00	\$3.00
District 8	\$25.00	\$3.00
District 9	\$25.00	\$3.00
District 10	\$25.00	\$3.00

### Travel:

#### All Districts

0-30 mi. free zone

>30 mi. \$1.50/mi. one way

### Per Diem

#### All Districts

\$100.00/day

### Duties include:

Apply hard tile, marble, and wood tile to floors, ceilings, and roof decks.

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**LOAN AGREEMENT**

*BETWEEN*

**THE MONTANA  
BOARD OF INVESTMENTS**

*AND*

**CITY OF GREAT FALLS**

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THIS LOAN AGREEMENT, is made and entered into this 15th day of April, 2014 by and between the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana ("CITY"), and MONTANA BOARD OF INVESTMENTS, an agency of the government of the State of Montana established pursuant to Mont. Code Ann. § 2-15-1808 ("MBOI").

**WHEREAS**, Mont. Code Ann. § 17-6-309(2) authorizes the Montana Board of Investments ("MBOI") to make an infrastructure loan to enhance economic development and create jobs in the basic sector of the economy, as defined by MBOI by rule, if the loan will result in the creation of a business estimated to employ at least 15 people in Montana on a permanent, full-time basis or result in the expansion of a business estimated to employ at least an additional 15 people in Montana on a permanent, full-time basis or raise salaries, wages, and business incomes of existing employees and employers; and

**WHEREAS**, Mont. Code Ann. § 17-6-311(4) provides that the total amount of loans made pursuant to Mont. Code Ann. § 17-6-309(2) may not exceed Eighty Million Dollars (\$80,000,000), and a single loan may not be less than Two Hundred Fifty Thousand Dollars (\$250,000). A loan may not exceed Sixteen Thousand Six Hundred Sixty-Six and no/100 Dollars (\$16,666) per job that is estimated to be created; and

**WHEREAS**, the City of Great Falls ("CITY") is a municipal corporation organized and existing under the laws of the State of Montana; and

**WHEREAS**, CITY proposes to purchase certain real property and certain Infrastructure constructed thereon and, in return for certain use fees and agreements, lease the property to ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC., a Delaware Corporation (together "ADF"), which will operate steel fabrication and related business activities thereon, estimated to create three hundred (300) full time jobs; and

**WHEREAS**, CITY has applied for an infrastructure loan in the amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) based on the estimated creation of three hundred (300) full time jobs; and

**WHEREAS**, the MBOI approved the infrastructure loan on November 19, 2013 subject to certain terms and conditions; and

**WHEREAS**, Mont. Code Ann. § 17-6-316 requires that a loan made pursuant to Mont. Code Ann. § 17-6-309(2) must be used to provide Infrastructure, as provided for in Mont. Code Ann. § 7-15-4288(4) that allows the location or creation of a business in Montana. The loan must be made to a local government that will create the necessary Infrastructure. The Infrastructure may serve as collateral for the loan. The local government receiving the loan may charge fees to the users of the Infrastructure. A loan repayment agreement must provide for repayment of the loan from the entity authorized to charge fees for the use of the services of the Infrastructure. Loans made pursuant to Mont. Code Ann. § 17-6-309(2) qualify for the job credit

interest rate reductions under Mont. Code Ann. § 17-6-318, if the interest rate reduction passes through to the business creating the jobs; and

**WHEREAS**, CITY and MBOI anticipate that ADF will qualify, pursuant to Mont. Code Ann. § 17-6-316(3), to receive a credit against taxes due under Mont. Code Ann. Title 15, Chapter 30 or 31, for the use fees paid for the use of the Infrastructure.

**NOW THEREFORE**, for good and valuable consideration, MBOI and CITY hereby agree as follows:

## **SECTION 1. DEFINITIONS**

As used in this Loan Agreement the following definitions apply:

**ADF** - means ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC. a Delaware Corporation, or their permitted successors and assigns hereunder.

**ADF Legal Opinion** - means the legal opinion attached to this Loan Agreement as Exhibit G, in which ADF legal counsel opines to the legal and binding nature of the Public Improvements Use Fee Agreement on ADF.

**Amortization Schedule** - means that document attached to this Loan Agreement as Exhibit C and incorporated herein, as the same may be revised and replaced from time to time as provided herein or in any Related Documents, in which Loan repayment is scheduled based on the date of disbursement, the Applicable Interest Rate, and a Fifteen (15) year term.

**Applicable Interest Rate** - means the rate of interest applicable at a given time taking into account any reductions or increases in such interest rate as provided for herein or in any Related Documents.

**Assignment of Lease** - means the Assignment of Lease attached to this Loan Agreement as Exhibit L, by which CITY assigns the Lease to MBOI.

**Assignment of Public Improvements Use Fee Agreement** - means the Assignment of Public Improvements Use Fee Agreement attached to this Loan Agreement as Exhibit E, by which CITY assigns the Public Improvements Use Fee Agreement to MBOI.

**Basic Sector of the Economy** - means (a) business activity conducted in the state that produces goods and services for which 50% or more of the gross revenues are derived from out-of-state sources; or (b) business activity conducted in-state that produces goods and services for which 50% or more of which will be purchased by in-state residents in lieu of like or similar goods and services which would otherwise be purchased from out-of-state sources.

**CITY Resolution** - means that document attached to this Loan Agreement as Exhibit A and incorporated herein, in which the governing body of CITY authorizes and approves the Loan.

**CITY** - means the City of Great Falls, Great Falls, Montana, or any successors to its functions hereunder.

**Guaranty** - means the Guaranty attached to this Loan Agreement as Exhibit M and incorporated herein, by which ADF Steel guaranties to MBOI the obligations of ADF under the Public Improvements Use Fee Agreement.

**Infrastructure** - means the Public Improvements as further defined in Exhibit D of the Public Improvement Use Fee Agreement.

**Job Creation Estimate** - means that document incorporated into this Loan Agreement as Exhibit H, in which ADF estimates the number of full time jobs to be created by the Public Improvements to be three hundred (300).

**Job Credit Certification** - means a certification in the form attached hereto as Exhibit I and incorporated herein, as prepared by ADF and submitted to CITY from time to time and subsequently approved by CITY and filed with MBOI, in which ADF certifies that it has created and filled and will retain sufficient jobs to be eligible for a job credit interest rate reduction.

**Lease** - means the Lease Agreement dated as of April 15, 2014, by and between CITY, as Landlord, and ADF, as Tenant, with respect to the Public Improvements, together with any modifications, supplements, amendments or addendums thereto.

**Loan** - means the infrastructure loan from the Permanent Coal Tax Trust to CITY that was approved by MBOI on November 19, 2013 in the amount of up to Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800), as provided for herein and subject to the terms of this Loan Agreement.

**Loan Agreement** - means this agreement.

**Loan Proceeds** - means the funds loaned from the Permanent Coal Tax Trust to CITY under this Loan Agreement.

**Loan Legal Opinion** - means the legal opinion attached to this Loan Agreement as Exhibit F, in which CITY legal counsel opines that: (a) the Loan Agreement is a legal and binding obligation of CITY; (b) CITY has legal authority to enter into this Loan Agreement under the laws and charter by which it is governed and the CITY Resolution; and (c) CITY has authority to purchase, hold, lease to ADF and otherwise undertake the Public Improvements to be funded by the Loan Proceeds.

**MBOI** - means the Montana Board of Investments created pursuant to Mont. Code Ann. § 2-15-1808 or any successor to its functions under the Loan Agreement.

**Mortgage** - means the Mortgage attached to this Loan Agreement as Exhibit K and incorporated herein securing CITY's repayment of the Note.

**Note** - means the Public Improvements Use Fee Note attached to and incorporated in this Loan Agreement as Exhibit B, in which CITY promises to repay the Loan.

**Permitted Encumbrances** - means as of any particular time: (i) liens for taxes and assessments not then delinquent, (ii) the Lease, (iii) liens permitted under this Agreement, (iv) such minor defects, irregularities, encumbrances, collaterals, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the real estate upon which the Public Improvements are constructed and which do not, in the opinion of independent counsel, materially impair the property affected thereby for the purpose for which it was intended; and (v) liens on ADF's interest in the Public Improvements.

**Public Improvements** - means a manufacturing building containing approximately ninety-eight thousand one hundred twenty-five (98,125) square feet of usable area together with all fixtures and related improvements (the "Building") and the 100-acre tract of improved land (the "Land") on which the building, fixtures and related improvements are located as described in greater detail in Exhibit D of the Public Improvements Use Fee Agreement. The Public Improvements shall not include any portion of the Land or any improvements subsequently constructed thereon to the extent such portion of Land is released from the lien of the Mortgage by agreement of MBOI as provided in Section 13 hereof.

**Public Improvements Use Fee Agreement** - means the Public Improvements Use Fee Agreement between CITY and ADF of even date herewith, a copy of which is attached to this Loan Agreement as Exhibit D and incorporated herein, in which CITY agrees to assess against ADF for the use of the Public Improvements and ADF agrees to remit a Public Improvements Use Fee directly to MBOI in an amount sufficient to make all Loan payments and fully satisfy the amortized Loan.

**Qualifying Jobs** - means jobs which meet the requirements of Mont. Code Ann. § 17-6-318 for purposes of an interest rate reduction.

**Related Documents** - means the Note, Mortgage, Public Improvements Use Fee Agreement, Assignment of Public Improvements Use Fee Agreement, Guaranty, Lease and Assignment of Lease, and other appropriate security documents or any one or more of the documents alone or in combination.

## SECTION 2. AUTHORITY TO LEND

MBOI represents and warrants that it has the authority to enter into this Loan Agreement under the laws and rules by which it is governed and that the amount loaned does not exceed

Sixteen Thousand Six Hundred Sixty-Six and no/100 Dollars (\$16,666) for each job expected to be created as evidenced by the Job Creation Estimate (Exhibit H). MBOI further represents and warrants that after making this Loan, the aggregate amount of infrastructure loans outstanding will not exceed Eighty Million Dollars (\$80,000,000).

### **SECTION 3. AUTHORITY TO BORROW**

CITY represents and warrants that it has the authority to enter into this Loan Agreement under the laws and charter by which it is governed, pursuant to the CITY Resolution and as reflected in the Loan Legal Opinion.

### **SECTION 4. FULL DISCLOSURE**

CITY represents and warrants that it has fully disclosed to MBOI and ADF: (a) any existing or pending litigation to which it is a party; (b) any existing or pending disputes to which it is a party; or (c) to the best of its knowledge, other existing or pending facts, matters or events that may impair its ability to enter into and fulfill its obligations under this Loan Agreement.

### **SECTION 5. DUE EXECUTION**

CITY represents and warrants that its execution, delivery, and performance of the Loan Agreement and all the Related Documents have been duly authorized by all necessary action by CITY and do not conflict with, result in a violation of, or constitute a default under (a) any provision of any agreement or other instrument binding upon CITY or to which CITY is a party, or (b) any law, governmental regulation, court decree, or order applicable to CITY or to CITY's properties, assets or liabilities.

### **SECTION 6. AUTHORITY TO UNDERTAKE PUBLIC IMPROVEMENTS; COMPLIANCE WITH CERTAIN LAWS**

CITY represents and warrants that it has the authority to purchase, hold, lease to ADF and otherwise undertake the Public Improvements to be funded by the Loan Proceeds and is eligible for financing under Mont. Code Ann. § 17-6-316 and that Basic Sector jobs are estimated to be created as required by Mont. Code Ann. § 17-6-309 (2). CITY further represents and warrants that it has complied with all federal and state regulations, including all environmental laws/regulations and any applicable federal, state and CITY requirements with respect to the Public Improvements.

### **SECTION 7. COMMITMENT TO LEND**

MBOI agrees to lend to CITY, in a single advance, up to Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) from the Permanent Coal Tax Trust. This commitment to lend expires on November 19, 2014, unless extended by MBOI, and the Loan must be closed on or before the expiration of this commitment to lend.

## SECTION 8. LOAN INTEREST RATE

Initial Rate -The initial interest rate is four and forty-eight hundredth percent (4.48%) per annum.

Job Credit Interest Rate Reduction - MBOI agrees to reduce the initial interest rate as permitted by Mont. Code Ann. § 17-6-318 and as provided herein and in the Note, up to a maximum total reduction of two and five tenths (2.50) percentage points, based on the number of jobs created as specified in the Job Credit Certification. A Job Credit Certification for interest rate reduction may be submitted at the time of Loan disbursement and thereafter on a semi-annual basis, commencing six months after the loan is originated, until a maximum interest rate reduction of 2.50% is realized. If a Job Credit Certification is received by MBOI at least fifteen (15) business days prior to the next scheduled payment date and approved by MBOI staff, any applicable reduced interest rate will be effective on that payment date. Nothing in this Agreement shall be construed to preclude ADF from receiving job credit benefits under any program other than the infrastructure tax credit provided for in MCA §17-6-316(3) or the interest rate reduction provided for in MCA §17-6-318, to the extent ADF meets the requirements of any such other program, with respect to any jobs created or to be created hereunder.

If during the term of the loan, the ADF's Qualifying Jobs fall below 50, MBOI may increase the Applicable Interest Rate commensurate with the number of qualifying jobs eliminated, if MBOI determines in its sole discretion that such increase is in the best interest of MBOI's programs; provided, however, that the interest rate shall not be increased to a rate greater than the initial interest rate of four and forty-eight hundredth percent (4.48%) per annum during the term of the loan.

MBOI will revise the Amortization Schedule promptly to reflect any approved reduction or increase in the Applicable Interest Rate and forward the revised Amortization Schedule to CITY with a copy to ADF. Such revised Amortization Schedule will replace and supersede any previous Amortization Schedule for purposes of this Loan Agreement and any Related Documents.

Interest Calculations - Interest shall be calculated on an actual/365 day simple interest basis (366 days during leap years) as follows:

A divided by 365 times B times C where

A = Interest Rate      B = Principal Outstanding      C = number of Days Principal Outstanding

## SECTION 9. LOAN TERM

The term of the Loan shall be for a period of fifteen (15) years from the date of Loan disbursement as specified in the Amortization Schedule. Any deferral of principal payments shall not extend the Loan's term or alter the number of payments, but will instead alter the amount of subsequent payments. In the event of any agreed deferral of principal, MBOI will revise the Amortization Schedule promptly to reflect such deferral and forward the revised

Amortization Schedule to CITY with a copy to ADF. Such revised Amortization Schedule will replace and supersede any previous Amortization Schedule for purposes of this Loan Agreement and any Related Documents.

#### **SECTION 10. COMMITMENT TO BORROW AND REPAY**

CITY agrees to accept the Loan Proceeds as a single advance and agrees to comply with all provisions of this Loan Agreement.

Public Improvements Use Fee Agreement – CITY agrees to impose a monthly Public Improvements Use Fee on ADF through the Public Improvements Use Fee Agreement in an amount sufficient to amortize the Loan as provided in the Amortization Schedule. CITY agrees to assign such Public Improvements Use Fee Agreement to MBOI and authorize MBOI to receive payments directly from ADF through the Automated Clearing House. Public Improvements Use Fee payment dates shall conform precisely to the payment dates in the Amortization Schedule. The amount of each Public Improvements Use Fee paid by ADF shall be credited against the obligation for payment of rent under the Lease. CITY shall obtain the ADF Legal Opinion in which legal counsel representing ADF opines to the legal and binding nature of the Public Improvements Use Fee Agreement on ADF.

#### **SECTION 11. LOAN PREPAYMENT**

CITY, with fifteen (15) calendar days advance written notice to MBOI, may prepay all or any portion of this Loan at any time without penalty. Any prepayment will not alter the obligation of CITY to make regular payments in accordance with the Amortization Schedule until the Loan is fully paid and satisfied.

#### **SECTION 12. COLLATERAL AND SECURITY; NO OTHER LIENS; FLOW DOWN OF MORTGAGOR OBLIGATIONS**

(a) The Loan will be secured by a perfected first position Mortgage on the Public Improvements, the Assignment of Public Improvements Use Fee Agreement, Assignment of Lease and the Guaranty, and execution and delivery of documents creating such security shall be a condition of the Loan. CITY covenants and agrees with MBOI that while this Loan Agreement is in effect, CITY shall not, without the prior written consent of MBOI create or allow to be created any lien or charge upon the Public Improvements or Public Improvements Use Fee Agreement, except Permitted Liens

(b) In consideration of the provisions of Section 14 of this Loan Agreement and Section 10.3 of the Public Improvements Use Fee Agreement (regarding no financial liability of CITY), CITY agrees that it will require ADF in writing (through the Public Improvements Use Fee Agreement or the Lease) to perform any financial or pecuniary obligations of Mortgagor under the Mortgage to the same extent that CITY would be required to perform such obligations in the absence of the limitations of Section 14 of this Loan Agreement and Section 10.3 of the Public Improvements Use Fee Agreement. CITY may delegate to ADF in writing (through the

Public Improvements Use Fee Agreement or the Lease) any other obligations of Mortgagor under the Mortgage, except any such obligations of Mortgagor under the Mortgage that by their nature may be performed solely by Mortgagor; provided, however, that, subject to the provisions of Section 14 of this Loan Agreement and Section 10.3 of the Public Improvements Use Fee Agreement, no such delegation shall relieve CITY of its obligations as Mortgagor under the Mortgage.

### **SECTION 13. PARTIAL RELEASE OF COLLATERAL**

MBOI agrees to release a portion of the Public Improvements from the lien of the Mortgage prior to the full satisfaction of the Mortgage for purposes of CITY's or ADF's further development of the Public Improvements, subject to the following conditions: (a) such partial release is necessary to facilitate a further improvement to the Public Improvements that relates to or serves ADF's steel fabrication and related business activities; (b) MBOI, in its sole discretion, approves the layout, configuration and use of any further improvements contemplated with respect to any released parcel and such further improvements do not interfere with the use of or access to the existing improvements; (c) such partial release does not include any portion of the existing building or any portion of the land on which such existing building is located; (d) MBOI, in its sole discretion, determines that such partial release does not materially reduce or impair the sufficiency of its loan security; (e) ADF, at its sole expense, obtains a survey of the parcel to be released by a registered professional land surveyor and obtains all required governmental reviews and approvals, including without limitation any required subdivision and land use approvals; and (f) the loan to the net appraised value (LTV), after reducing the appraised value by the value of the land to be partially released, will not exceed 70%. If the resulting LTV is above 70%, ADF will make the necessary payment to the Public Improvement Use Fee Note to bring the LTV to no more than 70%. The value of the parcel will be determined by a recent appraisal, not older than 365 days from the date of the partial release request by ADF. If the appraisal is older than 365 days, a new appraisal will be obtained by MBOI at ADF's sole expense.

### **SECTION 14. LIMITED RECOURSE LOAN**

The parties acknowledge and agree that the obligation imposed upon CITY for the Loan or under this Loan Agreement is not a general obligation of CITY, but is a special, limited obligation of CITY and shall not be payable from or a charge upon any general funds of CITY. The source of repayment for the Loan is the Public Improvements Use Fee, which will be assigned to MBOI, and any other collateral as provided herein and in the Related Documents. No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by CITY contained in any document executed by CITY in connection with the Public Improvements or the Loan shall give rise to any pecuniary liability of CITY or a charge against its general credit or taxing powers, or shall obligate CITY financially in any way except with respect to the Public Improvements Use Fees, the application of Use Fee payments, or the proper application of the Loan Proceeds, and no execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of CITY. Nothing herein shall preclude a proper party in interest from seeking and

obtaining specific performance against CITY for any failure to comply with any term, condition, covenant or agreement herein or from resorting to any Collateral provided to secure the Loan; provided, that no costs, expenses or other monetary relief shall be recoverable from CITY except as may be payable from the Public Improvements Use Fee or proceeds of the Loan.

#### **SECTION 15. RELEASE OF COLLATERAL**

At the time as CITY has fully repaid the Loan and performed all other obligations under this Loan Agreement, MBOI will execute and deliver to CITY such satisfaction of mortgage, reassignment and other documents as may be appropriate and necessary to release the Public Improvements from the lien of the Mortgage, release the Public Improvements Use Fee Agreement from the Assignment and to otherwise release all the collateral provided to secure CITY's performance under this Loan Agreement.

#### **SECTION 16. NOTICE OF NONPAYMENT AND LOAN DEFAULT**

CITY will be considered in default if any Public Improvements Use Fee payment from ADF to MBOI during the term of this Loan Agreement is ninety (90) days late. MBOI will provide written notice to CITY should any Public Improvements Use Fee payment to MBOI be thirty (30) days late and again if any such payment is sixty (60) days late. Should a Public Improvements Use Fee payment be ninety (90) days late, MBOI will provide to CITY formal notice of default in writing. Any notice provided by MBOI to CITY pursuant to this paragraph shall be copied to ADF.

#### **SECTION 17. DEFAULT**

Each of the following shall constitute an Event of Default under this Loan Agreement:

- (a) CITY fails to comply with or to perform any term, obligation, covenant or condition contained in this Loan Agreement or in any of the Related Documents.
- (b) Any event of default by ADF under the Public Improvements Use Fee Agreement (or under any other document defined as a related document in the Public Improvements Use Fee Agreement) that is not cured as permitted in the Public Improvements Use Fee Agreement or such related document.
- (c) Any warranty, representation or statement made or furnished by CITY or on CITY's behalf under this Loan Agreement or in any of the Related Documents is materially false or misleading in any respect, either now or at the time made or furnished or at any time thereafter.
- (d) The dissolution or termination of CITY's existence as a going organization, the insolvency of CITY, the appointment of a receiver for any part of CITY's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against CITY.

(e) This Loan Agreement or in any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected Security Interest or lien) at any time and for any reason.

(f) Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any person or party against any or all of the Collateral. However, this event of default shall not apply if there is a good faith dispute by CITY as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if CITY gives MBOI written notice of the creditor or forfeiture proceeding and deposits with MBOI monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by MBOI, in its sole discretion, as being an adequate reserve or bond for the dispute.

(g) Sale, transfer, hypothecation, assignment, or conveyance of the Collateral or any portion thereof or interest therein by City or ADF without MBOI's prior written consent.

(h) All or any material portion of the Collateral is condemned, seized, or appropriated without compensation, and CITY does not within 30 days after such condemnation, seizure, or appropriation, initiate and diligently prosecute appropriate action to contest in good faith the validity of such condemnation, seizure, or appropriation.

#### **SECTION 18. DEFAULT REMEDIES**

Whenever any event of default referred to in Subsection 17 hereof shall have happened and be continuing (after expiration of all applicable cure periods), MBOI shall have the right, at its option, to take any remedial steps it may have hereunder, under any Related Document or under applicable law, subject to the limitations of Section 14 hereof.

#### **SECTION 19. LOAN PROCEEDS UTILIZATION**

CITY agrees to utilize the Loan Proceeds to fund purchase of the Public Improvements. CITY shall not utilize Loan Proceeds for any other purpose unless authorized in writing by MBOI.

#### **SECTION 20. JOB CREATION ESTIMATE**

CITY has obtained the Job Creation Estimate from ADF in which it estimates the number of jobs to be created, including estimated salaries and hiring schedules. The City will have no independent obligation to verify said estimate and, to the extent any such verification may be required, such verification shall be MBOI'S responsibility. MBOI may require additional updated Job Creation Certificates as provided herein or in Section 4.1 of the Public Improvements Use Fee Agreement.

## **SECTION 21. CONTINUING RESPONSIBILITIES OF PARTIES**

MBOI - Within 30 days after the end of each calendar year during the term of this Loan Agreement and any extension hereof, MBOI will provide a statement to CITY listing the interest and principal paid during the previous year. The amount of the payments may increase or decrease based on the timing of payments made during the previous year, any interest rate adjustments, and prepayments and any payment deferrals. Interest will be calculated as provided in Section 7 of this Loan Agreement. MBOI will provide the Montana Department of Revenue with information concerning the principal and interest payments made under the Public Improvements Use Fee Agreement to facilitate the calculation of any tax credit available to ADF.

CITY shall ensure that the initial Public Improvements Use Fee Agreement payment levels conform to the Amortization Schedule. Should MBOI revise the Amortization Schedule, it shall provide notice in writing to CITY and ADF that the use fee is adjusted, either upward or downward, commensurate with the payment required in the revised Amortization Schedule.

## **SECTION 22. MODIFICATION TO LOAN AGREEMENT**

This Loan Agreement may be modified only in writing signed by MBOI and CITY, except that the Amortization Schedule may be revised by MBOI without such further written agreement as provided in Sections 7, 10 and 16 of this Loan Agreement.

## **SECTION 23. LICENSES AND PERMITS**

CITY will notify MBOI within 30 days of obtaining information or receiving notice that any license or permit under which ADF operates expires, terminates, is suspended or is discontinued by the State of Montana, the Federal Government or any other governmental agency. CITY will have 30 days from the date of notice to MBOI to provide evidence to MBOI that the license or permit is fully restored. If the license or permit is not fully restored prior to the expiration of the 30 days, MBOI may consider CITY in default of the Loan Agreement.

## **SECTION 24. GOVERNING LAW, JURISDICTION AND VENUE**

This Loan Agreement is authorized by Montana law and will be interpreted according to Montana law. The parties hereby consent to Jurisdiction and venue for any litigation or dispute arising from this Loan Agreement in the Montana state district court in the Eighth Judicial District in and for Cascade County.

## **SECTION 25. BINDING EFFECT AND ASSIGNMENT**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns. CITY shall not assign its interest in this Loan Agreement, except for the required assignment of the Public Improvements Use Fees to MBOI.

## **SECTION 26. SEVERABILITY**

If any provisions of this Loan Agreement shall be determined to be unenforceable at any time, it shall not affect any other provision of the Loan Agreement.

## **SECTION 27. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

CITY understands and agrees that in making the Loan, MBOI is relying on all representations, warranties, and covenants made by CITY in the Loan Agreement and all Related Documents. CITY further agrees that regardless of any investigation made by MBOI, all such representations, warranties and covenants will survive the making of the Loan, shall be continuing in nature, and shall remain in full force and effect until such time as CITY's indebtedness shall be paid in full, or until this Loan Agreement shall be terminated in the manner provided herein, whichever is the last to occur.

## **SECTION 28. TERMINATION**

This Loan Agreement shall terminate when the Loan has been paid in full, CITY has performed all other obligations under this Loan Agreement and MBOI has released all collateral as required under Section 13 of this Loan Agreement.

## **SECTION 29. ATTORNEY FEES**

Each party shall be entitled to its reasonable costs and expenses, including attorneys' fees and legal expenses, incurred in connection with the prevailing enforcement of this Loan Agreement or the Related Documents. Either party may hire or pay someone else to help enforce this Loan Agreement or the Related Documents, and the non-prevailing party shall pay the costs and expenses of such enforcement. Costs and expenses include attorneys' fees, paralegals' fees and other legal expenses whether or not there is a lawsuit, including attorneys' fees, paralegals' fee and other legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. The non-prevailing party also shall pay all court costs and such additional fees as may be directed by the court.

## **SECTION 30. ENTIRE AGREEMENT**

This Loan Agreement, together with the Exhibits incorporated herein, constitutes the entire agreement between the parties pertaining to the subject matter hereof and supersedes any and all previous agreements or commitments between the parties with respect to the subject or transactions contemplated herein. CITY represents and warrants that any agreement between it and ADF shall not be in conflict with this Loan Agreement and its Exhibits incorporated.

## **SECTION 31. EXHIBIT LEDGER**

The following Exhibits are attached to this Loan Agreement:

<u>Exhibit</u>	<u>Document Name</u>
Exhibit A.....	City of Great Falls Resolution
Exhibit B.....	Note
Exhibit C.....	Amortization Schedule
Exhibit D.....	Public Improvements Use Fee Agreement
Exhibit E.....	Assignment of Public Improvements Use Fee Agreement
Exhibit F.....	Loan Legal Opinion
Exhibit G.....	ADF Legal Opinion
Exhibit H.....	Job Creation Estimate
Exhibit I.....	Job Credit Certification
Exhibit J.....	Land and Improvements
Exhibit K.....	Mortgage
Exhibit L.....	Assignment of Lease
Exhibit M.....	Guaranty to MBOI

**SECTION 32. NOTICES**

All notices and other written communication regarding this Loan Agreement shall be submitted to the persons (or their successors) listed below:

Montana Board of Investments  
 2401 Colonial Drive – 3<sup>rd</sup> Floor  
 Helena, MT 59601-0126  
 Attention: Herb Kulow  
 Senior Portfolio Manager

City of Great Falls  
 P.O. Box 5021  
 Great Falls, Montana 59403  
 Attention: Jennifer Reichert  
 Deputy City Manager

With a copy to:

ADF International, Inc.  
 and  
 ADF Group USA, Inc.  
 1900 Great Bear Avenue  
 Great Falls, Montana 59404

[Signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed as of the date first written above.

MONTANA BOARD OF INVESTMENTS

\_\_\_\_\_  
By: Herbert J. C. Kulow, CMB  
Its: Senior Portfolio Manager

STATE OF MONTANA                    )  
  : ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, a notary public for the state of Montana, personally appeared Herbert J. C. Kulow, known to me to be the Senior Portfolio Manager of the Montana Board of Investments, the State government agency that executed the within instrument, and acknowledged to me that such agency executed the same.

In witness whereof, I have hereunto set my hand and affixed my notarial seal on the day and year first-above written.

\_\_\_\_\_  
Notary Public for the State of Montana

(Notarial Seal/Stamp Above)

IN WITNESS WHEREOF, the parties hereto have caused this Loan Agreement to be duly executed as of the date first written above.

CITY OF GREAT FALLS

\_\_\_\_\_  
By: Michael Winters  
Its: Mayor

STATE OF MONTANA     )  
  :SS  
County of Cascade     )

On this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, a Notary Public for the State of Montana, personally appeared Michael Winters, known to me to be the Mayor respectively, of the City of Great Falls, a municipal corporation and political subdivision of the State of Montana, and acknowledged to me that they executed the written instrument on behalf of said municipal corporation.

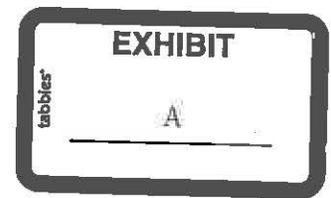
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

\_\_\_\_\_  
Notary Public for the State of Montana

(Notarial Seal/Stamp Above)

ATTEST

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



**RESOLUTION NO. 10073**

**A RESOLUTION BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA, TO AUTHORIZE LOAN FROM MONTANA BOARD OF INVESTMENTS**

**WHEREAS**, the City of Great Falls is duly organized and operates under the Commission-Manager form of government established by charter with self-governing powers; and

**WHEREAS**, the Department of Commerce oversees the Montana Board of Investments, which operates the Infrastructure Loan Program. Pursuant to § 17-6-316(1), MCA, the Montana Board of Investments is authorized to make loans to a local government to build infrastructure as contemplated by § 7-15-4288(4), MCA; and

**WHEREAS**, ADF Group USA, Inc., seeks funding through the City's ability to borrow from the Montana Board of Investment Infrastructure Loan program for the purchase of the 100 acre lot upon which its steel manufacturing plant and office is located, and to complete site infrastructure improvements to the land; and

**WHEREAS**, the City of Great Falls has applied for a \$4,999,999 infrastructure loan from the Montana Board of Investments in order to finance the purchase of the heavy industrial manufacturing facility, including the public improvements; and

**WHEREAS**, the City of Great Falls and ADF Group USA, Inc., have entered into a Development Agreement and other documentation to effect the loan and transfer; and

**WHEREAS**, the terms of the Montana Board of Investments loan commitment have been accepted by the City of Great Falls.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA**, that the borrowing of funds from the Montana Board of Investments to finance the purchase of the facility, including public improvements, of the ADF Group USA, Inc. facility located at 1900 Great Bear Avenue, Great Falls, Montana, is hereby approved; and

**BE IT FURTHER RESOLVED BY THE CITY COMMISSION OF THE CITY OF GREAT FALLS, MONTANA**, that the City Manager or his designee(s) are hereby authorized to execute and deliver all agreements and other instruments and documents as are approved by counsel for the City of Great Falls in connection with borrowing funds from the Montana Board of Investments up to the aggregate loan amount of \$4,999,999.

PASSED AND ADOPTED by the City Commission of the City of Great Falls,  
Montana, April 15, 2014.

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Michael J. Winters, Mayor

ATTEST:

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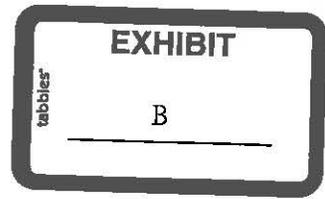
Lisa Kunz, City Clerk

(CITY SEAL)

APPROVED FOR LEGAL CONTENT:

---

Sara Sexe, City Attorney



**UNITED STATES OF AMERICA  
STATE OF MONTANA**

**CITY OF GREAT FALLS**

**PUBLIC IMPROVEMENTS USE FEE NOTE**

**(ADF INTERNATIONAL, INC. and ADF GROUP USA, INC.)**

**Note number 724-9661**

**\$4,999,800.00..... Great Falls, Montana**

**April 15, 2014**

**FOR VALUE RECEIVED**, the undersigned, **CITY OF GREAT FALLS (CITY)** a municipal corporation organized and existing under the laws of the State of Montana (together with any successors to its functions, and hereinafter referred to as the “Maker”), does hereby promise to pay to the order of the **MONTANA BOARD OF INVESTMENTS ( “MBOI”)**, its successors or assigns (MBOI together with any successors or assigns hereunder, shall hereafter be referred to as the “Holder”), at its offices at 2401 Colonial Drive 3<sup>rd</sup> floor, Helena, Montana 59601, Attention: Infrastructure Loan Department, or at such other place, either within or without the State of Montana, as the Holder hereof may from time to time designate in writing, solely from the source and in the manner herein provided, the principal sum of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and 00/100 Dollars (**\$4,999,800.00**) with interest on the unpaid principal amount at the rate set forth in paragraph 2 hereof, in legal tender of the United States of America, in accordance with the terms hereinafter set forth. All interest shall be computed on the basis of a year of 365 days (366 days during leap years).

1. All capitalized terms used but not otherwise defined herein shall have the meanings assigned thereto in that certain Loan Agreement of even date herewith (the “Loan Agreement”), between Maker and MBOI, unless the context clearly requires otherwise. As used herein, the following terms have the following meanings:

“**ADF**” means ADF INTERNATIONAL, INC., a Florida Corporation, and ADF Group USA, Inc., a Delaware corporation, or their permitted successors and assigns under the Public Improvements Use Fee Agreement.

“**Assignment**” means that certain Assignment of Public Improvements Use Fee Agreement of even date herewith, executed and delivered by Maker, as Assignor, for the benefit of the Holder, as Assignee.

“**Business Day**” means any day which is not a Saturday or Sunday or a legal holiday in the State of Montana and which is not a day on which commercial banks in Helena, Montana are authorized or required by law or executive order to close.

**“Final Maturity Date”** means April 15, 2019, the date when the entire unpaid principal amount of this Note, together with all unpaid accrued interest thereon, and all other indebtedness due hereunder, shall be payable.

**“Lease”** means the Lease Agreement dated as of April 15, 2014, by and between City, as Landlord, and ADF, as Tenant, with respect to the Public Improvements described in the Loan Agreement, together with any modifications, supplements, amendments or addendums thereto.

**“Loan Agreement”** means the Loan Agreement of even date herewith between the Maker and MBOI, as the same may be amended or supplemented from time to time in accordance with the terms thereof.

**“Public Improvements Use Fees”** means the fees imposed by the Maker in the Public Improvements Use Fee Agreement with respect to the Public Improvements, from which the Note is payable.

**“Public Improvements Use Fee Agreement”** means the Public Improvements Use Fee Agreement of even date herewith between Maker and ADF pursuant to which ADF agrees to pay the Public Improvements Use Fee.

**“Mortgage”** means the Mortgage on the Public Improvements of even date herewith given by City, as Mortgagor, to MBOI, as Mortgagee, to secure repayment and other performance of this Note and the Loan Agreement.

2. The outstanding balance of principal, together with interest thereon and all other sums due under this Note or under the Loan Agreement, shall be payable as follows:

- (a) Interest shall accrue on the unpaid principal balance of this Note from and after the date of this Note to and including the date of payment of this Note in full at the Applicable Interest Rate. The “Applicable Interest Rate” shall mean and refer to an annual interest rate derived by taking an initial interest rate of four and forty-eight hundredths per cent (4.48%) (the “Initial Interest Rate”) and subtracting therefrom, if applicable, a job credit interest rate reduction of five one hundredths per cent (.05%) multiplied by the number of qualifying jobs created from and after loan disbursement and certified periodically, as provided in the Loan Agreement and Public Improvements Use Fee Agreement, up to a maximum interest rate reduction of two hundred and fifty basis points (2.50%) (the “Job Credit Interest Rate Reduction”), all in accordance with this Note, Section 8 of the Loan Agreement and as permitted by Mont. Code Ann. § 17-6-318. The Applicable Interest Rate shall initially be four and forty-eight hundredths per cent (4.48%) until such time ADF submits evidence of the creation of qualifying jobs pursuant to Section 8 of the Loan Agreement. Under no circumstances shall the Applicable Interest Rate be less than one and ninety-eight hundredths per cent (1.98%) per annum nor more than four and forty-eight hundredths per cent (4.48%) per annum. Upon any such decrease to the Applicable Interest Rate, the

outstanding principal amount of the Loan shall be re-amortized over the remaining term of this Note and a revised Amortization Schedule shall be prepared and attached hereto, and a copy of such Amortization Schedule shall be provided to Maker.

- (b) If, during the term of the Loan, ADF eliminates ten or more qualifying jobs, and the elimination of said jobs results in ADF having created less than 50 qualifying jobs, MBOI may increase the Applicable Interest Rate commensurate with the number of qualifying jobs eliminated, if MBOI, in its sole discretion, determines that such increase is in the best interests of MBOI's programs. If the Applicable Interest Rate is at any time adjusted to a rate greater than one and ninety-eight hundredths percent (1.98%), ADF may subsequently certify creation of additional qualifying jobs and MBOI may reduce the Applicable Interest Rate accordingly. Such interest rate adjustments shall be effective on the first day of the month following MBOI's receipt and approval of any subsequent semi-annual Job Credit Certification, or on the first day of the month following MBOI's decision to increase the Applicable Interest Rate in response to ADF's elimination of ten or more jobs, as the case may be. Upon any such increase to the Applicable Interest Rate, the outstanding principal amount of the Loan shall be re-amortized over the remaining term of this Note and a revised Amortization Schedule shall be prepared and attached hereto, and a copy of such Amortization Schedule shall be provided to Maker.
- (c) Principal and interest shall be payable commencing with payments of principal and interest on May 1, 2014 and on the first day of each succeeding month (each a "Payment Date") in an amount sufficient to amortize fully the principal balance of the Note, together with interest thereon at the Applicable Interest Rate, by the Final Maturity Date specified herein, all as shown in the Amortization Schedule, attached hereto as Schedule A and by this reference made a part hereof or as may be revised and replaced from time to time as provided herein. The amortization of the outstanding principal of the Note may change from time to time depending on the authorized prepayments, deferrals or other agreed modifications, or interest rate reductions or increases. After each prepayment, deferral or other agreed modification, or interest rate reduction or increase, a new Amortization Schedule will be prepared and shall replace and supersede the previous Amortization Schedule as Schedule A.
- (d) All interest hereon shall be computed on the basis of the actual number of days elapsed in a year of three hundred sixty-five days (366 days in leap years) as follows:

$(A / 365) \times B \times C = \text{Accrued Interest, where:}$

A = Interest Rate; B = Outstanding Principal, and C = Number of Days Principal Outstanding

- (e) Payment of the entire unpaid principal amount hereof, together with all unpaid accrued interest thereon, and all other indebtedness due hereunder shall be payable on the Final Maturity Date.
- (f) The Maker may prepay and redeem this Note, without penalty or premium, in whole or in part, at the option of the Maker, or at the direction of ADF, on any one or more dates upon at least fifteen (15) days prior written notice to the Holder, or such shorter period of notice as may be acceptable to the Holder. In the event of a total prepayment or redemption, Maker shall pay the Holder an amount equal to the outstanding amount of principal and interest accrued thereon to the date of prepayment. In the event of any partial prepayment or redemption, the amount thereof shall be applied first to interest due on the Note and then to reduce the principal amount thereof. All prepayments or redemptions shall be applied on the principal in the inverse order of maturity, and shall not relieve Maker from paying the next succeeding installment or installments of principal and interest due hereunder.
- (g) This Note contemplates a single advance not to exceed the total sum of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and 00/100 Dollars (**\$4,999,800.00**) in accordance with Section 7 of the Loan Agreement. This Note does not represent a revolving credit of any nature or form whatsoever. The Maker expressly recognizes that payment of the amounts due hereunder shall not obligate MBOI to advance nor entitle the Maker to borrow or receive any additional moneys or sums under the terms of this Note.
- (h) In the event the Maker shall fail to make any payment of principal and interest when due as required by this Note, the unpaid amount shall continue as a special, limited obligation of the Maker until fully paid.

3. This Note is issued by the Maker pursuant to authority granted by Mont. Code Ann. §§ 17-6-309 and 17-6-316, as amended (the "Act"), which authorizes MBOI to make a loan to a local governmental entity for the purpose of financing infrastructure improvements to enhance economic development and create jobs in the basic sector of the economy, if the loan will result in the creation or expansion of a business estimated to employ at least fifteen people in new basic-sector jobs on a permanent, full-time basis and further authorizes such governmental entity to charge infrastructure use fees and to pledge such fees to the repayment of such loan. This Note is secured by the Mortgage, Assignment of Public Improvement Use Fee Agreement, Assignment of Lease and Guaranty (collectively, the "Security").

4. This Note is not a general obligation of the Maker, but is rather a special, limited obligation of the Maker and shall not be payable from or a charge upon any general funds of the Maker. This Note is payable solely from the Public Improvements Use Fees imposed by the Maker on ADF under the Public Improvements Use Fee pledged and assigned to the payment hereof. The Maker shall not be subject to any financial liability thereon. No Holder of this Note shall have the right to compel any exercise of the taxing power of the Maker to pay any amounts due under this Note, nor to enforce any payment hereunder against any property of the Maker

except the revenues under the Security. Neither the Note, nor any of the agreements or obligations of the Maker contained herein or in the Loan Agreement shall be construed to constitute an indebtedness of the Maker within the meaning of any constitutional, statutory or charter provisions whatsoever, nor to constitute or give rise to a pecuniary liability or charge against the general credit or taxing power of the Maker. No failure of the Maker or any party to comply with any term, condition, covenant or agreement in the Note, the Public Improvements Use Fee, or the Loan Agreement shall subject the Maker to liability for any claim for damages, costs or other pecuniary or financial charge, and no execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds, or taxing powers of the Maker; provided, however, that nothing in this Section will be construed to prevent any action to specifically enforce Maker's non-financial obligations or with respect to any Security.

5. The Holder shall not be deemed, by any act or omission, to have waived any rights or remedies hereunder unless such waiver is in writing and signed by the party against whom enforcement of the waiver is sought, and then only to the extent of the waiver specifically set forth in the writing. A waiver or forbearance with respect to one event shall not be deemed a waiver of any right or remedy as to subsequent events.

6. Except as otherwise provided herein or in the Loan Agreement, the Maker hereby waives presentment, demand for payment, notice of nonpayment, protest and notice of protest and specifically consents to and waives notice of any renewals or extensions of this Note, at or after the Final Maturity Date, whether made to or in favor of the Maker or any other person or persons; provided, however, that the foregoing shall not relieve Maker or MBOI, as assignee of Maker, from giving any notices to ADF that may be required under the Public Improvements Use Fee.

7. This Note is authorized by and shall be governed by and construed in accordance with the laws of the State of Montana without giving effect to the conflicts of laws principles thereof. Jurisdiction and venue for any litigation or dispute arising from this Note shall be in the Montana state district court of the Eighth Judicial District in and for Cascade County.

8. Except as provided in paragraph 2(a), (b) or (c) hereof with respect to revision and replacement of the Amortization Schedule, this Note may not be amended, modified or changed, except by a writing signed by the Holder and the Maker.

9. If any provision of this Note, or the application thereof to any person or circumstance, shall be deemed invalid or unenforceable to any extent, the remainder of such term and this Note, or the application of such term to persons or circumstances other than those to which it is deemed invalid or unenforceable, shall not be affected thereby, and the remainder of this Note shall be valid and enforceable to the fullest extent permitted by law.

10. The terms of this Note apply to, inure to the benefit of, and bind all parties hereto (including without limitation all makers, endorsers, guarantors and sureties hereof), their heirs, legatees, devisees, personal representatives, successors and assigns.

11. After the Final Maturity Date of this Note, or maturity by default in making payment as set forth in Sections 16 or 17 of the Loan Agreement, if this Note be placed in the hands of an attorney for collection, the Maker hereby agrees to pay all reasonable costs of collection, including reasonable attorney's fees and costs of suit.

**IN WITNESS WHEREOF**, the Maker has caused this Note to be duly executed by its authorized officers as of the date first above written.

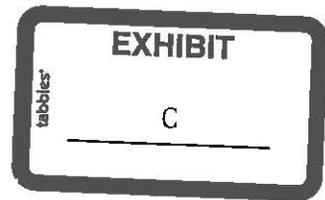
CITY OF GREAT FALLS

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By: Michael Winters  
Its: Mayor

## EXHIBIT C

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**



<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
05/01/14	31,955.36	4,339.55	27,615.81	4,972,184.19
06/01/14	31,955.36	8,361.44	23,593.92	4,948,590.27
07/01/14	31,955.36	8,053.32	23,902.04	4,924,688.23
08/01/14	31,955.36	8,281.57	23,673.79	4,901,014.44
09/01/14	31,955.36	8,241.76	23,713.60	4,877,300.84
10/01/14	31,955.36	7,937.31	24,018.05	4,853,282.79
11/01/14	31,955.36	8,161.49	23,793.87	4,829,488.92
12/01/14	31,955.36	7,859.50	24,095.86	4,805,393.06
01/01/15	31,955.36	8,080.96	23,874.40	4,781,518.66
02/01/15	31,955.36	8,040.81	23,914.55	4,757,604.11
03/01/15	31,955.36	7,226.34	24,729.02	4,732,875.09
04/01/15	31,955.36	7,959.01	23,996.35	4,708,878.74
05/01/15	31,955.36	7,663.22	24,292.14	4,684,586.60
06/01/15	31,955.36	7,877.81	24,077.55	4,660,509.05
07/01/15	31,955.36	7,584.50	24,370.86	4,636,138.19
08/01/15	31,955.36	7,796.33	24,159.03	4,611,979.16
09/01/15	31,955.36	7,755.71	24,199.65	4,587,779.51
10/01/15	31,955.36	7,466.14	24,489.22	4,563,290.29
11/01/15	31,955.36	7,673.83	24,281.53	4,539,008.76
12/01/15	31,955.36	7,386.77	24,568.59	4,514,440.17
01/01/16	31,955.36	7,591.68	24,363.68	4,490,076.49
02/01/16	31,955.36	7,550.71	24,404.65	4,465,671.84
03/01/16	31,955.36	7,025.17	24,930.19	4,440,741.65
04/01/16	31,955.36	7,467.75	24,487.61	4,416,254.04
05/01/16	31,955.36	7,187.00	24,768.36	4,391,485.68
06/01/16	31,955.36	7,384.91	24,570.45	4,366,915.23
07/01/16	31,955.36	7,106.71	24,848.65	4,342,066.58
08/01/16	31,955.36	7,301.81	24,653.55	4,317,413.03
09/01/16	31,955.36	7,260.35	24,695.01	4,292,718.02
10/01/16	31,955.36	6,985.96	24,969.40	4,267,748.62
11/01/16	31,955.36	7,176.83	24,778.53	4,242,970.09
12/01/16	31,955.36	6,905.00	25,050.36	4,217,919.73
01/01/17	31,955.36	7,093.04	24,862.32	4,193,057.41
02/01/17	31,955.36	7,051.23	24,904.13	4,168,153.28
03/01/17	31,955.36	6,331.03	25,624.33	4,142,528.95
04/01/17	31,955.36	6,966.26	24,989.10	4,117,539.85
05/01/17	31,955.36	6,700.87	25,254.49	4,092,285.36
06/01/17	31,955.36	6,881.77	25,073.59	4,067,211.77
07/01/17	31,955.36	6,618.97	25,336.39	4,041,875.38
08/01/17	31,955.36	6,796.99	25,158.37	4,016,717.01
09/01/17	31,955.36	6,754.69	25,200.67	3,991,516.34
10/01/17	31,955.36	6,495.78	25,459.58	3,966,056.76
11/01/17	31,955.36	6,669.49	25,285.87	3,940,770.89

EXHIBIT C

**City of Great Falls  
ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>	<b>Monthly @ Actual/365</b>	
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
12/01/17	31,955.36	6,413.20	25,542.16	3,915,228.73
01/01/18	31,955.36	6,584.02	25,371.34	3,889,857.39
02/01/18	31,955.36	6,541.35	25,414.01	3,864,443.38
03/01/18	31,955.36	5,869.72	26,085.64	3,838,357.74
04/01/18	31,955.36	6,454.75	25,500.61	3,812,857.13
05/01/18	31,955.36	6,205.03	25,750.33	3,787,106.80
06/01/18	31,955.36	6,368.56	25,586.80	3,761,520.00
07/01/18	31,955.36	6,121.49	25,833.87	3,735,686.13
08/01/18	31,955.36	6,282.09	25,673.27	3,710,012.86
09/01/18	31,955.36	6,238.92	25,716.44	3,684,296.42
10/01/18	31,955.36	5,995.81	25,959.55	3,658,336.87
11/01/18	31,955.36	6,152.02	25,803.34	3,632,533.53
12/01/18	31,955.36	5,911.58	26,043.78	3,606,489.75
01/01/19	31,955.36	6,064.83	25,890.53	3,580,599.22
02/01/19	31,955.36	6,021.29	25,934.07	3,554,665.15
03/01/19	31,955.36	5,399.20	26,556.16	3,528,108.99
04/01/19	31,955.36	5,933.02	26,022.34	3,502,086.65
05/01/19	31,955.36	5,699.29	26,256.07	3,475,830.58
06/01/19	31,955.36	5,845.11	26,110.25	3,449,720.33
07/01/19	31,955.36	5,614.07	26,341.29	3,423,379.04
08/01/19	31,955.36	5,756.90	26,198.46	3,397,180.58
09/01/19	31,955.36	5,712.85	26,242.51	3,370,938.07
10/01/19	31,955.36	5,485.86	26,469.50	3,344,468.57
11/01/19	31,955.36	5,624.20	26,331.16	3,318,137.41
12/01/19	31,955.36	5,399.93	26,555.43	3,291,581.98
01/01/20	31,955.36	5,535.27	26,420.09	3,265,161.89
02/01/20	31,955.36	5,490.84	26,464.52	3,238,697.37
03/01/20	31,955.36	5,094.96	26,860.40	3,211,836.97
04/01/20	31,955.36	5,401.17	26,554.19	3,185,282.78
05/01/20	31,955.36	5,183.72	26,771.64	3,158,511.14
06/01/20	31,955.36	5,311.49	26,643.87	3,131,867.27
07/01/20	31,955.36	5,096.79	26,858.57	3,105,008.70
08/01/20	31,955.36	5,221.52	26,733.84	3,078,274.86
09/01/20	31,955.36	5,176.56	26,778.80	3,051,496.06
10/01/20	31,955.36	4,966.00	26,989.36	3,024,506.70
11/01/20	31,955.36	5,086.14	26,869.22	2,997,637.48
12/01/20	31,955.36	4,878.35	27,077.01	2,970,560.47
01/01/21	31,955.36	4,995.42	26,959.94	2,943,600.53
02/01/21	31,955.36	4,950.09	27,005.27	2,916,595.26
03/01/21	31,955.36	4,430.03	27,525.33	2,889,069.93
04/01/21	31,955.36	4,858.39	27,096.97	2,861,972.96
05/01/21	31,955.36	4,657.57	27,297.79	2,834,675.17
06/01/21	31,955.36	4,766.91	27,188.45	2,807,486.72

EXHIBIT C

**City of Great Falls  
ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
07/01/21	31,955.36	4,568.90	27,386.46	2,780,100.26
08/01/21	31,955.36	4,675.14	27,280.22	2,752,820.04
09/01/21	31,955.36	4,629.26	27,326.10	2,725,493.94
10/01/21	31,955.36	4,435.46	27,519.90	2,697,974.04
11/01/21	31,955.36	4,537.03	27,418.33	2,670,555.71
12/01/21	31,955.36	4,346.06	27,609.30	2,642,946.41
01/01/22	31,955.36	4,444.49	27,510.87	2,615,435.54
02/01/22	31,955.36	4,398.23	27,557.13	2,587,878.41
03/01/22	31,955.36	3,930.74	28,024.62	2,559,853.79
04/01/22	31,955.36	4,304.76	27,650.60	2,532,203.19
05/01/22	31,955.36	4,120.90	27,834.46	2,504,368.73
06/01/22	31,955.36	4,211.46	27,743.90	2,476,624.83
07/01/22	31,955.36	4,030.45	27,924.91	2,448,699.92
08/01/22	31,955.36	4,117.84	27,837.52	2,420,862.40
09/01/22	31,955.36	4,071.03	27,884.33	2,392,978.07
10/01/22	31,955.36	3,894.33	28,061.03	2,364,917.04
11/01/22	31,955.36	3,976.95	27,978.41	2,336,938.63
12/01/22	31,955.36	3,803.13	28,152.23	2,308,786.40
01/01/23	31,955.36	3,882.56	28,072.80	2,280,713.60
02/01/23	31,955.36	3,835.35	28,120.01	2,252,593.59
03/01/23	31,955.36	3,421.47	28,533.89	2,224,059.70
04/01/23	31,955.36	3,740.08	28,215.28	2,195,844.42
05/01/23	31,955.36	3,573.51	28,381.85	2,167,462.57
06/01/23	31,955.36	3,644.90	28,310.46	2,139,152.11
07/01/23	31,955.36	3,481.25	28,474.11	2,110,678.00
08/01/23	31,955.36	3,549.41	28,405.95	2,082,272.05
09/01/23	31,955.36	3,501.64	28,453.72	2,053,818.33
10/01/23	31,955.36	3,342.38	28,612.98	2,025,205.35
11/01/23	31,955.36	3,405.67	28,549.69	1,996,655.66
12/01/23	31,955.36	3,249.35	28,706.01	1,967,949.65
01/01/24	31,955.36	3,309.39	28,645.97	1,939,303.68
02/01/24	31,955.36	3,261.22	28,694.14	1,910,609.54
03/01/24	31,955.36	3,005.68	28,949.68	1,881,659.86
04/01/24	31,955.36	3,164.28	28,791.08	1,852,868.78
05/01/24	31,955.36	3,015.35	28,940.01	1,823,928.77
06/01/24	31,955.36	3,067.20	28,888.16	1,795,040.61
07/01/24	31,955.36	2,921.24	29,034.12	1,766,006.49
08/01/24	31,955.36	2,969.79	28,985.57	1,737,020.92
09/01/24	31,955.36	2,921.05	29,034.31	1,707,986.61
10/01/24	31,955.36	2,779.57	29,175.79	1,678,810.82
11/01/24	31,955.36	2,823.16	29,132.20	1,649,678.62
12/01/24	31,955.36	2,684.68	29,270.68	1,620,407.94
01/01/25	31,955.36	2,724.95	29,230.41	1,591,177.53

EXHIBIT C

**City of Great Falls  
ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>	<b>Monthly @ Actual/365</b>	
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
02/01/25	31,955.36	2,675.79	29,279.57	1,561,897.96
03/01/25	31,955.36	2,372.37	29,582.99	1,532,314.97
04/01/25	31,955.36	2,576.81	29,378.55	1,502,936.42
05/01/25	31,955.36	2,445.87	29,509.49	1,473,426.93
06/01/25	31,955.36	2,477.78	29,477.58	1,443,949.35
07/01/25	31,955.36	2,349.88	29,605.48	1,414,343.87
08/01/25	31,955.36	2,378.42	29,576.94	1,384,766.93
09/01/25	31,955.36	2,328.68	29,626.68	1,355,140.25
10/01/25	31,955.36	2,205.35	29,750.01	1,325,390.24
11/01/25	31,955.36	2,228.83	29,726.53	1,295,663.71
12/01/25	31,955.36	2,108.56	29,846.80	1,265,816.91
01/01/26	31,955.36	2,128.65	29,826.71	1,235,990.20
02/01/26	31,955.36	2,078.50	29,876.86	1,206,113.34
03/01/26	31,955.36	1,831.97	30,123.39	1,175,989.95
04/01/26	31,955.36	1,977.60	29,977.76	1,146,012.19
05/01/26	31,955.36	1,865.02	30,090.34	1,115,921.85
06/01/26	31,955.36	1,876.58	30,078.78	1,085,843.07
07/01/26	31,955.36	1,767.10	30,188.26	1,055,654.81
08/01/26	31,955.36	1,775.24	30,180.12	1,025,474.69
09/01/26	31,955.36	1,724.48	30,230.88	995,243.81
10/01/26	31,955.36	1,619.66	30,335.70	964,908.11
11/01/26	31,955.36	1,622.63	30,332.73	934,575.38
12/01/26	31,955.36	1,520.93	30,434.43	904,140.95
01/01/27	31,955.36	1,520.44	30,434.92	873,706.03
02/01/27	31,955.36	1,469.26	30,486.10	843,219.93
03/01/27	31,955.36	1,280.77	30,674.59	812,545.34
04/01/27	31,955.36	1,366.41	30,588.95	781,956.39
05/01/27	31,955.36	1,272.55	30,682.81	751,273.58
06/01/27	31,955.36	1,263.37	30,691.99	720,581.59
07/01/27	31,955.36	1,172.67	30,782.69	689,798.90
08/01/27	31,955.36	1,160.00	30,795.36	659,003.54
09/01/27	31,955.36	1,108.21	30,847.15	628,156.39
10/01/27	31,955.36	1,022.26	30,933.10	597,223.29
11/01/27	31,955.36	1,004.32	30,951.04	566,272.25
12/01/27	31,955.36	921.55	31,033.81	535,238.44
01/01/28	31,955.36	900.08	31,055.28	504,183.16
02/01/28	31,955.36	847.86	31,107.50	473,075.66
03/01/28	31,955.36	744.22	31,211.14	441,864.52
04/01/28	31,955.36	743.06	31,212.30	410,652.22
05/01/28	31,955.36	668.29	31,287.07	379,365.15
06/01/28	31,955.36	637.96	31,317.40	348,047.75
07/01/28	31,955.36	566.41	31,388.95	316,658.80
08/01/28	31,955.36	532.51	31,422.85	285,235.95

EXHIBIT C

**City of Great Falls  
ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
09/01/28	31,955.36	479.67	31,475.69	253,760.26
10/01/28	31,955.36	412.97	31,542.39	222,217.87
11/01/28	31,955.36	373.69	31,581.67	190,636.20
12/01/28	31,955.36	310.24	31,645.12	158,991.08
01/01/29	31,955.36	267.37	31,687.99	127,303.09
02/01/29	31,955.36	214.08	31,741.28	95,561.81
03/01/29	31,955.36	145.15	31,810.21	63,751.60
04/01/29	31,955.36	107.21	31,848.15	31,903.45
05/01/29	31,955.36	51.92	31,903.44	0.01

**PUBLIC IMPROVEMENTS USE FEE AGREEMENT**

**BETWEEN**

**CITY OF GREAT FALLS**

**and**

**ADF INTERNATIONAL, INC. and ADF GROUP USA, INC.**

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Dated effective as of the 15th day of April, 2014

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## **PUBLIC IMPROVEMENTS USE FEE AGREEMENT**

THIS PUBLIC IMPROVEMENTS USE FEE AGREEMENT (“Agreement”), is made and entered into as the effective date of the 15th day of April, 2014 by and between the CITY OF GREAT FALLS, MONTANA, a municipal corporation organized and existing under the laws of the State of Montana, 2 Park Drive South Great Falls Montana 59403 (“CITY”), and ADF INTERNATIONAL, INC., a Florida Corporation and ADF GROUP USA, INC. (together known as “ADF”), a Delaware Corporation, 1900 Great Bear Avenue, Great Falls, Montana 59404.

### **WITNESSETH:**

**WHEREAS**, Mont. Code Ann. § 17-6-309(2) authorizes the Montana Board of Investments (“MBOI”) to make an infrastructure loan to enhance economic development and create jobs in the basic sector of the economy, as defined by MBOI by rule, if the loan will result in the creation of a business estimated to employ at least 15 people in Montana on a permanent, full-time basis or result in the expansion of a business estimated to employ at least an additional 15 people in Montana on a permanent, full-time basis or raise salaries, wages, and business incomes of existing employees and employers; and

**WHEREAS**, CITY proposes to purchase certain Public Improvements and, in return for certain use fees and agreements, lease the property to ADF INTERNATIONAL, INC., a Florida Corporation and ADF GROUP USA, INC. a Delaware Corporation (together “ADF”), which will operate steel fabrication and related business activities thereon, estimated to create three hundred (300) full time jobs; and

**WHEREAS**, to finance its purchase of the Public Improvements, the CITY has applied for an infrastructure loan in the amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) based on the estimated creation of three hundred (300) full time jobs; and

**WHEREAS**, the MBOI approved the infrastructure loan on November 19, 2013 subject to certain terms and conditions; and

**WHEREAS**, Montana law requires that an infrastructure loan must be made to a local government, which may charge fees to the users of the Infrastructure and repay the loan from the fees charged for the use of the Infrastructure; and

**WHEREAS**, infrastructure loans qualify for job credit interest rate reductions under Mont. Code Ann. § 17-6-318, if the interest rate reduction passes through to the business creating the jobs, and CITY, MBOI, and ADF anticipate that ADF will qualify, pursuant to Mont. Code Ann. § 17-6-316(3), to receive a credit against taxes due under Mont. Code Ann. Title 15, Chapter 30 or 31, for the Use Fees paid pursuant to this Agreement for the use of the Infrastructure; and

WHEREAS, CITY has agreed to lease the Public Improvements (as hereinafter defined) to ADF pursuant to the terms of the Lease and this Agreement in order to promote the development of the Public Improvements and further the purposes and policies of the Act, with title to the Public Improvements remaining at all times in CITY during the term of this Agreement and the Lease.

WHEREAS, the parties acknowledge and agree that making of and compliance with the terms and conditions of this Agreement is a condition of the Loan and required under Section 10 of the Loan Agreement.

NOW THEREFORE, CITY, pursuant to the Act, and ADF, each in consideration of the representations, covenants and agreements of the other, as set forth herein, mutually represent, covenant and agree as follows:

**Section 1 - Definitions; Rules of Interpretation; Exhibits.**

1.1 Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context clearly requires otherwise, the following terms have the meanings assigned to them:

“**ADF**” means ADF INTERNATIONAL, INC., a Florida Corporation and ADF GROUP USA, INC. a Delaware Corporation, or their permitted successors and assigns hereunder.

“**Agreement**” means this Public Improvements Use Fee Agreement, including any amendment hereof or supplement hereto entered into in accordance with the provisions hereof.

“**Amortization Schedule**” means that document attached to this Loan Agreement as Exhibit E and incorporated herein, as the same may be revised and replaced from time to time as provided herein or in any Related Documents, in which Loan repayment is scheduled based on the date of disbursement, the Applicable Interest Rate, and a Fifteen (15) year term.

“**Applicable Interest Rate**” means the rate of interest applicable at a given time taking into account any reductions or increases in such interest rate as provided for herein or in any Related Documents.

“**Assignment of Lease**” means the Assignment of Lease attached to the Loan Agreement as Exhibit L, by which CITY assigns the Lease to MBOI.

“**Assignment of Public Improvements Use Fee Agreement**” means the Assignment of this Public Improvements Use Fee Agreement attached to the Loan Agreement as Exhibit E, by which CITY assigns the Public Improvements Use Fee Agreement to MBOI.

**“Basic Sector of the Economy”** means (a) business activity conducted in the State that produces goods and services for which 50% or more of the gross revenues are derived from out of State sources; or (b) business activity conducted in-State that produces goods and services for which 50% or more of which will be purchased by in-State residents in lieu of like or similar goods and services which would otherwise be purchased from out-of-state sources.

**“Basic Sector Jobs”** means jobs in the Basic Sector of the Economy.

**“CITY”** means the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana or any successors to its functions hereunder.

**“CITY Representative”** means the Mayor, the CITY’s COMMISSION or any other person authorized to act on behalf of the CITY under or with respect to this Agreement as evidenced by a certificate conferring such authority executed by the chairperson of the CITY’s COMMISSION and provided to ADF.

**“Collateral”** means the collateral described and listed in Section 13 of the Loan Agreement and any other assets deemed appropriate and pledged by the CITY as security for the repayment of the Loan.

**“Commencement Date”** means the day on which the Lease commences as provided therein.

**“Corporation Representative”** means a person designated to act on behalf of ADF, as evidenced by a written certificate furnished to CITY, containing the specimen signature of such person and signed by a person or persons with authority to legally bind each constituent corporation of ADF.

**“Environmental Law”** means any federal, state or local statute, law, rule, regulation, ordinance, code, guideline, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including, without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; and any state and local counterparts and equivalents, including without limitation the Montana Hazardous Waste and Underground Storage Tank Act,

MCA §75-10-401, et seq., and the Montana Comprehensive Environmental Cleanup and Responsibility Act, MCA § 75-10-701, et seq.

**“Excepted Parcel”** means any property excepted from the Public Improvements or released from the Mortgage pursuant to Section 3.4 of this Agreement.

**“Guaranty”** means the Guaranty attached to the Loan Agreement as Exhibit M by which ADF Steel guaranties to MBOI the obligations of ADF under this Public Improvements Use Fee Agreement.

**“Hazardous Materials”** means (a) any oil, petroleum or petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of “hazardous chemical,” “hazardous material,” “hazardous substance,” “hazardous waste,” “pollutant,” or “contaminant” or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance, the presence, collection, storage, use, generation, manufacturing, treatment, transportation, disturbance, disposal or exposure to or of which is prohibited, limited or regulated by any governmental authority and/or under any applicable Environmental Law.

**“Hazardous Materials Contamination”** means the contamination (whether presently existing or occurring after the date of this Agreement) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, the Public Improvements or any Excepted Parcel by Hazardous Materials, or the contamination (whether before or after the date of this instrument) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time emanating from the Public Improvements or any Excepted Parcel.

**“Infrastructure”** means the Public Improvements as further defined in Exhibit D of this Public Improvement Use Fee Agreement.

**“Infrastructure Loan Rent”** means that part or all of the Rent payable by ADF to CITY under the Lease that is equal to the Public Improvement Use Fee payable by ADF to City under this Agreement.

**“Job Credit Certification”** means a certification in the form attached to this Public Improvement Use Fee Agreement as Exhibit F, as prepared by ADF and submitted to the CITY from time to time and subsequently approved by the CITY and filed with the MBOI in which ADF certifies that it has created and filled and will retain sufficient jobs to be eligible for a job credit interest rate reduction.

**“Lease”** means the Lease Agreement dated as of April 15, 2014, by and between CITY, as Landlord, and ADF, as Tenant, with respect to the Public Improvements, together with any modifications, supplements, amendments or addendums thereto.

**“Loan”** means the Loan made by MBOI to CITY in the principal amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) as provided in and subject to the terms and conditions of the Loan Agreement of even date herewith between MBOI and CITY with respect to purchase of the Public Improvements.

**“Loan Agreement”** means the Loan Agreement, of even date herewith between MBOI and CITY with respect to purchase of the Public Improvements, as such may be amended or supplemented from time to time in accordance with its terms.

**“MBOI”** means the Montana Board of Investments of the State of Montana created pursuant to Mont. Code Ann. § 2-15-1808, or any successor to its functions under the Loan Agreement.

**“Mortgage”** means the Mortgage given by CITY, as Mortgagor, to MBOI, as Mortgagee, of even date herewith securing CITY’s repayment of the Note.

**“Net Proceeds”** means any insurance proceeds or condemnation award paid with respect to the Public Improvements, remaining after payment therefrom of all expenses incurred in the collection thereof.

**“Note”** means the Public Improvements Use Fee Note, of even date herewith and issued by CITY to MBOI, in which CITY promises to repay the Loan.

**“Permitted Encumbrances”** means as of any particular time: (i) liens for taxes and assessments not then delinquent, (ii) the Lease, (iii) liens permitted under this Agreement, (iv) such minor defects, irregularities, encumbrances, collaterals, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the real estate upon which the Public Improvements are constructed and which do not, in the opinion of independent counsel, materially impair the property affected thereby for the purpose for which it was intended; and (v) liens on ADF’s interest in the Public Improvements.

**“Public Improvements”** means a steel fabrication building containing approximately ninety-eight thousand one hundred twenty-five (98,125) square feet of usable area together with all fixtures and related improvements (the “Building”) and the 100-acre tract of improved land (the “Land”) on which the building, fixtures and related improvements are located as described in greater detail in the Description of the Public Improvements attached hereto as Exhibit D, as such may be amended from time to time in accordance with Section 3.4 hereof. The Public Improvements shall not include any portion of the Land or any improvements subsequently constructed thereon to the extent

such portion of Land is released from the lien of the Mortgage by agreement of MBOI as provided in Section 13 of the Loan Agreement.

**“Public Improvements Use Fee” or “Use Fee”** means the fee imposed by CITY on and payable by ADF hereunder with respect to ADF’s use and occupancy of the Public Improvements as specified in Section 6 hereof. Such fee shall be equal to the amount payable by CITY to MBOI under the Loan Agreement and Related Documents as reflected in the Amortization Schedule.

**“Qualifying Jobs”** means jobs which meet the requirements of Mont. Code Ann. § 17-6-318 for purposes of an interest rate reduction.

**“Related Documents”** means this Public Improvements Use Fee Agreement, the Note, Mortgage, Assignment of Public Improvements Use Fee Agreement, Guaranty, and Assignment of Lease

**“Resolution”** means the resolution of CITY duly adopted by CITY’s COMMISSION on April 15, 2014, including any amendment thereof, approving the Loan and Related Documents, in which the governing body of CITY authorizes and approves the Loan.

**“State”** means the State of Montana.

**“Unavoidable Delays”** means a delay resulting from a cause over which the party required to perform does not have control and which cannot or could not have been avoided by the exercise of reasonable care, including but not limited to acts of God, accidents, war, civil unrest, embargoes, strikes, unavailability or raw materials or manufactured goods, litigation and the delays of the other party or its contractors, agents or employees in the performance of their duties under or incident to this Agreement.

## 1.2 Rules of Interpretation.

(1) The words “herein,” “hereof” and words of similar import, without reference to any particular section or subdivision, refer to this Agreement as a whole rather than to any particular section or subdivision hereof.

(2) References herein to any particular section or subdivision hereof are to the section or subdivision of this instrument as originally executed.

(3) The word “or” is not exclusive but is intended to contemplate or encompass one, more or all of the alternatives conjoined.

(4) To the extent there is a direct conflict between the terms of this Agreement and the terms of the Lease, the terms of this Agreement will control.

1.3. Exhibits.

The following Exhibits are attached to and by reference made a part of this Agreement:

Exhibit A: The Lease between CITY and ADF.

Exhibit B: The legal description of the land included as part of the Public Improvements and list of other Loan collateral.

Exhibit C A description of the collateral pledged by CITY to MBOI as security for the Loan.

Exhibit D: A description of the Public Improvements;

Exhibit E: The Amortization Schedule; and

Exhibit F: The form of Job Credit Certification.

**Section 2 - Representations.**

2.1 CITY Representations. CITY hereby represents as follows:

(a) City is authorized by the Constitution and the laws of the State of Montana to purchase, hold, lease and otherwise undertake the Public Improvements, to enter into this Agreement and the transactions contemplated hereby, to carry out its obligations under this Agreement, to enter into the Related Documents, to execute and deliver the Note and Mortgage, and to carry out its obligations hereunder and thereunder and to incur the Loan.

(b) This Agreement has been duly authorized, executed and delivered by CITY and, assuming the valid execution and delivery hereof by ADF, is a valid and binding special obligation of the CITY, enforceable in accordance with its terms, subject to the qualification that enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditors' rights generally or laws affecting creditors' rights against a public corporation and by the availability of equitable remedies.

(c) The execution and delivery of this Agreement, the Lease and the Related Documents contemplated hereby to which CITY is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, or constitute on the part of CITY a breach of, or a default under, (i) any law, or (ii) any agreement, indenture, mortgage, lease or other instrument to which CITY is subject or is a party or by which it or its property is bound.

(d) No officer of CITY who is authorized to take part in any manner in making this Agreement, the Lease or any Related Documents contemplated hereby has a personal financial interest in or has personally and financially benefited from the Agreement or any such agreement or document.

(e) There is not pending or, to the best knowledge of the officers of CITY, threatened any suit, action or proceeding against or affecting CITY before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to CITY, of this Agreement, any of the obligations of the CITY hereunder or any of the transactions contemplated hereby.

(f) CITY has good insurable title to the Public Improvements. The Public Improvements, this Agreement and the Lease, all described in Exhibit C, are pledged as security to MBOI for performance of City's obligations under the Loan Agreement.

## 2.2 ADF Representations. ADF hereby represents and agrees as follows:

(a) ADF includes and consists of two general corporations duly formed and in good standing under the laws of the State of Florida and the State of Delaware, respectively, and both such are duly qualified to do business in the State of Montana.

(b) This Agreement has been duly authorized, executed and delivered by ADF and, assuming the valid execution and delivery hereof by CITY, is a valid and binding obligation of ADF, enforceable in accordance with its terms, subject to the qualification that enforcement thereof may be limited by laws relating to bankruptcy, insolvency or other similar laws affecting creditor's rights generally and by the availability of equitable remedies.

(c) There is not pending or, to the knowledge of ADF, threatened any suit, action or proceeding against or affecting ADF before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity of this Agreement, any of the obligations of ADF hereunder or any of the transactions contemplated hereby.

(d) ADF estimates that the total number of full time Qualifying Jobs, as defined in Mont. Code Ann. § 17-6-318, will be 300, all of which are Basic Sector Jobs, and that such jobs are estimated to be filled no later than the fourth anniversary of the first advance of funds by MBOI to CITY for the Public Improvements, subject to Unavoidable Delays.

(e) Except as disclosed to MBOI in writing prior to the disbursement of Loan funds, ADF represents and warrants that: (1) during the period of ADF's ownership of the Public Improvements (including for purposes of this Section, any of the land constituting any portion of the Public Improvements), there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or

any Hazardous Materials Contamination by any person on, under, about or from any of the Public Improvements, other than Hazardous Materials which are present, stored, handled or used in ADF's ordinary course of business and in compliance with all applicable laws, including Environmental Laws; and (2) ADF has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws involving the Public Improvements; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from the Public Improvements by any prior owners or occupants of any of the Public Improvements; (c) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from any property adjoining the Public Improvements; (d) any underground storage tanks or underground storage tank systems located under or on the Public Improvements; or (e) any actual or threatened litigation or claims of any kind by any person relating to such matters. The representations and warranties contained herein are based on ADF's due diligence in investigating the Public Improvements for Hazardous Materials.

(f) ADF agrees: (1) that neither ADF nor any tenant, contractor, agent or other authorized user of any of the Public Improvements or any Excepted Parcel shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Materials on, under, about or from any of the Public Improvements or any Excepted Parcel, other than such presence, storage, use or handling of Hazardous Materials as may occur in the ordinary course of business of ADF or such authorized user and in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws; (2) to give notice to CITY and MBOI immediately upon acquiring knowledge of: (i) the presence of any Hazardous Materials on the Public Improvements or any Excepted Parcel, other than Hazardous Materials which are placed, store, used or handled in compliance with clause (1) of this Subsection, or (ii) of any Hazardous Materials Contamination of the Public Improvements or any Excepted Parcel, with a full description thereof in either case; (3) to deliver to CITY and MBOI promptly after receipt copies of any documents received from or submitted to any governmental regulatory, environmental, or health agency concerning any actual, alleged or potential violation or noncompliance with any Environmental Law with respect to operations upon the Public Improvements or any Excepted Parcel; (4) to comply, and to cause any and all lessees or other authorized users of the Public Improvements or any Excepted Parcel to comply, with any applicable requirements of Environmental Laws, including without limitation, at ADF's or such authorized user's own expense, preparation, submission and carrying out of any plans and financial assurances that may be required by any governmental authority with respect to any cleanup or remediation of any Hazardous Materials or Hazardous Materials Contamination; and (5) upon the reasonable request of CITY or MBOI, at any time and from time to time during the existence of this Agreement, to provide at ADF's sole expense an inspection or audit of the Public Improvements or any Excepted Parcel from an engineering or consulting firm approved by CITY and MBOI, indicating the presence or absence of Hazardous Materials or Hazardous Materials Contamination on or in the Public Improvements or any Excepted Parcel. If ADF fails to

provide such inspection report or audit after reasonable notice, CITY or MBOI may order same, and ADF grants to CITY and MBOI and their employees and agents access to the Public Improvements or any Excepted Parcel for the purpose of inspecting and testing for the presence of Hazardous Materials and Hazardous Materials Contamination. The cost of such tests shall be a demand obligation owing by ADF to CITY hereunder (for benefit of CITY or MBOI as applicable) together with interest thereon at the rate applicable under the Use Fee Agreement Note after maturity of principal.

(g) Neither the execution and delivery of this Agreement, the Lease or the consummation of the Related Documents contemplated hereby or thereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement, the Lease or Related Documents is prohibited or limited by, conflicts with or results in a breach of the terms, conditions or provisions of the certificate of incorporation or bylaws of ADF or any evidence of indebtedness, agreement or instrument of whatever nature to which ADF is now a party or by which it is bound, or constitutes a default under any of the foregoing, the result of which would impair ADF's ability to perform its obligations under this Agreement.

(h) ADF has reviewed this Agreement, the Assignment of this Agreement, the Lease and the Assignment of Lease and hereby approves the transactions, obligations and undertakings contemplated hereby and thereby. ADF acknowledges that the Loan is a special, limited obligation of CITY, and shall not be payable from any funds of CITY other than the Public Improvements Use Fee, the Mortgage, or other collateral specifically pledged to the Board as security for the payment thereof.

### **Section 3 – CITY Undertakings.**

#### **3.1 Purchase of Public Improvements; Loan Payment.**

CITY has entered into the Loan Agreement and has caused or will cause the proceeds of the Loan to be applied to purchase of the Public Improvements. CITY will charge ADF and ADF will pay the Infrastructure Loan Rent under the Lease which shall be used by CITY solely to repay the Loan.

#### **3.2 Proceeds of Loan.**

Proceeds of the Board Loan shall only be used to purchase the Public Improvements.

#### **3.3 [Reserved].**

#### **3.4 Changes in Public Improvements; Partial Release.**

CITY and ADF may agree to amend the description of the Public Improvements (Exhibit D), subject to the consent of MBOI as provided below in this Section. The CITY will not agree to any amendment to any of the Related Documents or any Exhibit thereto without

the written consent of ADF, which shall not be unreasonably withheld, and the written consent of the MBOI.

MBOI has agreed in the Loan Agreement to release a portion of the Public Improvements from the lien of the Mortgage prior to the full satisfaction of the Mortgage for purposes of CITY's or ADF's further development of the Public Improvements, subject to the following conditions: (a) such partial release is necessary to facilitate a further improvement to the Public Improvements that relates to or serves ADF's steel fabrication and related business activities; (b) MBOI, in its sole discretion, approves the layout, configuration and use of any further improvements contemplated with respect to any released parcel and such further improvements do not interfere with the use of or access to the existing improvements; (c) such partial release does not include any portion of the existing building or any portion of the land on which such existing building is located; (d) MBOI, in its sole discretion, determines that such partial release does not materially reduce or impair the sufficiency of its loan security; (e) ADF, at its sole expense, obtains a survey of the parcel to be released by a registered professional land surveyor and obtains all required governmental reviews and approvals, including without limitation any required subdivision and land use approvals; and (f) the loan to the net appraised value (LTV), after reducing the appraised value by the value of the land to be partially released, will not exceed 70%. If the resulting LTV is above 70%, ADF will make the necessary payment to the Public Improvement Use Fee Note to bring the LTV to no more than 70%. The value of the parcel will be determined by a recent appraisal, not older than 365 days from the date of the partial release request by ADF. If the appraisal is older than 365 days, a new appraisal will be obtained by MBOI at ADF's sole expense.

### **3.5 Copies and Notices to ADF.**

CITY agrees that it will deliver to ADF true and complete copies of the Related Documents, as executed by all parties, simultaneously with execution of this Agreement by ADF. CITY will promptly provide to ADF a copy of any notice or other transmission received from MBOI under or in respect of the Loan Agreement.

## **Section 4 – ADF's Undertakings.**

### **4.1 Certification of Anticipated Jobs.**

The Job Creation Certificates required herein, and by Sections 8 and 20 of the Loan Agreement, serve two essential functions in relation to the Loan: (1) in accordance with Mont. Code Ann. §§ 17-6-309(2) and 17-6-311(2), the principal amount which can be borrowed is dependent on the number of Basic Sector Jobs created or to be created in Montana, and (2) the job credit interest rate reduction available pursuant to Mont. Code Ann. § 17-6-318 and Section 7 of the Loan Agreement is dependent upon the number of Qualifying Jobs actually created in Montana. ADF acknowledges that MBOI has required, as a condition precedent to the disbursement of the Loan proceeds, that ADF certify to MBOI the estimated number of jobs to be created, the estimated salaries associated

therewith, the anticipated hiring schedule for such jobs, and that each such job created is a Basic Sector Job. ADF agrees to submit an initial Job Credit Certification to MBOI and CITY on or before the date of Loan disbursement (the initial Job Credit Certification). ADF further acknowledges that MBOI may from time to time require ADF to furnish additional Job Credit Certifications (the "Additional Job Credit Certifications") to MBOI during the term of the Loan and this Agreement for the purposes of monitoring the number of Basic Sector Jobs created, maintained, and/or eliminated and for calculating the Public Improvements Use Fees and applicable interest rate under the Loan. ADF agrees to furnish such Additional Job Credit Certifications to MBOI and CITY upon written request of the MBOI, but in no event will ADF be required to furnish Additional Job Credit Certifications more often than semi-annually during the term of this Agreement. ADF GROUP USA, Inc. authorizes ADF International, Inc. to prepare and submit to CITY any and all Job Creation Certificates required or permitted under this Agreement or any Related Document. Nothing in this Agreement shall be construed to preclude ADF from receiving job credit benefits under any program other than the infrastructure tax credit provided for in MCA §17-6-316(3) or the interest rate reduction provided for in MCA §17-6-318, to the extent ADF meets the requirements of any such other program, with respect to any jobs created or to be created hereunder.

#### 4.2 Indemnification; Release and Waiver of Certain Claims.

(a) ADF shall, at its own cost and expense, pay, protect, indemnify, and defend CITY and MBOI, and hold CITY and MBOI harmless, from and against all claims, causes of action, suits, demands, liabilities, damages, penalties, judgments, and expenses, including reasonable attorneys' fees, which may be imposed upon, incurred by, or asserted against CITY or MBOI (except for claims caused by the acts or omissions of CITY or MBOI or their officers, employees, agents or representatives) arising from or by reason of any of the following:

(i) The use or occupancy of the Public Improvements (or any property excepted from the Public Improvements or released from the Mortgage pursuant to Section 3.4 of this Agreement ("Excepted Parcel")) by ADF (or any lessee, sublessee, licensee, permittee, contractor, agent or invitee of ADF);

(ii) Any personal injury, death, or property damage occurring in or about the Public Improvements or any Excepted Parcel caused by the acts or omissions of ADF or any lessee, sublessee, licensee, permittee, contractor, agent or invitee of ADF;

(iii) Any obligation or responsibilities of CITY under this Agreement or any Related Document;

(iv) Any actual or claimed violation by ADF of any covenants, terms, or conditions of this Agreement or any Related Document; and

(v) Any actual or claimed violation by ADF or any lessee, sublessee, licensee, permittee or invitee of ADF of any law, ordinance, or regulation applying to ADF as lessee of the Public Improvements under the Lease or a part thereof or the use or occupancy thereof by ADF or any lessee, sublessee, licensee, permittee, contractor, agent or invitee of ADF, including, but not limited to, antitrust or securities laws or any Environmental Law.

(b) Except to the extent of CITY's or MBOI's gross negligence or willful misconduct, ADF hereby (1) releases and waives any future claims against CITY and MBOI for indemnity or contribution in the event ADF becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless CITY and MBOI from and against any and all fines, claims, losses, liabilities, damages, settlements, judgments, penalties, costs, expenses, attorney, expert and consultant fees, and actions of any kind (including without limitation, administrative or court investigative, enforcement, cleanup, remediation and restoration proceedings) which CITY or MBOI directly or indirectly sustain or suffer resulting from a breach of Section 2.2(e) or (f) of this Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of Hazardous Materials or Hazardous Materials Contamination on the Public Improvements or any Excepted Parcel, or from any failure of ADF to provide information, make submissions or take steps required under any Environmental Law. The provisions of Section 2.2(e) and (f) and this Subsection of this Agreement, including the obligation to indemnify and defend, shall survive the payment of the Loan and the termination, expiration or satisfaction of this Agreement and the Loan Agreement, and shall not be affected by CITY's or MBOI's acquisition of any interest in any of the Public Improvements or any Excepted Parcel, whether by foreclosure or otherwise.

(c) CITY or MBOI, as applicable, shall notify ADF in writing within ten (10) days if any action or proceeding involving a liability indemnified against by Subsection (a) or (b) of this Section 4.2 is brought against MBOI. ADF, at its own cost and expense, may, and upon written demand from CITY or MBOI, shall assume the defense of such action or proceeding including the employment of counsel, who shall be counsel satisfactory to CITY or MBOI, as applicable, or their officers, employees or agents, as the case may be. CITY or MBOI or their officers, employees or agents may employ separate counsel in any such action and participate in the defense thereof. In that event, the fees and expenses of the separate counsel shall be the responsibility of such indemnitee. ADF will not be liable to indemnify any person or entity for the settlement of any action made without its consent. The omission to notify ADF as herein provided will not relieve ADF from any liability which it may have to any indemnified party pursuant hereto except to the extent such omission materially prejudices the interests of ADF.

#### 4.3 Continuing Existence and Qualification.

ADF is and throughout the term of this Agreement will remain duly qualified to do business in the State, and will not (i) dissolve or otherwise dispose of all or substantially

all of its assets, except for such asset dispositions by ADF occurring in the ordinary course of ADF's business or as may otherwise be required by state or federal governmental entities, or (ii) consolidate with or merge into another entity or permit any other entity to consolidate with or merge into it, unless the surviving, resulting or transferee entity, as the case may be, if other than ADF, assumes in writing (or by operation of law) all of the obligations of ADF under this Agreement and is duly qualified to do business in the State. Every surviving, resulting or transferee entity shall be bound by all of the covenants and agreements of ADF herein with respect to any further consolidation, merger, sale or transfer and shall execute an appropriate instrument assuming such covenants and agreements. Promptly following the consummation of any such merger, consolidation or transfer of all or substantially all of its assets, ADF shall give CITY written notice of the transaction.

#### 4.4 Complete and Accurate Financial Disclosure; Notice of Material Changes.

ADF represents and warrants that its financial statements and information provided to MBOI in connection with application for and approval of the Loan truly and completely disclose and accurately reflect ADF's financial condition, according to the International Financial Reporting Standards (IFRS), that there has been no material adverse change in ADF's financial condition subsequent to the date of the most recent financial statement supplied to MBOI, and that it has no material contingent obligations except as disclosed in such financial statements. ADF agrees to promptly inform MBOI in writing of and provide any documentation requested by MBOI with respect to (1) any material adverse changes in ADF's or any guarantor's financial condition, and (2) any threatened or actual litigation, claims, investigations, administrative proceedings or similar actions affecting ADF or any guarantor which could materially affect the financial condition of ADF or the financial condition of any guarantor.

#### 4.5 Litigation and Claims.

ADF represents and warrants that no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against ADF is pending or to the best of ADF's knowledge, threatened, and no other event has occurred which may materially adversely affect ADF's financial condition, properties or the any of the collateral for the Loan.

#### 4.6 Joint and Several Obligations.

All obligations and liabilities of ADF under this Agreement and the Lease shall be joint and several obligations and liabilities of ADF INTERNATIONAL, INC. and ADF GROUP USA, INC.

### **Section 5 – Lease of the Public Improvements.**

#### 5.1 Public Improvements Leased.

CITY has agreed to lease to ADF and ADF has agreed to lease from CITY the Public Improvements, including all appurtenances thereto as provided in the Lease between CITY and ADF, a true and correct copy of which is attached hereto as Exhibit A.

5.2 Term of the Lease.

The initial term of the Lease commences on \_\_\_\_\_ and expires on \_\_\_\_\_, unless terminated earlier as provided in the Lease.

**Section 6 – Public Improvements Use Fee and Loan Payments.**

6.1 ADF Public Improvement Use Fee Payments to CITY; CITY Loan Payments to MBOI.

In consideration of CITY obtaining the Loan from MBOI, and CITY applying the proceeds to the purchase of the Public Improvements that are being leased by ADF under the Lease, ADF agrees to pay the Public Improvement Use Fees to CITY as provided herein. ADF's Public Improvement Use Fee payments shall be credited to rent payable by ADF under the Lease. CITY shall use and apply the Public Improvement Use Fee payments from ADF to pay the monthly Loan amounts shown on the Amortization Schedule. The Amortization Schedule will include the amount of principal and interest due from CITY under the Loan Agreement and Related Documents, which shall be the amount ADF is obligated to pay under the Lease and which shall be considered Infrastructure Loan Rent. CITY hereby irrevocably authorizes and directs ADF to make the monthly Public Improvement Use Fee payments required hereunder directly to MBOI and authorizes MBOI to receive such payments, according to the Amortization Schedule, via automated clearinghouse, for the benefit of the Loan and to apply such payments to the principal and interest due on the Loan as provided in the Loan Agreement and Related Documents. If ADF elects to prepay its Public Improvements Use Fee, either in an amount sufficient to repay the outstanding amount of CITY's indebtedness under the Loan or any lesser amount as ADF may elect in its sole discretion from time to time, ADF agrees to give CITY and MBOI fifteen (15) calendar days advance notice of the intended prepayment. Any partial prepayment will not relieve ADF from making the regularly scheduled monthly Public Improvements Use Fee payments until the Loan is fully paid.

6.2. ADF Obligations Without Right Of Setoff or Recoupment.

ADF acknowledges and agrees that its obligation to pay the Public Improvement Use Fee is without any right of setoff or recoupment by reason of any default by CITY under the Lease. Similarly, ADF agrees that it shall not exercise any right of setoff or recoupment by reason of any default by CITY under the Lease against or under any other indebtedness or liability at any time owing by ADF to MBOI or CITY.

In the event of termination of the Lease by CITY under Section 25 of the Lease, CITY has the right under Section 25 of the Lease to accelerate payment of the Public Improvement Use Fee by ADF to the extent that termination of the Lease by CITY results in an acceleration of the monies owed by CITY under the Loan. ADF acknowledges and agrees that its obligations under Section 25 shall survive the termination of the Lease. Under no circumstances will ADF or CITY modify Section 25 of the Lease without MBOI's prior written consent.

### 6.3 Interest Rate; Adjustment.

ADF acknowledges and agrees that its obligation to pay the Rent under the Lease will at all times be equivalent to the amount necessary to pay, when due, the outstanding principal balance of the Loan with interest thereon at the initial interest rate of 4.48% per annum on the dates and in the amounts shown on the Amortization Schedule. The interest rate shall be adjusted as provided by Mont. Code Ann. § 17-6-318, the Loan Agreement and the Note, upon filing by ADF and CITY and approval by MBOI of the Job Credit Certification. Upon receipt and approval of the Job Credit Certification, the Amortization Schedule for the then remaining principal amount of the Loan, at the Applicable Interest Rate, plus any interest then due and owing, will be prepared by MBOI and forwarded to CITY, pursuant to the Loan Agreement. CITY will immediately forward a copy of the revised Amortization Schedule to ADF and the revised Amortization Schedule shall be substituted for and attached as Exhibit C to the Loan Agreement and as Exhibit E to this Agreement and shall replace and supersede the previous Amortization Schedule.

### 6.4 Job Credit Certification.

(a) ADF acknowledges that in order to obtain a reduction of the interest rate on the Loan and thereby a reduction of the Public Improvement Use Fee under this Agreement, CITY must certify that ADF has created and filled sufficient Qualifying Jobs to warrant an interest rate reduction on the Loan. Each Job Credit Certification will be prepared according to the requirements of the Loan Agreement. ADF acknowledges that CITY is under no independent obligation to prepare or initiate the filing of the Job Credit Certification, but will file the Job Credit Certification with MBOI within five (5) business days of the receipt by CITY of a completed Job Credit Certification from ADF in substantially the form attached hereto as Exhibit F, but no more frequently than once in each one hundred eighty-day (180) period, commencing with the date of disbursement of the Loan.

(b) ADF acknowledges and agrees that, MBOI may increase the interest rate as provided in the Loan Agreement and Note. Interest rate adjustments are effective on the first day of the month following receipt and approval of any Job Credit Certification by MBOI, which Certifications are not to be submitted more often than semi-annually, or on the first day of the month following the decision of BOI to increase the interest. Upon any adjustment (either increase or decrease) to the interest rate, the outstanding principal amount of the Loan shall be re-amortized over the remaining term of the Note and a

revised Amortization Schedule shall be prepared and attached as Exhibit C to the Board Loan Agreement and to this Agreement as Exhibit E and shall replace and supersede the previous Amortization Schedule. The Adjusted Interest Rate shall not exceed the initial interest rate during the term of the Loan.

(c) If at any time ADF subleases any part of the Public Improvements premises pursuant to Section 8.1 of this Agreement to a company or entity not within the Basic Sector of the Economy, CITY will submit a report to MBOI showing the number of Basic Sector Jobs remaining. MBOI will determine the maximum size of the Loan based on Mont. Code Ann. § 17-6-311(2). If the remaining number of Basic Sector Jobs is not sufficient to support the principal balance of the Loan, ADF will, within 90 days of the date of the report, be allowed to increase the number of Basic Sector Jobs to the necessary number or make such payment or payments to MBOI as necessary to reduce the outstanding principal balance of the Loan to meet the requirements of applicable statutes; ADF shall receive a credit towards Public Improvement Use Fees for any payments made to MBOI under this sentence. If a principal payment is made by ADF, a revised Amortization Schedule will be generated reflecting the new payment for the remaining term of the Loan and shall be attached as Exhibit C to the Board Loan Agreement and to this Agreement as Exhibit E and shall replace and supersede the previous Amortization Schedule. ADF's Public Improvement Use Fee shall be adjusted to account for such new Amortization Schedule. An increase in the number of Basic Sector Jobs does not entitle CITY to increase the outstanding loan balance, nor shall CITY attempt to do so.

(d) In addition to any determination made under Subsection (c), after the first four (4) years of the Loan term and annually thereafter, MBOI will review the Montana public employment records of ADF, or any sub-lessee if applicable, to insure there is an adequate number of Basic Sector Jobs to support the outstanding principal balance of the Loan according to Mont. Code Ann. § 17-6-311(2). If the number of Basic Sector Jobs is not sufficient to support the principal balance of the Loan, ADF will, within 90 days of the date of the report, be allowed to increase the number of Basic Sector Jobs to the necessary number or make such payment or payments to MBOI as necessary to reduce the outstanding principal balance of the Loan to meet the requirements of applicable statutes; ADF shall receive a credit towards Public Improvement Use Fees for any payments made to MBOI under this sentence. If a principal payment is made by ADF, a revised Amortization Schedule will be generated reflecting the new payment for the remaining term of the Loan and attached as Exhibit C to the Loan Agreement and to this Agreement as Exhibit E and shall replace and supersede the previous Amortization Schedule. ADF's Public Improvement Use Fee shall be adjusted to account for such new Amortization Schedule. Any increase in the number of Basic Sector Jobs does not entitle CITY to increase the outstanding loan balance, nor shall CITY attempt to do so.

#### 6.5 Assignment.

ADF acknowledges and agrees that CITY will assign the Public Improvements Use Fee Agreement to MBOI to secure the Loan pursuant to such Assignment. ADF hereby

consents to such Assignment. Except as to such assignment, this Agreement may not be assigned by either party hereto without the express written consent of the other party and of MBOI.

## **Section 7 - Agreements in Respect of Public Improvements.**

### **7.1 Security to MBOI.**

(a) Security for CITY's repayment of the Loan to MBOI will be provided by CITY through a first priority Mortgage on the Public Improvements, the Assignment of the Public Use Fee Agreement, and the Assignment of Lease. As additional security for the repayment of the Loan, ADF will provide MBOI a Guaranty from ADF Steel.

(b) ADF agrees to perform any financial or pecuniary obligations of CITY as Mortgagor under the Mortgage to the same extent that CITY would be required to perform such obligations in the absence of the limitations of Section 10.3 of this Agreement and Section 14 of the Loan Agreement, and that CITY may delegate to ADF other (non-financial or non-pecuniary) obligations of CITY as Mortgagor under the Mortgage as provided in Section 12(b) of the Loan Agreement, and ADF agrees to perform all such obligations so required or delegated.

### **7.2 Termination of Security Interests.**

At such time as the Loan is repaid in full and upon termination of this Agreement, MBOI shall release all Loan collateral (including the Guaranty) in accordance with the requirements of the Loan Agreement.

### **7.3 Encumbrances.**

During the term of this Agreement, ADF will take no action that would materially interfere with the right of MBOI to the Public Improvements or other Collateral under the Loan Agreement or any of the Related Documents, unless specifically permitted to do so by CITY and MBOI in writing.

### **7.4 Work to Conform to Governmental Regulation.**

During the term of this Agreement CITY shall perform, or cause to be performed, all work necessary to comply in all material respects with all valid zoning and building restrictions and valid applicable laws, ordinances, and regulations of duly constituted public authorities now or hereafter in any manner affecting the Public Improvements or the use thereof, whether or not any of those laws, ordinances, or regulations that may hereafter be enacted involve a change in policy on the part of the governmental bodies enacting the same.

## 7.5 Additions, Modifications and Improvements.

As provided in Section 11 of the Lease, ADF may from time to time, at its own expense make any additions, modifications or improvements to the Public Improvements that it may deem desirable, with the prior written consent of CITY and MBOI, which consent shall not be unreasonably withheld or delayed; provided that such consent shall not be required if ADF reasonably determines that the estimated cost of such additions, modifications or improvements and any related work will be less than \$100,000.00 and provided, further, that in any case:

(a) The work is performed in a good and workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations;

(b) No change, alteration, modification, or addition shall at any time be made which impairs the structural soundness or diminishes in any significant respect the market value of the Public Improvements;

(c) No change, alteration, modification, or addition shall be undertaken until ADF has first procured and paid for all required municipal and other governmental permits and authorizations necessary for the work and required by municipal departments and governmental agencies or subdivisions that have jurisdiction thereof; and

(d) At all times during which any change, alteration, modification, or addition is in progress, there shall be maintained, at ADF's expense, workers' compensation insurance in accordance with laws governing all persons employed in connection with the change, alteration, modification, or addition; performance and/or payment bonds as reasonably required by CITY with respect to such change, alteration, modification or addition, and ADF shall likewise, at its own expense, maintain general public liability insurance for the mutual benefit of both ADF, MBOI and CITY, expressly covering the additional hazards due to the change, alteration, modification, or addition.

## 7.6 Governmental Charges and Utility Charges.

As provided in Section 6 of the Lease, ADF agrees, to the extent arising out of ADF's use or occupancy of the Public Improvements under the Lease, that it will make or cause to be made promptly all payments due to CITY during the term of this Agreement on any special assessments lawfully levied upon or with respect to the Public Improvements or any part thereof, other charges lawfully made by any governmental body for Public Improvements that may be or become secured by a lien on the Public Improvements, and utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Public Improvements, including but not limited to sales and other excise taxes, and any taxes levied upon or with respect to revenue from the Public Improvements which, if not paid, would cloud the title or security interest of CITY or MBOI therein or expose the Public Improvements to loss or forfeiture; provided, however, that the foregoing shall not require ADF to make any such payment so long as ADF shall contest

in good faith the validity thereof in appropriate proceedings diligently pursued and shall, with respect to such payment, set aside and maintain on its books adequate reserves with respect thereto in accordance with generally acceptable accounting principles. With respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, with or without interest, ADF shall be obligated to pay only such installments and interest as are required to be paid during the Lease term.

#### 7.7 Insurance.

(a) Property and Casualty Coverage. During the entire term of this Agreement, ADF shall cause the Public Improvements to be insured at all times against loss or damage by special perils and related casualty in an amount representing the full insurable replacement value thereof as determined by MBOI. Replacement coverage shall be subject to such deductible clauses as are required in order to obtain coverage at reasonable cost, and which coverage shall be increased by ADF as may be necessary to provide that the insurance proceeds will be sufficient to cover replacement, repairs or reconstruction with comparable quality materials. If reasonably available, the policy or policies shall contain a stipulated amount clause, or determinable cash adjustment clause, or similar clause to permit a cash settlement covering specified value in the event of destruction and a decision not to rebuild. In lieu of separate policies, blanket policies having the coverage required herein may be maintained. Such policy or policies shall name CITY and MBOI as insured and all policy proceeds shall be payable to CITY and LESSOR. At the request of CITY or MBOI, policies or certificates evidencing such insurance shall be delivered to Lessee.

(b) Lessor's Comprehensive Liability Coverage. During the entire term of this Agreement, ADF shall obtain and maintain comprehensive general liability insurance against any loss or liability for damages and any expenses against any claim for damages which might result from the use or occupation or condition of the Public Improvements, in such amount or amounts as shall not be less than is customary and usual for activities of the type, character and scope to be carried on or allowed by ADF on the Public Improvements but in no event in amounts affording protection of less than \$2,000,000 aggregate and \$1,000,000 per occurrence limits and \$2,000,000 property damage limit. Upon request by CITY or MBOI, ADF shall furnish a copy of such insurance policy and renewals thereto to CITY and MBOI and such policy shall not be cancelled without 45 days written notice to CITY and MBOI. CITY and MBOI shall be named insureds with respect to such insurance.

### **Section 8 – ADF's Options.**

#### 8.1 Assignment and Sublease.

ADF may not assign this Agreement or the Lease, or sublease, mortgage or grant a security interest in its interest in the Public Improvements, in whole or in part, without the

prior written consent of CITY and MBOI, except as such may constitute Permitted Encumbrances or may be permitted by Section 10 of the Building Lease.

**Section 9 - Events of Default and Remedies.**

**9.1 Events of Default Defined.**

The following shall be “events of default” under this Agreement and the terms “events of default” and “default” shall mean, whenever they are used in this Agreement, with respect to the Public Improvements, any one or more of the following events:

(a) Failure by ADF to make any Public Improvement Use Fee payment required to be paid hereunder at the time specified herein and the continuation of said failure for a period of ten (10) Business Days after written notice given by MBOI to CITY and ADF that the payment referred to in such notice has not been received.

(b) Failure by ADF to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Subsection (a) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to ADF by CITY or MBOI, unless the CITY or MBOI, as applicable, shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, such cure period shall be extended if corrective action is instituted by ADF within the 30-day period and diligently pursued until the default is corrected. Any extension of the remedy period past the initial 30-day period must be approved in writing by MBOI.

(c) If any representation or warranty made by ADF in this Agreement shall prove to have been incorrect or misleading in any material respect when made.

(d) If any provision of this Agreement shall at any time for any reason cease to be valid and binding on ADF, or shall be declared to be null and void, or the validity or enforceability thereof shall be contested by ADF or any governmental agency or authority; or

(e) If ADF shall: (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian or the like of itself or of its property, (ii) admit in writing its inability to pay its debts generally as they become due, (iii) make a general assignment for the benefit of creditors, (iv) be adjudicated a bankrupt or insolvent, (v) commence a voluntary case under the federal bankruptcy laws of the United States of America or file a voluntary petition or answer seeking reorganization, an arrangement with creditors or an order for relief or seeking to take advantage of any insolvency laws or file an answer admitting the material allegations of a petition filed against them in any bankruptcy, reorganization or insolvency proceeding, or action shall be taken by it for the purpose of effecting any of the foregoing, or (vi) if without the application, approval or consent of

ADF, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking in respect of ADF an order for relief or in adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, or composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of ADF or of all or any substantial part of its assets, or other like relief in respect thereof under any bankruptcy or insolvency law, and such proceeding shall continue undismitted, or pending and unstayed, for a period of sixty (60) consecutive days.

(f) Failure by ADF to perform or observe any covenant, condition or agreement on ADF's part to be performed or observed under any Related Document or the Lease, and the expiration of any applicable notice period given or prescribed in such document; or

(g) As a result of ADF's action or inaction, or by conduct within ADF's control, cause (i) CITY to materially default under any of the terms of the Loan Agreement, the Note or other Related Documents to which CITY is a signatory with respect to the Loan, or (ii) an acceleration of the Loan.

## 9.2 Remedies on Default.

Whenever any event of default referred to in Subsection 9.1 hereof shall have happened and be continuing (after expiration of all applicable cure periods) with respect to the Public Improvements, CITY shall have the right, at its option, to take one or any combination of the following remedial steps, which shall be in addition to and not in limitation of any rights or remedies CITY or MBOI may have under the Loan Agreement, any Related Documents or the Lease:

(a) Cancel and terminate the Lease by written notice in accordance with law, re-enter and take possession of the Public Improvements, and all improvements thereto, and, in that event, exercise all remedies of CITY against ADF under the Lease; or

(b) For non-payment of the Public Improvement Use Fees, take whatever action at law or in equity may appear necessary or desirable to collect the Public Improvement Use Fees due from ADF hereunder or enforce performance and observance of any obligation, agreement or covenant of ADF under this Agreement.

Except for the failure to make any Public Improvement Use Fee payment required under this Agreement or as to the lesser time period in circumstances set forth in Section 9.1(b) of this Agreement, ADF shall have 60 days from and after written notice from CITY or MBOI specifying such event of default and demanding that it be cured; provided that (a) ADF is proceeding diligently and in good faith to cure the event of default, and (b) the right to cure as provided herein shall commence on the date of notice of the event of default. During said 60-day period, the CITY shall not exercise any remedies under this Subsection 9.2 with respect to such default or event of default unless it determines that

ADF is not proceeding diligently and in good faith to cure the event of default or circumstances otherwise render action by the CITY in its discretion to be reasonable. Nothing contained herein is intended or to be construed to prevent the CITY during such 60-day period from undertaking preparatory action to enforce or protect its rights under this Agreement or the Lease or its public responsibility.

9.3 Surrender of Public Improvements.

Upon the termination of this Agreement as set forth in this Section 9, ADF shall surrender possession of the Public Improvements to CITY in the condition, repair, appearance and working order required in the Lease.

9.4 Delay; Notice.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised by either party from time to time and as often as may be deemed expedient. In order to entitle any party to exercise any remedy reserved to it in this Agreement it shall not be necessary to give any notice, other than such notice as may be required by the Lease, this Agreement or by law.

9.5 No Remedy Exclusive.

No remedy herein conferred upon or reserved to CITY is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

9.6 Agreement to Pay Attorneys' Fees and Expenses.

In the event either party to this Agreement should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement, performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the prevailing party will be entitled to an award of reasonable attorney fees, including reasonable fees for establishing the amount of such fees.

9.7 No Additional Waiver Implied by One Waiver.

In the event any agreement, representation or promise contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

## **Section 10 – General Provisions.**

### **10.1 Conflicts of Interest; CITY’s Representatives Not Individually Liable.**

No member, officer or employee of CITY shall have any personal interest, direct or indirect, in this Agreement or the Public Improvements, nor shall any such member, officer or employee participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any individual, entity, or association in which he or she is, directly or indirectly, interested. No member, officer or employee of CITY shall be personally liable to ADF for any obligation issued under or arising from the terms of this Agreement, except for any fraudulent misrepresentation made by any such member, officer or employee in violation of the first sentence of this Subsection 10.1.

### **10.2 Rights Cumulative.**

The rights and remedies of the parties to this Agreement, whether provided by law or by this Agreement, shall be cumulative and the exercise by either party of any one or more of such remedies shall not preclude the exercise by such party, at the same or different times, of any other remedy for the same default or breach or of any of its remedies for any other default or breach of the party. No waiver made by either party with respect to the performance or the manner or time thereof, of any obligation under this Agreement, shall be considered a waiver with respect to the particular obligation or any other obligation of the other party or a condition to its own obligation except to the extent expressly waived in writing.

### **10.3 No Pledge of General Credit or Taxing Powers.**

No agreements or provisions contained in this Agreement nor any agreement, covenant or undertaking by CITY contained in any document executed by CITY in connection with the Public Improvements or the Loan shall give rise to any pecuniary liability of CITY or a charge against its general credit or taxing powers, or shall obligate CITY financially in any way except with respect to the Public Improvements Use Fees, the application of Use Fee payments, or the proper application of the Loan Proceeds, and no execution on any claim, demand, cause of action or judgment shall be levied upon or collected from the general credit, general funds or taxing powers of CITY. Nothing herein shall preclude a proper party in interest from seeking and obtaining specific performance against CITY for any failure to comply with any term, condition, covenant or agreement herein or from resorting to any Collateral provided to secure the Loan; provided, that no costs, expenses or other monetary relief shall be recoverable from CITY except as may be payable from the Public Improvements Use Fee or proceeds of the Loan.

### **10.4 No Legal or Tax Representations, Promises or Advice.**

ADF acknowledges and agrees that it has obtained independent legal and tax advice with respect to this Agreement and the Related Documents, and that it not entered into this

Agreement, the Lease or any Related Document in reliance upon any representations, promises or advice of CITY or MBOI regarding the legal or tax consequences, risks, benefits or other ramifications thereof.

**Section 11 – Administrative Provisions.**

11.1 Notices.

All notices, certificates or other communications required to be given to the CITY and ADF hereunder shall be sufficiently given and shall be deemed given when delivered or deposited in the United States mail in certified form with postage fully prepaid and addressed as follows:

If to CITY:	City of Great Falls P.O. Box 5021 Great Falls, Montana 59403 Attn: Jennifer Reichelt, Deputy City Manager
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If to MBOI:	Montana Board of Investments P.O. Box 200126 Helena, Montana 59620-0126 Attn: Senior Portfolio Manager
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If to ADF:	ADF International, Inc. ADF Group USA, Inc. 1900 Great Bear Avenue Great Falls, Montana 59404
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CITY, MBOI and ADF, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications should be sent.

11.2 Binding Effect.

This Agreement shall inure to the benefit of and shall be binding upon CITY and ADF and their respective successors and assigns.

11.3 Severability.

If any of the provisions of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

11.4 Amendments, Changes and Modifications.

This Agreement may be amended or any of its terms modified only by written amendment authorized and executed by CITY and ADF and, except as otherwise provided herein, with the prior written consent of MBOI.

11.5 Further Assurances and Corrective Instruments.

CITY and ADF agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Public Improvements or for carrying out the expressed intention of this Agreement.

11.6 Execution Counterparts.

This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11.7 Applicable Law, Jurisdiction and Venue.

This Agreement shall be governed by and constructed in accordance with the laws of the State of Montana without giving effect to the conflicts-of-laws principles thereof. The parties hereby consent to jurisdiction and venue for any litigation or dispute arising from this Agreement in the Montana state district court in the Eighth Judicial District in and for Cascade County.

11.8 Captions.

The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope of intent of any provisions or Sections of this Agreement.

**[Signature pages follow]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed effective as of the date first above written.

CITY OF GREAT FALLS

\_\_\_\_\_  
By: Michael Winters  
Its: Mayor

STATE OF MONTANA                    )  
  : ss.  
County of \_\_\_\_\_ )

On this \_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Michael Winters, known to me to be the Mayor of the City of Great Falls, a municipal corporation organized and existing under the laws of the State of Montana, and acknowledged to me that he executed the written instrument on behalf of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on the day and year first-above written.

(Notarial Seal/Stamp Above)

\_\_\_\_\_  
Notary Public for the State of Montana





**EXHIBIT A**

LEASE BETWEEN CITY AND ADF.

## EXHIBIT B

### DESCRIPTION OF LAND INCLUDED IN PUBLIC IMPROVEMENTS:

That portion of the S½ of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, described as Lot 1 of the International Malting Company LLC, Addition, per that plat recorded in the Office of the Clerk, Cascade County and indexed in said Office as Plat Number 5805, said lot conveyed by that deed recorded on December 18, 2009 as document number R0207577 in said office;

Said LOT 1A being secondarily described by metes and bounds as follows:

COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a ½” rebar with a yellow plastic cap marked “M. HENEN, 9523LS”;

THENCE, N 89°24’34” E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12’53” W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

Continuing, N 00°12’53” W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37’42” W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18’36” W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01’29” W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44’38” W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55’54” W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41’35” W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48’16” E, 850.56 feet, to a point;

THENCE, S 00°03’09” W, 615.04 feet, to a point;

THENCE N 89°37’42” E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres.

**EXHIBIT C**

**DESCRIPTION OF COLLATERAL**

Collateral and security for the Loan will be:

1. A Mortgage on the following real property and improvements (the Public Improvements):

That portion of the S½ of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, described as Lot 1 of the International Malting Company LLC, Addition, per that plat recorded in the Office of the Clerk, Cascade County and indexed in said Office as Plat Number 5805, said lot conveyed by that deed recorded on December 18, 2009 as document number R0207577 in said office;

Said LOT 1A being secondarily described by metes and bounds as follows:

COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a ½” rebar with a yellow plastic cap marked “M. HENEN, 9523LS”;

THENCE, N 89°24’34” E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12’53” W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

Continuing, N 00°12’53” W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37’42” W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18’36” W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01’29” W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44’38” W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55’54” W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41’35” W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48’16” E, 850.56 feet, to a point;

THENCE, S 00°03’09” W, 615.04 feet, to a point;

THENCE N 89°37’42” E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres.

2. Together with improvements to the above-described land consisting of a 125 foot by 625 foot steel fabrication building consisting of approximately 78,125 square feet as well as 18,000 square feet of office space and a 2,000 square foot supply room Assignment to MBOI of the Public Improvement Use Fee Agreement between the City of Great Falls and ADF International, Inc. and ADF Group USA, Inc.
3. Assignment to MBOI of the Lease dated as of April 15, 2014, by and between CITY, as Landlord, and ADF, as Tenant, with respect to the Public Improvements.
4. Guaranty by which ADF Steel guaranties to MBOI the obligations of ADF under the Public Improvements Use Fee Agreement.

## **EXHIBIT D**

### **DESCRIPTION OF PUBLIC IMPROVEMENTS**

The Public Improvements consist of 100 acres of improved land, described in Exhibit C, together with improvements to the above-described land consisting of a 125 foot by 625 foot steel fabrication building consisting of approximately 78,125 square feet as well as 18,000 square feet of office space and a 2,000 square foot supply room.

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>

<u>Pay Date</u>	<u>Payment</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
05/01/14	31,955.36	4,339.55	27,615.81	4,972,184.19
06/01/14	31,955.36	8,361.44	23,593.92	4,948,590.27
07/01/14	31,955.36	8,053.32	23,902.04	4,924,688.23
08/01/14	31,955.36	8,281.57	23,673.79	4,901,014.44
09/01/14	31,955.36	8,241.76	23,713.60	4,877,300.84
10/01/14	31,955.36	7,937.31	24,018.05	4,853,282.79
11/01/14	31,955.36	8,161.49	23,793.87	4,829,488.92
12/01/14	31,955.36	7,859.50	24,095.86	4,805,393.06
01/01/15	31,955.36	8,080.96	23,874.40	4,781,518.66
02/01/15	31,955.36	8,040.81	23,914.55	4,757,604.11
03/01/15	31,955.36	7,226.34	24,729.02	4,732,875.09
04/01/15	31,955.36	7,959.01	23,996.35	4,708,878.74
05/01/15	31,955.36	7,663.22	24,292.14	4,684,586.60
06/01/15	31,955.36	7,877.81	24,077.55	4,660,509.05
07/01/15	31,955.36	7,584.50	24,370.86	4,636,138.19
08/01/15	31,955.36	7,796.33	24,159.03	4,611,979.16
09/01/15	31,955.36	7,755.71	24,199.65	4,587,779.51
10/01/15	31,955.36	7,466.14	24,489.22	4,563,290.29
11/01/15	31,955.36	7,673.83	24,281.53	4,539,008.76
12/01/15	31,955.36	7,386.77	24,568.59	4,514,440.17
01/01/16	31,955.36	7,591.68	24,363.68	4,490,076.49
02/01/16	31,955.36	7,550.71	24,404.65	4,465,671.84
03/01/16	31,955.36	7,025.17	24,930.19	4,440,741.65
04/01/16	31,955.36	7,467.75	24,487.61	4,416,254.04
05/01/16	31,955.36	7,187.00	24,768.36	4,391,485.68
06/01/16	31,955.36	7,384.91	24,570.45	4,366,915.23
07/01/16	31,955.36	7,106.71	24,848.65	4,342,066.58
08/01/16	31,955.36	7,301.81	24,653.55	4,317,413.03
09/01/16	31,955.36	7,260.35	24,695.01	4,292,718.02
10/01/16	31,955.36	6,985.96	24,969.40	4,267,748.62
11/01/16	31,955.36	7,176.83	24,778.53	4,242,970.09
12/01/16	31,955.36	6,905.00	25,050.36	4,217,919.73
01/01/17	31,955.36	7,093.04	24,862.32	4,193,057.41
02/01/17	31,955.36	7,051.23	24,904.13	4,168,153.28
03/01/17	31,955.36	6,331.03	25,624.33	4,142,528.95
04/01/17	31,955.36	6,966.26	24,989.10	4,117,539.85
05/01/17	31,955.36	6,700.87	25,254.49	4,092,285.36
06/01/17	31,955.36	6,881.77	25,073.59	4,067,211.77
07/01/17	31,955.36	6,618.97	25,336.39	4,041,875.38

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>	<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>	<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>	<b>15</b>		
<b>Disbursement Date</b>	<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>
08/01/17	31,955.36	6,796.99	25,158.37
09/01/17	31,955.36	6,754.69	25,200.67
10/01/17	31,955.36	6,495.78	25,459.58
11/01/17	31,955.36	6,669.49	25,285.87
12/01/17	31,955.36	6,413.20	25,542.16
01/01/18	31,955.36	6,584.02	25,371.34
02/01/18	31,955.36	6,541.35	25,414.01
03/01/18	31,955.36	5,869.72	26,085.64
04/01/18	31,955.36	6,454.75	25,500.61
05/01/18	31,955.36	6,205.03	25,750.33
06/01/18	31,955.36	6,368.56	25,586.80
07/01/18	31,955.36	6,121.49	25,833.87
08/01/18	31,955.36	6,282.09	25,673.27
09/01/18	31,955.36	6,238.92	25,716.44
10/01/18	31,955.36	5,995.81	25,959.55
11/01/18	31,955.36	6,152.02	25,803.34
12/01/18	31,955.36	5,911.58	26,043.78
01/01/19	31,955.36	6,064.83	25,890.53
02/01/19	31,955.36	6,021.29	25,934.07
03/01/19	31,955.36	5,399.20	26,556.16
04/01/19	31,955.36	5,933.02	26,022.34
05/01/19	31,955.36	5,699.29	26,256.07
06/01/19	31,955.36	5,845.11	26,110.25
07/01/19	31,955.36	5,614.07	26,341.29
08/01/19	31,955.36	5,756.90	26,198.46
09/01/19	31,955.36	5,712.85	26,242.51
10/01/19	31,955.36	5,485.86	26,469.50
11/01/19	31,955.36	5,624.20	26,331.16
12/01/19	31,955.36	5,399.93	26,555.43
01/01/20	31,955.36	5,535.27	26,420.09
02/01/20	31,955.36	5,490.84	26,464.52
03/01/20	31,955.36	5,094.96	26,860.40
04/01/20	31,955.36	5,401.17	26,554.19
05/01/20	31,955.36	5,183.72	26,771.64
06/01/20	31,955.36	5,311.49	26,643.87
07/01/20	31,955.36	5,096.79	26,858.57
08/01/20	31,955.36	5,221.52	26,733.84
09/01/20	31,955.36	5,176.56	26,778.80
10/01/20	31,955.36	4,966.00	26,989.36
11/01/20	31,955.36	5,086.14	26,869.22
12/01/20	31,955.36	4,878.35	27,077.01
01/01/21	31,955.36	4,995.42	26,959.94

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>		<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>		<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>		<b>15</b>		
<b>Disbursement Date</b>		<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>
02/01/21	31,955.36	4,950.09	27,005.27	2,916,595.26
03/01/21	31,955.36	4,430.03	27,525.33	2,889,069.93
04/01/21	31,955.36	4,858.39	27,096.97	2,861,972.96
05/01/21	31,955.36	4,657.57	27,297.79	2,834,675.17
06/01/21	31,955.36	4,766.91	27,188.45	2,807,486.72
07/01/21	31,955.36	4,568.90	27,386.46	2,780,100.26
08/01/21	31,955.36	4,675.14	27,280.22	2,752,820.04
09/01/21	31,955.36	4,629.26	27,326.10	2,725,493.94
10/01/21	31,955.36	4,435.46	27,519.90	2,697,974.04
11/01/21	31,955.36	4,537.03	27,418.33	2,670,555.71
12/01/21	31,955.36	4,346.06	27,609.30	2,642,946.41
01/01/22	31,955.36	4,444.49	27,510.87	2,615,435.54
02/01/22	31,955.36	4,398.23	27,557.13	2,587,878.41
03/01/22	31,955.36	3,930.74	28,024.62	2,559,853.79
04/01/22	31,955.36	4,304.76	27,650.60	2,532,203.19
05/01/22	31,955.36	4,120.90	27,834.46	2,504,368.73
06/01/22	31,955.36	4,211.46	27,743.90	2,476,624.83
07/01/22	31,955.36	4,030.45	27,924.91	2,448,699.92
08/01/22	31,955.36	4,117.84	27,837.52	2,420,862.40
09/01/22	31,955.36	4,071.03	27,884.33	2,392,978.07
10/01/22	31,955.36	3,894.33	28,061.03	2,364,917.04
11/01/22	31,955.36	3,976.95	27,978.41	2,336,938.63
12/01/22	31,955.36	3,803.13	28,152.23	2,308,786.40
01/01/23	31,955.36	3,882.56	28,072.80	2,280,713.60
02/01/23	31,955.36	3,835.35	28,120.01	2,252,593.59
03/01/23	31,955.36	3,421.47	28,533.89	2,224,059.70
04/01/23	31,955.36	3,740.08	28,215.28	2,195,844.42
05/01/23	31,955.36	3,573.51	28,381.85	2,167,462.57
06/01/23	31,955.36	3,644.90	28,310.46	2,139,152.11
07/01/23	31,955.36	3,481.25	28,474.11	2,110,678.00
08/01/23	31,955.36	3,549.41	28,405.95	2,082,272.05
09/01/23	31,955.36	3,501.64	28,453.72	2,053,818.33
10/01/23	31,955.36	3,342.38	28,612.98	2,025,205.35
11/01/23	31,955.36	3,405.67	28,549.69	1,996,655.66
12/01/23	31,955.36	3,249.35	28,706.01	1,967,949.65
01/01/24	31,955.36	3,309.39	28,645.97	1,939,303.68
02/01/24	31,955.36	3,261.22	28,694.14	1,910,609.54
03/01/24	31,955.36	3,005.68	28,949.68	1,881,659.86
04/01/24	31,955.36	3,164.28	28,791.08	1,852,868.78
05/01/24	31,955.36	3,015.35	28,940.01	1,823,928.77
06/01/24	31,955.36	3,067.20	28,888.16	1,795,040.61
07/01/24	31,955.36	2,921.24	29,034.12	1,766,006.49

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>		<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>		<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>		<b>15</b>		
<b>Disbursement Date</b>		<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>
08/01/24	31,955.36	2,969.79	28,985.57	1,737,020.92
09/01/24	31,955.36	2,921.05	29,034.31	1,707,986.61
10/01/24	31,955.36	2,779.57	29,175.79	1,678,810.82
11/01/24	31,955.36	2,823.16	29,132.20	1,649,678.62
12/01/24	31,955.36	2,684.68	29,270.68	1,620,407.94
01/01/25	31,955.36	2,724.95	29,230.41	1,591,177.53
02/01/25	31,955.36	2,675.79	29,279.57	1,561,897.96
03/01/25	31,955.36	2,372.37	29,582.99	1,532,314.97
04/01/25	31,955.36	2,576.81	29,378.55	1,502,936.42
05/01/25	31,955.36	2,445.87	29,509.49	1,473,426.93
06/01/25	31,955.36	2,477.78	29,477.58	1,443,949.35
07/01/25	31,955.36	2,349.88	29,605.48	1,414,343.87
08/01/25	31,955.36	2,378.42	29,576.94	1,384,766.93
09/01/25	31,955.36	2,328.68	29,626.68	1,355,140.25
10/01/25	31,955.36	2,205.35	29,750.01	1,325,390.24
11/01/25	31,955.36	2,228.83	29,726.53	1,295,663.71
12/01/25	31,955.36	2,108.56	29,846.80	1,265,816.91
01/01/26	31,955.36	2,128.65	29,826.71	1,235,990.20
02/01/26	31,955.36	2,078.50	29,876.86	1,206,113.34
03/01/26	31,955.36	1,831.97	30,123.39	1,175,989.95
04/01/26	31,955.36	1,977.60	29,977.76	1,146,012.19
05/01/26	31,955.36	1,865.02	30,090.34	1,115,921.85
06/01/26	31,955.36	1,876.58	30,078.78	1,085,843.07
07/01/26	31,955.36	1,767.10	30,188.26	1,055,654.81
08/01/26	31,955.36	1,775.24	30,180.12	1,025,474.69
09/01/26	31,955.36	1,724.48	30,230.88	995,243.81
10/01/26	31,955.36	1,619.66	30,335.70	964,908.11
11/01/26	31,955.36	1,622.63	30,332.73	934,575.38
12/01/26	31,955.36	1,520.93	30,434.43	904,140.95
01/01/27	31,955.36	1,520.44	30,434.92	873,706.03
02/01/27	31,955.36	1,469.26	30,486.10	843,219.93
03/01/27	31,955.36	1,280.77	30,674.59	812,545.34
04/01/27	31,955.36	1,366.41	30,588.95	781,956.39
05/01/27	31,955.36	1,272.55	30,682.81	751,273.58
06/01/27	31,955.36	1,263.37	30,691.99	720,581.59
07/01/27	31,955.36	1,172.67	30,782.69	689,798.90
08/01/27	31,955.36	1,160.00	30,795.36	659,003.54
09/01/27	31,955.36	1,108.21	30,847.15	628,156.39
10/01/27	31,955.36	1,022.26	30,933.10	597,223.29
11/01/27	31,955.36	1,004.32	30,951.04	566,272.25
12/01/27	31,955.36	921.55	31,033.81	535,238.44
01/01/28	31,955.36	900.08	31,055.28	504,183.16

**EXHIBIT E**  
**AMORTIZATION SCHEDULE**

**City of Great Falls**  
**ADF International, Inc. and ADF Group USA, Inc.**

<b>Principal</b>		<b>\$4,999,800</b>	<b>Payment</b>	<b>31,955.36</b>
<b>Interest with Job Credit</b>		<b>1.98%</b>		<b>Monthly @ Actual/365</b>
<b>Term in Years</b>		<b>15</b>		
<b>Disbursement Date</b>		<b>04/15/14</b>	<b>Maturity</b>	<b>5/1/2029</b>
02/01/28	31,955.36	847.86	31,107.50	473,075.66
03/01/28	31,955.36	744.22	31,211.14	441,864.52
04/01/28	31,955.36	743.06	31,212.30	410,652.22
05/01/28	31,955.36	668.29	31,287.07	379,365.15
06/01/28	31,955.36	637.96	31,317.40	348,047.75
07/01/28	31,955.36	566.41	31,388.95	316,658.80
08/01/28	31,955.36	532.51	31,422.85	285,235.95
09/01/28	31,955.36	479.67	31,475.69	253,760.26
10/01/28	31,955.36	412.97	31,542.39	222,217.87
11/01/28	31,955.36	373.69	31,581.67	190,636.20
12/01/28	31,955.36	310.24	31,645.12	158,991.08
01/01/29	31,955.36	267.37	31,687.99	127,303.09
02/01/29	31,955.36	214.08	31,741.28	95,561.81
03/01/29	31,955.36	145.15	31,810.21	63,751.60
04/01/29	31,955.36	107.21	31,848.15	31,903.45
05/01/29	31,955.36	51.92	31,903.44	0.01

**EXHIBIT F**

**JOB CREDIT CERTIFICATION**

In compliance with the Public Improvements Use Fee Agreement, Section 6.4, Job Creation Certification, ADF International, Inc., on behalf of itself and ADF GROUP USA, Inc., (the "Corporation") by and through its Authorized Officer, hereby certifies with respect to the \$4,999,800 Infrastructure Loan made by the Montana Board of Investments to the City of Great Falls (the "Loan") as follows:

- 1) As of the date hereof, the Corporation has hired a net total of 123<sup>K</sup> persons for permanent, full-time positions in Montana at the rate of pay shown on the attached Schedule.
- 2) In certifying as to full-time employment, we understand that the term full-time means an employee who is scheduled to work full time (i.e., a minimum of 35 to 40 hours per week) for an indefinite period of time.
- 3) All of the Montana employees referred to in the Schedule are paid at or above the minimum wage.
- 4) None of the employees referred to in the Schedule have been included in any Job Credit Certification previously filed or submitted in the State of Montana with respect to the infrastructure tax credit provided for in MCA §17-6-316(3) or the interest rate reduction provided for in MCA §17-6-318.
- 5) The Corporation acknowledges that it has made good faith estimates that Corporation will create 300 Qualifying Jobs (as defined in the Infrastructure Use Agreement) within four years from the Date of the Loan, 4-15-18<sup>K</sup>; provided, however, in the event that Corporation does not create 300 Qualifying Jobs within such period, then the remedy for such failure shall be as set forth in Section 6.4 of the Infrastructure Use Fee Agreement.

Also, pursuant to this certificate, the Corporation requests an interest rate reduction of 2.50<sup>K</sup>% on the Loan. Total maximum allowable rate reduction is 2.50%.

Dated this \_\_\_ day of \_\_\_\_\_, 20\_\_.

ADF International, Inc.

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

Submitted to the Montana Board of Investments this \_\_\_ day of \_\_\_\_\_, 20\_\_ by the City of Great Falls.

City of Great Falls

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

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3  ***** ** DO NOT FILE THIS FORM ** *****	Batch Number 2013/4/00570		Substitute for State Form # UI-5A
	Date Quarter Ended 12/31/2013	Page Number 2	Name of State MONTANA
	Employers State Identification Number 203 7247		Federal Identification Number 65-0370294

EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
		750000		002229 11
		167878		002175 9
		200600		002241 4
		793688		002221 12
		756375		002222 12
		1450007		002184 12
		947625		002196 12
		3975		002173 2
		1079200		002198 12
		477001		002174 2
		112000		002245 3
		736013		002164 3
		1397213	303213	002170 8
		438631		002201 3
		1442310	1021544	002154 10
		803645		002213 12
		2008426	1307601	002158 12
		825006	192714	002147 12
		232480		002242 8
		463286		002208 2
		104000		002243 3
		652890		002195 10
		659600		002230 11
		773063		002205 12
		644150		002225 12
		702400		002226 11
		1820113	1058088	002156 12
		410800		002235 10
		885225		002204 12
		1429752	766944	002161 7
		2009499		002206 12
		112000		002251 3
		2336058	2336058	002149 12
		769826		002200 5
		2031294		002193 12
		261464		002218 4
		2375009	2375009	002150 12
		4519235	4519235	002148 12
		1919865	730155	002169 12
		250425		002247 4
		784618		002240 8
		63600		002256 2

TOTALS FOR THIS PAGE NUMBER OF EMPLOYEES AND WAGE TOTALS	Number of employees 42
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\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3 PCM	Batch Number 2013/4/00570		Substitute for State Form # UI-5A
	Date Quarter Ended 12/31/2013	Page Number 3	Name of State MONTANA
Employers State Identification Number 203 7247		Federal Identification Number 65-0370294	

\*\*\*\*\*  
 \*\* DO NOT FILE THIS FORM \*\*  
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EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
1 . 0	[REDACTED]	431640		002237 8
	[REDACTED]	1425038	230338	002163 12
	[REDACTED]	954625		002197 12
	[REDACTED]	87200		002255 2
	[REDACTED]	662568		002238 6
	[REDACTED]	1106560		002232 10
	[REDACTED]	1458517		002216 12
	[REDACTED]	1433925		002212 12
	[REDACTED]	472409		002192 2
	[REDACTED]	751100		002219 12
	[REDACTED]	104000		002248 3
	[REDACTED]	872200		002203 12
	[REDACTED]	451100		002234 9
	[REDACTED]	268100		002239 5
	[REDACTED]	490100		002220 12
	[REDACTED]	194467		002187 2
	[REDACTED]	602875		002228 11
	[REDACTED]	2022576		002217 12
	[REDACTED]	1957191	1224689	002160 12
	[REDACTED]	733725		002191 12
	[REDACTED]	1912148	656516	002181 12
	[REDACTED]	1884541		002207 12
	[REDACTED]	41075		002176 1
	[REDACTED]	1141488	35563	002157 6
	[REDACTED]	961627		002189 12
	[REDACTED]	292890		002223 5
	[REDACTED]	991200		002185 12
	[REDACTED]	1700010		002190 12
	[REDACTED]	683200		002214 12
	[REDACTED]	998388		002194 6
	[REDACTED]	1151496		002162 12
	[REDACTED]	850400		002186 12
	[REDACTED]	1800006	1225398	002151 12
	[REDACTED]	1067019		002179 8
	[REDACTED]	1533301	632151	002167 8
	[REDACTED]	58513		002211 1
	[REDACTED]	582725		002227 11
	[REDACTED]	435400		002236 8
	[REDACTED]	747000		002233 10
	[REDACTED]	1254776		002180 6
	[REDACTED]	114725		002250 3
	[REDACTED]	1374997		002215 12

TOTALS FOR THIS PAGE NUMBER OF EMPLOYEES AND WAGE TOTALS	Number of employees 42
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\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC      PCM 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3		Batch Number 2013/4/00570		Substitute for State Form # UI-5A	
***** ** DO NOT FILE THIS FORM ** *****		Date Quarter Ended 12/31/2013	Page Number 4	Name of State MONTANA	
Employer's State Identification Number 203 7247		Federal Identification Number 65-0370294			

EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
		1132875		002188 12
		542732		002209 2
		486938		002199 1
		738963		002224 12
		683625		002231 11
		126400		002244 3
		494226		002183 1
		75560		002254 2
		112000		002246 3
		141200		002249 3
		620763		002202 2
		1395225		002210 12
		1442310	1021544	002155 6

TOTALS FOR THIS PAGE NUMBER OF EMPLOYEES AND WAGE TOTALS	Number of employees 13
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\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*

**ASSIGNMENT OF PUBLIC IMPROVEMENTS USE FEE AGREEMENT**

THIS ASSIGNMENT, is made this 15th day of April, 2014 by the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana ( "CITY" or "Assignor"), to the MONTANA BOARD OF INVESTMENTS, an agency of the government of the State of Montana established pursuant to Mont. Code Ann. § 2-15-1808 ("MBOI" or "Assignee").

WHEREAS, the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana (the "Assignor"), has issued and delivered its Public Improvements Use Fee Note Number 724-9661 (ADF International, Inc. and ADF Group USA, Inc. Project), of even date herewith, in favor of the MONTANA BOARD OF INVESTMENTS ( "MBOI"), in the principal amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and 00/100 Dollars (\$4,999,800); and

WHEREAS, the Assignor has entered into a Loan Agreement of even date herewith (as such may be amended or supplemented from time to time in accordance with its terms, the "Loan Agreement"), with MBOI pursuant to which the Assignor has agreed to borrow from MBOI the sum of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) (the "Loan") for the purpose of financing the purchase of certain Public Improvements consisting of the approximately 98,125 square foot steel fabrication facility and 100 acres of land located in Great Falls, Montana (as more specifically described in the Loan Agreement) to be leased to and occupied by ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC., a Delaware Corporation (together known as the "Corporation"); and

WHEREAS, in order to provide for the timely payment of the Loan, the Assignor has entered into a Public Improvements Use Fee Agreement with the Corporation, of even date herewith (the "Use Fee Agreement"), pursuant to which the Corporation has agreed to pay Public Improvement Use Fees (as defined therein) in amounts and at times sufficient to repay the Board Loan when due; and

WHEREAS, under the terms of the Public Improvement Use Fee Agreement, the Assignor has authorized and directed the Corporation to pay the Public Improvement Use Fees directly to the MBOI; and

WHEREAS, the Assignor is desirous of further securing the Note issued to MBOI.

NOW, THEREFORE, in order to induce MBOI to make the Board Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby transfer, assign, and set over unto the MBOI all of Assignor's right, title and interest in the Public Improvement Use Fee Agreement, including, but not limited to, the Assignor's right to receive Public Improvements Use Fees (excluding, however, Assignor's right to indemnification under Section 4.2, its rights and remedies under Sections 9.2 of the Public Improvement Use Fee Agreement). Notwithstanding the assignment of the Public Improvement Use Fee Agreement contained herein, the Assignor may continue to exercise its rights under the

Public Improvement Use Fee Agreement, except any right to receive Use Fee payments thereunder, so long as Assignor is not in default under its Loan Agreement and Note with MBOI, shall continue to perform its obligations under the Public Improvement Use Fee Agreement, and shall remain obligated to the Corporation under the Public Improvement Use Fee Agreement to perform all the duties and obligations of the Assignor thereunder to the same extent as if this Assignment had not been executed and MBOI shall have no liability with respect to such performance; but under no circumstances shall Assignor be obligated for repayment of the Loan except to the extent of the Public Improvements Use Fees provided in the Public Improvement Use Fee Agreement and to the extent of the Collateral and other security provided with respect to the Loan, as provided in the Loan Agreement. The Assignor represents and warrants to MBOI that the Assignor has the right to assign and transfer the Public Improvement Use Fee Agreement in the manner and form aforesaid and that its interest is free and clear of all charges and encumbrances.

Dated this 15th day of April, 2014.

CITY OF GREAT FALLS

---

By: Michael Winters  
Its: Mayor

MONTANA BOARD OF INVESTMENTS

---

By: Herbert J. C. Kulow  
Its: Senior Portfolio Manager



City Attorney's Office  
Civic Center  
P.O. Box 5021  
Great Falls, MT 59403  
Tel: 406-771-1180  
Fax: 406-727-0005

Sara R. Sexe,  
City Attorney

Neil A. Anthon,  
Chief Prosecutor  
Cassidy R. Blomgren,  
Assistant City Attorney

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April 16, 2014

Montana Board of Investments  
Attn: Herb Kulow, Senior Portfolio Manager  
P.O. Box 200126  
Helena, Montana 59620-0126

RE: \$4,999,800 Montana Board of Investments Infrastructure Loan to City of Great Falls  
for ADF Public Improvements

Dear Herb:

As City Attorney for The City of Great Falls, hereafter "City", I am providing my opinion addressing the Montana Board of Investments ("MBOI") \$4,999,800 Infrastructure Loan, hereafter the "Loan," to the City of Great Falls, Montana, for the purchase of a heavy industrial manufacturing facility, hereafter "facility", located at 1900 Great Bear Avenue, Great Falls, Montana, constructed by ADF International, Inc., which is more particularly described in Exhibit A to the Development Agreement between ADF and the City.

I have examined the laws of the State of Montana, hereafter the "State," including the laws under which the City is organized and governed and the laws authorizing Infrastructure Loans by MBOI, records of various proceedings of the City's Commission relating to the Loan, the related Infrastructure and Public Improvements, and the City's approval thereof. More particularly, I have examined and reviewed the following Loan and Loan-related documents, which in my opinion comply with applicable law, including but not limited to Mont. Code Ann. §17-6-316(1) relative to the City's qualifying as a local government and participation in the infrastructure loan program and also Mont. Code Ann. §17-6-309(2) which says the Board may "make a loan" that creates jobs in the basic sector:

1. Executed copies of the: (i) Loan Agreement between MBOI and the City; (ii) Public Improvements Use Fee Note; (iii) Mortgage; (iv) Public Improvements Use Fee Agreement between ADF International, Inc. and ADF USA Group, Inc., collectively referred to hereafter as "ADF", and the City; (v) Assignment of Public Improvements Use Fee Agreement

from the City to MBOI; (vi) Development Agreement between the City and ADF; (vii) Lease Agreement between City , as Lessor, and ADF, as Lessee; (viii) Assignment of Lease from the City to MBOI; and (ix) Deed of Conveyance conveying title to the facility, including the land, building and improvements, from ADF International, Inc. to the City, such documents collectively referred to hereafter as the “Loan Documents”;

2. Charter of the City of Great Falls, as amended;
3. Resolution 10073 of the City Commission of Great Falls dated April 15, 2014, authorizing the City’s Representatives to execute the Loan Documents, hereafter the “City Resolution”; and
4. Such other laws, regulations, rulings, instruments, and agreements, that I deemed necessary or appropriate to the rendering of this opinion.

According to a September 27, 2013 appraisal, the fair market value of the facility, including the land, building and improvements, under a sales comparison approach, is approximately \$9,350,000. A portion of the value considers completed extensive infrastructure improvements, including sidewalks, parking lots and water and wastewater mains.

The City has applied for a \$4,999,999 infrastructure loan from MBOI, in order to finance the purchase of the facility, including the public improvements. The facility was constructed on real property owned by ADF International, Inc., and as part of the Loan transaction ADF International, Inc. will convey title to the facility, including the public improvements to the City, which will lease the facility back to ADF. Through the lease payments, ADF will pay infrastructure use fees to the City in an amount sufficient to repay to MBOI the principal, interest and other costs or charges associated with the Loan. This letter further addresses the specific legal and factual issues related to the qualifying infrastructure improvements.

As indicated in the Development Agreement, ADF has constructed and installed a facility and a number of improvements to its property on Great Bear Avenue. The property identified in Section A of the Development Agreement includes improvements to the site, including the facility, parking, sidewalks, water and wastewater mains. The infrastructure improvements include a portion of the costs of the facility and site preparations, earthwork, paving and drainage. The facility and associated property will be owned by the City, without any obligation to convey or transfer the building to ADF at any point during the lease term, other than through an option to purchase included within the lease terms.

Under Mont. Code Ann. §17-6-316(1), MBOI is authorized to make loans to a local government to build infrastructure as contemplated by Mont. Code Ann. §7-15-4288(4). With respect to specific improvements, this statute provides for the costs of:

(4) the acquisition, construction, and improvement of public improvements or infrastructure, including streets, roads, curbs, gutters, sidewalks, pedestrian malls, alleys, parking lots and offstreet parking facilities, sewers, sewer lines, sewage treatment facilities, storm sewers, waterlines, waterways, water treatment facilities, natural gas lines, electrical lines, telecommunications lines, rail lines, rail spurs, bridges, publicly owned buildings, and any public improvements authorized by Title 7, chapter 12, parts 41 through 45; Title 7, chapter 13, parts 42 and 43; and Title 7, chapter 14, part 47, and items of personal property to be used in connection with improvements for which the foregoing costs may be incurred;

*Id.*

Based upon such review and examination and the foregoing considerations, it is my opinion that:

1. As described above, the infrastructure improvements for the facility and site are related to the construction of what will be a publicly owned building, including site work, as well as parking and site facilities. Based upon the foregoing and the information provided by ADF, it is my opinion that the contemplated infrastructure improvements for the facility described in the Development Agreement and associated documents are the kinds of improvements identified in and authorized under Mont. Code Ann. §§7-15-4288(4) and 17-6-316(1). While this opinion is based on current laws and regulations, there is little authority directly addressing these issues, and there is no assurance that a court would not reach a different conclusion, if called on to evaluate this issue.

2. The City is duly organized and validly existing under the laws of the State and has legal authority, under the laws and charter by which it is governed and the City Resolution, to enter into the Loan Agreement and the other Loan Documents, to undertake the Loan transaction and to purchase, hold, lease to ADF and otherwise undertake the Public Improvements to be funded by the Loan proceeds.

3. There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body pending or, to the best of my knowledge, threatened, wherein an unfavorable decision, ruling, or finding would: (a) affect the creation, organization, existence, or powers of the City or the titles of its Commissioners, Officers or Representatives to their respective offices; (b) enjoin or restrain the execution or performance of any of the Loan Documents; or (c) in any way question or affect any of the rights, powers, authority, duties, or obligations of the City with respect to the execution or performance of, or the legality, validity or enforceability of, any of the Loan Documents or the transactions contemplated thereby.

4. The City has duly performed all obligations necessary to authorize the making, entering into, execution, adoption, receipt, and delivery of Loan Agreement and the other Loan

Montana Board of Investments  
April 16, 2014  
Page 4

Documents on or prior to the date hereof, and the Loan Agreement and the other Loan Documents are the legal and binding obligations of the City and comply with applicable law.

5. As of the date of this letter and to the best of my knowledge, ADF has all required permits and licenses to operate, are not in violation of any municipal, state or federal laws, and the parties are in compliance with the terms of the Development Agreement dated April 15, 2014.

This opinion is furnished solely for the benefit of the City of Great Falls, MBOI and ADF in connection with this transaction and may not be relied upon by any other person or entity without my prior written consent. Please let me know if you have any questions about this issue, or if you need additional information.

Thank you.

Sincerely,

CITY OF GREAT FALLS

Sara R. Sexe

## UGRIN, ALEXANDER, ZADICK &amp; HIGGINS, P.C.

NANCY P. CORY  
JORDAN Y. CROSBY  
DAVID J. GRUBICH  
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MARY K. JARACZESKI

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(OF COUNSEL)

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CATHY J. LEWIS  
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ANDREW T. NEWCOMER  
ROGER T. WITT  
GARY M. ZADICK

NEIL E. UGRIN  
1945 - 2007

April 16, 2014

Our File: AD18-01

Montana Board of Investments  
Attn: Herbert J.C. Kulow, MCMB  
Senior Portfolio Manager  
P.O. Box 200126  
Helena, MT 59620-0126

**Re: City of Great Falls/Montana Board of Investments Loan Agreement**

Dear Herb:

I am counsel for ADF International, Inc., ADF Group USA, Inc. and ADF Steel Inc. in connection with the preparation, authorization, execution and delivery of, and the consummation of the transactions contemplated under a Loan Agreement between the Montana Board of Investments and the City of Great Falls to finance the purchase of certain real property infrastructure improvements, a Lease Agreement under which the City will in turn lease said property to ADF International, Inc., a Florida corporation, and ADF Group USA, Inc., a Delaware corporation, and related documents, including a Public Improvements Use Fee Agreement between the City of Great Falls and ADF International, Inc. and ADF Group USA, Inc., a Development Agreement between the City of Great Falls and ADF International, Inc. and ADF Group USA, Inc., a Mortgage between the City of Great Falls and the Montana Board of Investments, a Public Improvement Use Fee Note between the City of Great Falls and the Montana Board of Investments, an Assignment of Public Improvements Use Fee Agreement between the City of Great Falls and the Montana Board of Investments, an Assignment of Lease Agreement between the City of Great Falls and the Montana Board of Investments, a Deed of Conveyance between ADF International, Inc. and the City of Great Falls and a Guaranty by ADF Steel, Inc. as guarantor on behalf of ADF International, Inc. and ADF Group USA, Inc. to guarantee payment to Montana Board of Investments of the obligations under the Public Improvements Use Fee Agreement and the Lease Agreement.

In connection with the financing and agreements referenced above, Montana Board of Investments have requested, pursuant to Section 10 of the Loan Agreement between Montana Board of Investments and the City of Great Falls, that the City obtain an ADF legal opinion in which legal counsel representing ADF and its related entities identified above opines to the legal and binding nature of the Public Improvements Use Fee Agreement on ADF, which under said Agreement is defined to include ADF International, Inc., a Florida corporation, and ADF Group USA, Inc., a Delaware corporation, and their permitted successors and assigns. MBOI has also requested confirmation that ADF International, Inc., ADF Group USA, Inc. and ADF Steel Inc. are authorized to enter into the agreements which require their respective execution and that the individuals executing the transaction documents are authorized to do so.

For purposes of this opinion, I have examined, in addition to executed copies of the documents identified above, originals or copies identified to my satisfaction as being true copies of the organizational documents of ADF International, Inc., ADF Group USA, Inc. and ADF Steel Inc. including Certificates of Incorporation, Certificate of Good Standing from the Secretary of State of respective States of corporation, and Certificates of Authorization from the State of Montana with respect to ADF International, Inc. and ADF Group USA, Inc., as well as corporate resolutions approving and authorizing the execution of the documents necessary to consummate this transaction.

Based upon my review of the above documents and such other documents as I deem necessary or appropriate to providing this opinion, I hereby opine and confirm the following for the Montana Board of Investments:

1. ADF International, Inc. is a Florida corporation validly existing and in good standing under the laws of the State of Florida and is qualified to do business in the State of Montana. Attached as Exhibits 1 and 2, respectively, are a Certificate of Good Standing from the Florida Secretary of State and a Certificate of Authorization from the Montana Secretary of State.
2. ADF Group USA, Inc. is a Delaware corporation validly existing and in good standing under the laws of the State of Delaware and is qualified to do business in the State of Montana. Attached as Exhibits 3 and 4, respectively, are a Certificate of Good Standing from the Delaware Secretary of State and a Certificate of Authorization from the Montana Secretary of State.
3. ADF Steel Inc. is a New York Corporation validly existing and in good standing under the laws of the State of New York. Attached as Exhibit 5 is a Certificate of Good Standing from the New York Secretary of State. ADF Steel, Inc. does not do business in Montana and is not required to be

authorized to do business in Montana in order to execute the Guaranty described above.

4. ADF International, Inc., ADF Group USA, Inc. and ADF Steel Inc. have the corporate power and authority to enter into the documents identified above which provide for their respective execution and all related and ancillary documents. The attached Corporate Resolutions and Consent, Exhibits 6, 7, 8 and 9 authorize the execution and delivery of the foregoing documents on behalf of the respective corporations by the person or persons identified therein and, further, duly authorize all necessary corporate actions on the part of ADF International, Inc., ADF Group USA, Inc. and ADF Steel Inc. All corporate actions and authorizations remain in full force and effect and have not been amended or revoked.
5. The Public Improvements Use Fee Agreement referenced above is the legal and binding obligation of ADF International, Inc. and ADF Group USA, Inc., and their permitted successors and assigns.

This letter is solely for the benefit of Montana Board of Investments in connection with this transaction and may not be relied upon by any other person or entity without my prior written consent except that a copy of this letter may be delivered to the City of Great Falls in connection with this transaction and the City of Great Falls may rely on this letter as if it were addressed to the City of Great Falls directly. I trust that this letter satisfies your request in connection with this matter, and that if any further document needs to be executed or anything else is needed, you will let me know as soon as possible.

Sincerely,

UGRIN, ALEXANDER, ZADICK & HIGGINS, P.C.

Gary M. Zadick

GMZ/cab

**MONTANA BOARD OF INVESTMENTS INFRASTRUCTURE LOAN PACKAGE**

**This file was created in Microsoft Word and contains the following items:**

Page A 1 – A 2.....Infrastructure Loan Program Policy  
Page B 1 – B 5 .....Infrastructure Loan Application

**The following provisions apply to the Infrastructure Loan Program:**

- Program funded by a \$80.0 million allocation from the Permanent Coal Tax Trust.
- Applications submitted by eligible local governments.
- Loan funds infrastructure projects that provide facilities/services to basic sector businesses.
- Business pays user fee to local government that is pledged to the Board for loan repayment.
- Businesses may reduce their Montana state income tax liability by the amount of the fee, 15-31-301, MCA.
- The business must create at least 15 full time basic sector jobs to be eligible for the program.
- Maximum loan size \$16,666 times the number of full time jobs created.
- Minimum loan size \$250,000.
- Maximum loan term 25 years.
- Interest rates posted weekly.
- Up to 2.5% interest rate reduction for job creation.

For assistance call or e-mail Herb Kulow or Nancy Rivera:

(406) 444-1218      [hkulow@mt.gov](mailto:hkulow@mt.gov)  
(406) 444-1217      [nrivera@mt.gov](mailto:nrivera@mt.gov)

**Loan Application Use:**  
This loan application is used exclusively for the Public Infrastructure Loan Program. Applications are submitted by Eligible Local Governments to fund infrastructure projects within their jurisdictions.

**Utilizing The Electronic Forms:**  
Forms are Microsoft Word documents with field codes where data and checkmarks are entered.  
If the field codes are visible on screen strike Alt F9 - codes should not be visible.  
If field codes print, select "Tools", "Options", "Print" and uncheck "Field Codes"  
The F11 key will locate the entry fields in the application form.  
Shift F11 will locate the preceding data or check field in the electronic forms.

**1. APPLICATION PROCEDURES**

Local governments must submit the attached application to the Board. The application must include:

- a. Evidence that the user of the infrastructure meets the following "Basic Sector" definition:
  - i. business activity conducted in the state that produces goods and services for which 50% or more of the gross revenues are derived from out-of-state sources; or
  - ii. business activity conducted in-state that produces goods and services, 50% or more of which will be purchased by in-state residents in lieu of like or similar goods and services which would otherwise be purchased from out-of-state sources.
- b. A complete description of the purposes for which the loan proceeds are to be used.
- c. A description of the proposed loan including principal amount, proposed maturity, proposed repayment schedule, and proposed security.
- d. Information addressing the following:
  - i. Estimated number of permanent full-time jobs and their estimated wages, to be created by the project within a four-year period;
  - ii. The impact of the jobs on the state and the community where the project is located;
  - iii. Long-term effect of corporate and personal income taxes estimated to be paid by the business and its employees;
  - iv. The current and projected ability of the community to provide necessary infrastructure for economic and community development purposes;
  - v. The environmental impact of the project and whether any environmental review or permits are required;
  - vi. Other matters that the Board considers necessary;
  - vii. Information about the business creating the jobs shown on the application form.
- e. The loan application shall be properly signed and certified by the local government applicant and by the business creating the jobs on its section of the application.
- f. If the loan is approved, the Board and the local government will enter into a commitment agreement.
- g. The local government must pass a resolution authorizing the acceptance of the commitment agreement and execute and return the commitment agreement within 60 days of the commitment date or the commitment will expire.

**2. INELIGIBLE LOANS**

- a. Loans to any local government in default on any obligation.
- b. Loans to local governments for infrastructure to businesses in default on any obligation.
- c. Loans providing infrastructure to business creating fewer than 15 jobs in a 4-year period.

**3. INTEREST RATES**

- a. Interest rates, effective for a one-week period, are listed on Posted Rate Summary Sheet.
- b. Job credit interest rate reductions are available as per Section 8 of the Infrastructure Loan Policy.
- c. Initial interest rate determined by the interest rate posted on the Commercial Loan Rate Sheet on the date the Infrastructure Loan application is received.

**4. LOAN SIZING**

- a. Minimum loan size \$250,000.
- b. Maximum loan size \$16,666 per full time job created.
- c. All outstanding infrastructure loans limited to \$80.0 million.

**5. COLLATERAL REQUIREMENTS**

- a. A note or other evidence of indebtedness;
- b. A loan agreement;
- c. First mortgage/lien position when appropriate;
- d. The local government's pledge of infrastructure fees for repayment of the loan;
- e. The loan resolution adopted by the local government;
- f. All necessary state, federal and local government permits must be obtained before loan closing;
- g. Collateral must have sufficient economic life to support the term of the loan;

- h. Personal or corporate guaranty as determined by the Board
- i. Attorney opinion on authority of local government to borrow and the validity of all collateral documents;
- j. Attorney opinion to the local government on the legal and binding nature of obligations on the local government and the business for which the infrastructure is provide.
- k. Other collateral as required by Board.

**6. APPRAISALS**

a. Licensed Montana appraisers are preferred unless there is a specialized property collateral requiring an out of state appraiser; and

b. Appraisal requirements for land and buildings are shown below:

**Real Property Primary Collateral:**

Up To \$250,000      As required by Lender to provide basis for value

\$250,001 to \$500,000    USPAP\*- rule 2-2(b) Summary appraisal by lender-approved appraiser

Over \$500,000      USPAP\*- rule 2-2(a) Complete self-contained appraisal by lender-approved appraiser

\*Uniform Standards of Professional Appraisal Practice

**7. OTHER LOAN POLICY CONSIDERATIONS**

- a. Loans for infrastructure on leased land will be considered if the lease does not expire prior to loan maturity.
- b. Maximum loan terms are 25 years.
- c. Consultant fees may be financed as part of the larger project but may not be financed on a stand-alone basis.
- d. Commercial Loan Policy underwriting criteria will be considered.

**8. JOB CREATION INTEREST RATE REDUCTION**

- a. Business creating jobs as a result of an infrastructure loan are entitled to an interest rate reduction of .05% for each job created up to a maximum of 2.50%. The reduction will be reflected in the user fee rate charged the business.
- b. One job is equal to the Private Annual Wage shown on the weekly Posted Interest Rate Summary Sheet.
- c. For jobs paying more than the Private Annual Wage, job credits will be increased proportionately for each 25% increment above the Private Annual Wage to a maximum of two jobs.
- d. For jobs paying less than the Private Annual wage, job credits will be reduced proportionately for each 25% increment below the Private Annual Wage.
- e. Job credits are not available unless one whole job is created.
- f. Job credit interest rate reductions are not available for jobs paying less than the State of Montana minimum wage provided for in 39-3-409, MCA.
- g. The business must provide evidence of the creation of jobs prior to the reduction and annually thereafter;
- h. Interest rate reductions provided in this part will be effective on the next scheduled payment date.

*This space intentionally left blank*

<p align="center"><b>Send Application and Exhibits To:</b>                  Infrastructure Loan Application                  Montana Board of Investments                  P.O. Box 200126 Helena, Mt. 59620-0126                  Phone (406) 444-0001 Fax (406) 449-6579</p>	Board Loan # 724-9661
	Date Received: 9-12-12
By: _____	
Applications To Be Submitted By Local Governments	

**SECTION A: LOCAL GOVERNMENT APPLICANT INFORMATION**

Applicant Name→	City of Great Falls		
Mailing Address→	PO Box 5021, Great Falls, MT 59403		
Authorized Representative→	Greg Doyon	Title→	City Manager
Telephone→	406-455-8450	Fax→	406-727-005
		E-mail→	gdoyon@greatfallsmt.net
Federal Employer ID#→	81-6001269		
Local Government Type→	Municipal Government (City)		

**1. Reference/contacts**

Attorney's Name→	Sara Sexe	Firm Name, if applicable →	City Attorney
Address→	PO Box 5021, Great Falls, MT 59403		
Telephone→	406-455-8535	Fax→	406-727-0005
		E-mail→	saras@greatfallsmt.net
Engineer →	David Dobbs	Firm Name, if applicable →	
Address→	PO Box 5021, Great Falls, MT 59403		
Telephone→	406-771-1258	Fax→	406-771-0700
		E-mail→	ddobbs@greatfallsmt.net
Accountant's Name→	Melissa Kinzler	Firm Name, if applicable →	
Address→	PO Box 5021, Great Falls, MT 59403		
Telephone→	406-455-8476	Fax→	406-452-8048
		E-mail→	mkinzler@greatfallsmt.net

**2. Please cite the reference to Montana code that authorizes the applicant to finance the project (90-5-1) or other. If other, describe below and attach as Exhibit A.**

Montana Code Annotated, 7-1-4124. Powers.

**SECTION B: PROJECT INFORMATION - AS ALLOWABLE UNDER 7-15-4288 (4)**

**Infrastructure Project Description and Cost - Summarize below, attach specific details as Exhibit B)**

Project Description	Cost
Land Purchase (Details on Exhibit B1)	\$1,450,324
On Site Land Improvement (Details on Exhibit B2)	\$4,000,000
*(Overall Project Breakdown Detailed on Exhibit B3)	

**1. Funding/Schedule/Loan Attributes**

Project Funding	Amount	Project Schedule	Date	Loan Attributes
Board of Investments→	\$4,999,800	All Funding Obtained→	TBD	Loan Requested Amount→ \$4,999,800
Local Government→		Construction/Acquisition→		(Minimum \$250,000)
Other Sources (specify) →		Loan Funding→		(Maximum # Jobs X \$16,666)
Total Project Cost→	\$4,999,800			Term (Maximum 25 Yrs)→ 15 Yrs

**2. Economic Impact-Address The Following And Attach As Exhibit C**

Estimated Permanent Full-Time Jobs Created Within 4 years→	300
Impact Of Jobs On Community And State→	Strong Impact
Corporate/Personal Tax Impact→	Over \$600,000 in personal income taxes annually
Current/Projected Ability Of Community to provide infrastructure→	Strong
Other→	Additional Information Attached as Exhibit C

**3. Environmental Impact of Project** - Please describe the environmental impact of the proposed project, indicating whether any environmental review or permits are required to undertake the project. If permits, review, or approval are required, please indicate the type of approval required and the date on which approval is expected to be obtained. Label this Exhibit D.

**4.** List the approvals by public agencies obtained or other conditions that have been met or satisfied, or which are required prior to the financing, acquisition, construction, or use of the project (e.g., licenses, Health Department approvals, etc.). Label this Exhibit E. If none, check here→

**5. If the project involves construction, provide the following as Exhibit F:** If not, check  here→

- A. Detailed construction cost estimates and specifications to include architect's plans and specifications, contractor's bids or estimates, invoices, etc.
- B. Names and addresses of architects or contractors that have been selected.
- C. Date and manner in which any contracts will be awarded.
- D. Proposed schedule for construction, completion, and occupancy.
- E. The manner in which the construction will be managed.

**6. If the loan is for the purchase of real or personal property, provide the following in Exhibit G:**

If none, check  here→

- A. An appraisal report which meets requirements established by the Board in a format consistent with standards established by the Appraisal Standards Board (ASB) of The Appraisal Foundation which publishes, interprets and amends the Uniform Standards of Professional Appraisal Practices (USPAP), the appraiser must be licensed in Montana, unless the project is specialized and requires an out of state licensed appraiser, who is a member of a commonly recognized professional appraisal organization.
- B. A copy of the purchase agreements(s), including name(s) of seller(s).
- C. Copies of earnest money receipt and agreement, option to purchase, contract to purchase, and invoice(s) or estimate(s) of cost for purchase of land, improvements, or tangible personal property related to the project.

**7. Source of Loan Repayment-Provide as Exhibit H the repayment schedule and a copy of the proposed repayment agreement.**

**8. Loan Security-Check applicable box and provide appropriate detail in Exhibit I.**

- A. Assignment of Payments→
- B. Mortgage or Facility→
- C. Corporate Guaranty→
- D. Letter of Credit or other third party insurance→
- E. Personal Guaranty→
- F. Other→

**SECTION C: BUSINESS INFORMATION**

**1. Business Structure**

Full Business Name→	ADF Group USA, Inc.		Address→	300 Henry-Bessemer		
City→	Terrebonne		State→	Quebec	Zip→	J6Y1T3
Business Representative Name→	Jean Paschini			Title→	Vice President	
Representative Phone→	450-965-1911	Fax→		E-Mail→	jean.paschini@adfgroup.com	
<b>Borrower is a(n):</b>				<b>Proposed Financing is for:</b>		
Individual→	<input type="checkbox"/>	Partnership→	<input type="checkbox"/>	Limited partnership→	<input type="checkbox"/>	
Individual dba sole proprietorship→	<input type="checkbox"/>	Corporation→	<input checked="" type="checkbox"/>			
State of Incorporation→	Delaware			Existing business→	<input checked="" type="checkbox"/>	
Date of Incorporation→	August 29, 2001			New Business→	<input type="checkbox"/>	
Date business established→	2001			Purchase Existing Business→	<input type="checkbox"/>	
			Employer's LD. Number→	98-0358272		

**2. Indicate below the names and places of residence of those five persons with the greatest ownership of interest in the company. If less than five, please indicate all owners.**

Name→	Jean Paschini		Title→	Vice President		
City→	Terrebonne	State→	Quebec	%Ownership→	29.7	
Name→	Pierre Paschini		Title→	COO		
City→	Terrebonne	State→	Quebec	%Ownership→	29.7	
Name→	Marise Pachini		Title→			
City→	Terrebonne	State→	Quebec	%Ownership→	29.7	
Name→	Marshall-Barwick Inc.		Title→			
City→		State→		%Ownership→	1.1	
Name→			Title→			
City→		State→		%Ownership→		

**3. Describe below the history of business, projects, and current business plans (please be general):**

From a blacksmith shop founded in 1956, ADF Group Inc. has become over the years a North American leader in the design and engineering of connections, fabrication and installation of complex steel superstructures, heavy steel built-ups, as well as miscellaneous and architectural metalwork. The Corporation's products and services are intended for the following five principal segments of the non-residential construction market: office towers and high-rises, commercial and recreational buildings, airport facilities, industrial complexes and nuclear facilities, as well as transport infrastructures. The Corporation operates a modern 58,530-square-metre (630,000-square-foot) fabrication plant in Canada and uses the latest technologies in its industry.

A pioneer in the development and implementation of innovative solutions, the Corporation is recognized for its engineering expertise, its project management, its important fabrication capacity and its skills in two specialized market niches: the fabrication of steel superstructures with a high level of architectural and geometric complexity, as well as projects subject to fast-track schedules. In addition, in December 2009, ADF obtained its certification for the nuclear system requirements in effect in America, which allowed the Corporation to add the fabrication of steel structures for the construction or refurbishment of nuclear power plants to its range of services.

Its commitment to deliver every project in accordance with the industry's highest quality standards constitutes a core aspect of the Corporation's mission.

Until the early 1980s, the Corporation specialized in the production of wrought-iron products, primarily for the residential construction market in Quebec.

In 1980, the founder passed the control of the Corporation to the next generation of Paschinis. The new management refocused its operations on the production of structural steel for the non-residential construction industry in Quebec and Ontario, and developed its expertise in increasingly complex steel structures and architectural metal work.

In the 1990s, the Corporation started extending its presence to the North American and international markets. The Corporation first targeted the Southeastern U.S. market where it established a sales office in Florida, in 1992. Since then, the United States became the main market of the Corporation, which also carried out several projects abroad, namely in South America, North Africa and the Caribbean.

The Company now wants to diversify its offering and participate in the growing Western Canada market and also the United States infrastructure market. To do so, it is presently looking at the possibility of setting-up a fabrication plant in the U.S.

ADF is a public company which stock is traded on the Toronto Stock Exchange (TSX) under the DRX ticker. Additional information can be found on the Company's website at [www.adfgroup.com](http://www.adfgroup.com).

Summary list of projects undertaken by ADF:

- Chicago O'Hare airport, terminal 1
- World Trade Center Tower 1
- World Trade Center Tower 1 antenna
- World Trade Center Tower 4
- World Trade Center Hub
- Toronto Lester B. Pearson airport
- Encana Tower, Calgary, Alberta
- Holcim cement plant in Ste-Genevieve, Missouri
- Henry B. Gonzales convention center, Texas
- Detroit Lions football stadium
- New York : Goldman Sachs, Bear Stearns, Columbus Center, Bloomberg Tower, Random House
- Florida : New World Symphony & Performing Arts Center of Greater Miami

**4. Please submit the following information and exhibits as indicated. All exhibits must be signed and dated by the person completing this section of the application (if applicable).**

A. Furnish a current (within 90 days) dated and signed personal balance sheet for each general partner and guarantor. Label this Material Exhibit J. (Tax returns may also be required to supplement this information.)

B. Does the business, principal owners, key employees or directors operate any closely related affiliates, subsidiaries or branches? If yes, please provide their names, relationship with the company, along with a current balance sheet and operating statement for each. Label this material Exhibit K. If none,  check here→

C. Has the business or any of the officers or owners ever been involved in bankruptcy or insolvency proceedings? If so, please provide the details as Exhibit L. If none,  check here→

D. Is there any pending or threatened litigation, administrative proceeding, or investigation involving the business, its officers, directors, or management acting in their official capacity, or a guarantor, that, if adversely decided, would affect the borrower's or guarantors' ability to perform their obligations under this loan or financing or the operation of the business? Has the business or any of its officers, directors, management, or guarantors ever been convicted of a felony? If yes to either of these questions, provide the details in Exhibit M. If none, check here→

C. Include the statements listed below: (a), (b), and (c) dated within ninety (90) days of filing the application, and statement (d). If statements (a), (b), (c) are not independent accountant-prepared review or audit statements, please also include complete business tax returns for the past three years. Label this material Exhibit N.

(a) Balance Sheet

(d) Earnings Projections for three years and



**SECTION D. BUSINESS CERTIFICATIONS**

- 1.The business agrees to comply with Section 4, Article II of the Constitution of Montana, which prohibits discrimination based on race, color, sex, culture, social origin or condition, or political or religious ideas.
- 2.If the loan is approved, the Board may use photographs of facilities in its Annual Report, slide presentations, or other publications.
- 3.As a condition of considering the application, the Board and its agents are granted the right to inspect the facilities.
- 4.All information in this application and the attached Exhibits are true and complete to the best of my/our knowledge and is submitted to the BOI so the BOI can decide whether to lend to the applicant.
- 5. If the business receives a job credit interest rate reduction on the infrastructure loan, it agrees to annually provide appropriate payroll documentation to the Board attesting to the number of jobs retained.

Dated this 4<sup>th</sup> day of November, 2013

Business Entity ADF Group WA Inc

By: [Signature]

Title: Vice President

**SECTION E. CERTIFICATION OF LOCAL GOVERNMENT APPLICANT**

The applicant agrees that any contracts to construct the project will require all contractors to give preference to the employment of bona fide Montana residents, as defined in 18-2-401 MCA, in the performance of the work on the project in their qualifications are substantially equal to those of non-residents. Substantially equal qualifications means the qualifications of two or more persons among whom the employer cannot make a reasonable determination that the qualifications held by one person are significantly better suited for the position than the qualifications held by the other person(s).

I hereby certify as preparer of this application on behalf of the applicant, that all of the information contained herein is true, accurate and complete as of the date here of and that the local government entity has the legal authority to enter into all agreements necessitated by this loan and carry out all activities required herein.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Local Government Entity \_\_\_\_\_

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

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

**JOB CREDIT CERTIFICATION**

In compliance with the Public Improvements Use Fee Agreement, Section 6.4, Job Creation Certification, ADF International, Inc., on behalf of itself and ADF GROUP USA, Inc., (the "Corporation") by and through its Authorized Officer, hereby certifies with respect to the \$4,999,800 Infrastructure Loan made by the Montana Board of Investments to the City of Great Falls (the "Loan") as follows:

- 1) As of the date hereof, the Corporation has hired a net total of 123<sup>K</sup> persons for permanent, full-time positions in Montana at the rate of pay shown on the attached Schedule.
- 2) In certifying as to full-time employment, we understand that the term full-time means an employee who is scheduled to work full time (i.e., a minimum of 35 to 40 hours per week) for an indefinite period of time.
- 3) All of the Montana employees referred to in the Schedule are paid at or above the minimum wage.
- 4) None of the employees referred to in the Schedule have been included in any Job Credit Certification previously filed or submitted in the State of Montana with respect to the infrastructure tax credit provided for in MCA §17-6-316(3) or the interest rate reduction provided for in MCA §17-6-318.
- 5) The Corporation acknowledges that it has made good faith estimates that Corporation will create 300 Qualifying Jobs (as defined in the Infrastructure Use Agreement) within four years from the Date of the Loan, 4-15-18<sup>K</sup>; provided, however, in the event that Corporation does not create 300 Qualifying Jobs within such period, then the remedy for such failure shall be as set forth in Section 6.4 of the Infrastructure Use Fee Agreement.

Also, pursuant to this certificate, the Corporation requests an interest rate reduction of 2.50<sup>K</sup>% on the Loan. Total maximum allowable rate reduction is 2.50%.

Dated this \_\_\_ day of \_\_\_\_\_, 20\_\_.

ADF International, Inc.

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

Submitted to the Montana Board of Investments this \_\_\_ day of \_\_\_\_\_, 20\_\_ by the City of Great Falls.

City of Great Falls

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

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3  ***** ** DO NOT FILE THIS FORM ** *****	PCM	Batch Number 2013/4/00570	Substitute for State Form # UI-5A
	Date Quarter Ended 12/31/2013	Page Number 2	Name of State MONTANA
Employer's State Identification Number 203 7247		Federal Identification Number 65-0370294	

EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
		750000		002229 11
		167878		002175 9
		200600		002241 4
		793688		002221 12
		756375		002222 12
		1450007		002184 12
		947625		002196 12
		3975		002173 2
		1079200		002198 12
		477001		002174 2
		112000		002245 3
		736013		002164 3
		1397213	303213	002170 8
		438631		002201 3
		1442310	1021544	002154 6
		803645		002213 12
		2008426	1307601	002158 12
		825006	192714	002147 12
		232480		002242 8
		463286		002208 2
		104000		002243 3
		652890		002195 10
		659600		002230 11
		773063		002205 12
		644150		002225 12
		702400		002226 11
		1820113	1058088	002156 12
		410800		002235 10
		885225		002204 12
		1429752	766944	002161 7
		2009499		002206 12
		112000		002251 3
		2336058	2336058	002149 12
		769826		002200 5
		2031294		002193 12
		261464		002218 4
		2375009	2375009	002150 12
		4519235	4519235	002148 12
		1919865	730165	002169 12
		250425		002247 14
		784618		002240 8
		63600		002256 2

TOTALS FOR THIS PAGE NUMBER OF EMPLOYEES AND WAGE TOTALS	Number of employees 42
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\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3 ***** ** DO NOT FILE THIS FORM ** *****	PCM	Batch Number 2013/4/00570	Substitute for State Form # UI-5A
	Date Quarter Ended 12/31/2013	Page Number 3	Name of State MONTANA
	Employer's State Identification Number 203 7247		Federal Identification Number 65-0370294

EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
1	[REDACTED]	431640		002237 8
1	[REDACTED]	1425038	230388	002163 12
	[REDACTED]	954625		002197 12
	[REDACTED]	87200		002255 2
	[REDACTED]	662568		002238 6
	[REDACTED]	1106560		002232 10
	[REDACTED]	1458517		002216 12
	[REDACTED]	1433925		002212 12
	[REDACTED]	472409		002192 2
	[REDACTED]	751100		002219 12
	[REDACTED]	104000		002248 3
	[REDACTED]	872200		002203 12
	[REDACTED]	451100		002234 9
	[REDACTED]	268100		002239 5
	[REDACTED]	490100		002220 12
	[REDACTED]	194467		002187 2
	[REDACTED]	602875		002228 11
	[REDACTED]	2022576		002217 12
	[REDACTED]	1957191	1224689	002160 12
	[REDACTED]	733725		002191 12
	[REDACTED]	1912148	656516	002181 12
	[REDACTED]	1884541		002207 12
	[REDACTED]	41075		002176 1
	[REDACTED]	1141488	35563	002157 6
	[REDACTED]	961627		002189 12
	[REDACTED]	292890		002223 5
	[REDACTED]	991200		002185 12
	[REDACTED]	1700010		002190 12
	[REDACTED]	683200		002214 12
	[REDACTED]	998388		002194 6
	[REDACTED]	1151496		002162 12
	[REDACTED]	860400		002186 12
	[REDACTED]	1800006	1225398	002151 12
	[REDACTED]	1067019		002179 8
	[REDACTED]	1533301	632151	002167 8
	[REDACTED]	58513		002211 1
	[REDACTED]	582725		002227 11
	[REDACTED]	435400		002236 8
	[REDACTED]	747000		002233 10
	[REDACTED]	1254776		002180 6
	[REDACTED]	114725		002250 3
	[REDACTED]	1374997		002215 12

TOTALS FOR THIS PAGE NUMBER OF EMPLOYEES AND WAGE TOTALS	Number of employees 42
--	---------------------------

\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*

QUARTERLY WAGE REPORT

REFERENCE COPY

ADF INTERNATIONAL INC 300 BLVD HENRY-BESSEMER TERREBONE QC J6Y -1T3		PCM	Batch Number 2013/4/00570	Substitute for State Form # UI-5A
***** ** DO NOT FILE THIS FORM ** *****		Date Quarter Ended 12/31/2013	Page Number 4	Name of State MONTANA
Employer's State Identification Number 203 7247		Federal Identification Number 65-0370294		

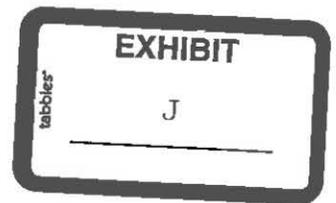
EMPLOYEE'S SOCIAL SECURITY ACCOUNT NUMBER	NAME OF EMPLOYEE	TOTAL WAGES	EXCESS WAGES	FILE NO.
		1132875		002188 12
		542732		002209 2
		486938		002199 1
		738963		002224 12
		683625		002231 11
		126400		002244 3
		494226		002183 1
		75560		002254 2
		112000		002246 3
		141200		002249 3
		620763		002202 2
		1395225		002210 12
		1442310	1021544	002155 6

TOTALS FOR THIS PAGE  
 NUMBER OF EMPLOYEES  
 AND WAGE TOTALS

Number of employees  
 13



\*\*\*\*\* DO NOT FILE THIS FORM \*\*\*\*\*



## EXHIBIT J

### DESCRIPTION OF LAND and IMPROVEMENTS:

That portion of the S½ of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, described as Lot 1 of the International Malting Company LLC, Addition, per that plat recorded in the Office of the Clerk, Cascade County and indexed in said Office as Plat Number 5805, said lot conveyed by that deed recorded on December 18, 2009 as document number R0207577 in said office;

Said LOT 1A being secondarily described by metes and bounds as follows:

COMMENCING at the quarter section corner common to sections 30 and 31 of Township 21 North, Range 4 East, Principal Meridian of Montana, being marked by a ½” rebar with a yellow plastic cap marked “M. HENEN, 9523LS”;

THENCE, N 89°24’34” E, 869.82 feet, along the section line common to said sections 30 and 31, to a point;

THENCE, N 00°12’53” W, 378.42 feet, along the west line of Lot 3 of the International Malting Company, LLC Addition to the POINT OF BEGINNING;

Continuing, N 00°12’53” W, 2177.67 feet, along said west line, to a point;

THENCE, S 89°37’42” W, 1717.57 feet, to a point of intersection with the easterly right of way line of US Highway 87;

THENCE, S 28°18’36” W, 260.81 feet, along said right of way line, to a point;

THENCE, S 37°01’29” W, 100.44 feet, along said right of way line, to a point;

THENCE, S 25°44’38” W, 1017.80 feet, along said right of way line, to a point;

THENCE, S 30°55’54” W, 131.85 feet, along said right of way line, to a point;

THENCE, S 25°41’35” W, 243.87 feet, along said right of way line, to a point;

THENCE, S 89°48’16” E, 850.56 feet, to a point;

THENCE, S 00°03’09” W, 615.04 feet, to a point;

THENCE N 89°37’42” E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres.

Improvements to the above-described land consist of a 125 foot by 625 foot steel fabrication building consisting of approximately 78,125 square feet as well as 18,000 square feet of office space and a 2,000 square foot supply room.

**MORTGAGE**

**THIS MORTGAGE** is made this 15th day of April, 2014, by and between CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana, with principal offices at 2 Park Drive South, Great Falls, Montana 59401 (“Mortgagor”), and MONTANA BOARD OF INVESTMENTS, with principal offices at 2401 Colonial Drive, 3<sup>rd</sup> floor Helena, Montana 59601 (“Mortgagee”).

**WITNESSETH:** Mortgagor hereby irrevocably mortgages to Mortgagee, its successors and assigns, the following properties (collectively, the “Premises”):

**A. REAL PROPERTY:** The following described real property in Cascade County, Montana:

That portion of the S½ of Section 30, Township 21 North, Range 4 East, Principal Meridian of Montana, Cascade County, Montana, described as Lot 1 of the International Malting Company LLC, Addition, per that plat recorded in the Office of the Clerk, Cascade County and indexed in said Office as Plat Number 5805, said lot conveyed by that deed recorded on December 18, 2009 as document number R0207577 in said office;

Said LOT 1A being secondarily described by metes and bounds as follows:

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THENCE N 89°37'42" E, 1675.49 feet to the POINT OF BEGINNING.

Said LOT 1A encompasses exactly 100.00 acres.

together with all rights in and to lands lying in streets, alleys and roads adjoining the real property; all buildings, fixtures, and improvements thereon; and all water and ditch rights, rights of way, tenements, hereditaments, privileges and appurtenances thereto, now owned or hereafter acquired, however evidenced, used or enjoyed with said property; and

**B. RENTS, LEASES AND PROFITS:** All rents, issues, royalties and profits now due or which may hereafter become due under or by virtue of any lease, license, concession, sublease, or agreement, written or verbal, for the use or occupancy of the real property or any part thereof; subject, however, to the right, power and authority hereinafter conferred upon Mortgagor to collect and apply such rents, issues and profits; and

**C. INSURANCE CLAIMS AND PROCEEDS:** Any and all claims made and insurance proceeds paid for the damage of or destruction to all or any part of the real property under the policies of insurance required by this Mortgage; and

**D. JUDGMENTS AND AWARDS:** All awards and other compensation heretofore or hereafter to be made to the present and all subsequent owners of the real property for any taking or damaging by eminent domain, either permanent or temporary, of all or any part of the real property or any easement or appurtenances thereof; and

E. **AFTER-ACQUIRED PROPERTY:** All right, title and interest hereafter acquired in or to any of the real property described above, hereby also releasing, relinquishing and waiving all exemptions, in or to said property, vested or inchoate.

**FOR THE PURPOSE OF SECURING:** (a) payment of that Public Improvements Use Fee Note ("Note") given by Mortgagor to Mortgagee of even date herewith for the principal sum of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and 00/100 Dollars (\$4,999,800), under which the final payment is due on April 15, 2029; (b) payment of all other sums, with interest thereon, becoming due or payable under the provisions hereof or under any of the obligations described herein; (c) performance of each agreement, obligation and covenant of Mortgagor contained or described herein, or in the Note or Related Documents of even date therewith, and (d) any and all extensions, renewals, modifications, substitutions, or replacements of any and all of the foregoing. All of the obligations described above shall be included in the term "Note" whenever and wherever that term is used in this Mortgage. Furthermore, any default, or failure of Mortgagor to perform, under any of the foregoing obligations shall be deemed to be a default under this Mortgage.

**DEFINITIONS:** For purposes of this Mortgage: (1) "Related Documents" shall mean and include the Loan Agreement between Mortgagor and Mortgagee of even date herewith, and the Public Improvements Use Fee Agreement, Assignment of Public Improvements Use Fee Agreement, Guaranty, Lease and Assignment of Lease, as more specifically described and identified in said Loan Agreement; and (2) "ADF" shall mean and include ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC., a Delaware Corporation, their respective subsidiaries or successors.

**WARRANTIES:** Mortgagor represents and warrants to the Mortgagee, as follows:

(a) Mortgagor is the lawful owner of and has good and marketable title to the Premises; Mortgagor has good right and lawful authority to grant, bargain, sell, convey, warrant, mortgage, assign and pledge the same as provided herein; and the Premises are free and clear of all mortgages, liens, pledges, charges and encumbrances, excepting only real estate taxes not yet due. Mortgagor warrants and will defend the title to the Premises against all claims and demands whatsoever not specifically excepted herein.

(b) There is no provision in any indenture, contract or agreement to which Mortgagor is a party or by which it is bound or in any order of any court or administrative agency to which Mortgagor is subject, which prohibits the execution and delivery by Mortgagor of this Mortgage, or of the Note, or the performance or observance by Mortgagor of any of the terms or conditions of this Mortgage or of the Note.

(c) The Loan Agreement, Note and this Mortgage have been validly executed and delivered and are valid and enforceable obligations of Mortgagor in accordance with their terms.

(d) There are no actions, suits, or proceedings pending or, to the knowledge of Mortgagor, threatened against Mortgagor, or the Premises in any court or before any federal, state, municipal or other governmental agency, which, if decided adversely to Mortgagor would have a materially adverse effect upon the Premises or upon Mortgagor or Mortgagor's ability to perform its obligations hereunder, and the Mortgagor is not in default with respect to any order of any court or governmental agency.

(e) Mortgagor is not in default in the payment of the principal of or interest on any indebtedness for borrowed money and is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been issued, and no event has occurred under the provisions of any such instrument or agreement which with or without the lapse of time or the giving of notice, or both, constitutes or would constitute an event of default thereunder.

(f) The proceeds of the loan evidenced by the Note are not to be used primarily for personal, household, or family purposes, but are to be used primarily for business purposes.

**TO PROTECT THE SECURITY OF THIS MORTGAGE, AND FOR OTHER PURPOSES, MORTGAGOR AGREES:**

1. **PAYMENT OF INDEBTEDNESS.** Mortgagor agrees to pay promptly when due the principal of and interest on the Note and other obligations secured hereby, and to pay any prepayment and late charges as provided in the Note, and to perform each and every agreement and covenant contained in the Note and obligations secured hereby.

2. **PAYMENT OF TAXES, ASSESSMENTS AND OTHER IMPOSITIONS.** Mortgagor shall pay when due and before any penalty all taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever assessed or charged against or constituting a lien on the Premises or any interest therein, or the indebtedness secured hereby ("Impositions"); and will upon demand furnish to Mortgagee proof of the payment of any such Impositions. In the event of a court decree or an enactment after the date hereby by any legislative authority of any law imposing upon a Mortgagee under a mortgage the payment of the whole or any part of the Impositions herein required to be paid by Mortgagor; or changing in any way the laws relating to the taxation of debts secured by mortgages or a mortgagee's

interest in premises conveyed as security, so as to impose such Imposition on the Mortgagee, then, in any such event, Mortgagor shall bear and pay the full amount of such Imposition, provided that if for any reason payment by Mortgagor of any such Imposition would be unlawful, or if the payment thereof would constitute usury or render the indebtedness secured hereby wholly or partially usurious, Mortgagee, at its option, may declare the whole sum secured by this Mortgage with interest thereon to be immediately due and payable, without prepayment premium, or Mortgagee at its option, may pay that amount or portion of such Imposition as renders the indebtedness secured hereby unlawful or usurious, in which event Mortgagor shall concurrently pay the remaining lawful and non-usurious portion or balance of said Imposition.

3. **INSURANCE.** Mortgagor shall obtain and maintain continuously in effect with respect to the Premises policies of insurance against such risks, in such amounts and with such companies satisfactory to Mortgagee, with a mortgagee clause satisfactory to Mortgagee. Current policies or certificates evidencing such insurance shall be deposited with Mortgagee. Each policy shall provide that the insurer will not cancel, refuse to renew, or materially modify the policy without giving at least thirty (30) days advance written notice to Mortgagee.

4. **LIENS.** Mortgagee shall keep the Premises free from liens of every kind and shall pay promptly and discharge all encumbrances, charges and liens on the Premises whether inferior or superior to the lien of this Mortgage. Mortgagor shall keep and maintain the Premises free from the claims of all persons supplying labor or materials which will enter into the construction, repair, alteration or improvement of any and all buildings now on, now being erected, or which hereafter may be erected on the Premises.

5. **CONTEST OF LIENS AND IMPOSITIONS.** Mortgagor shall not be in default hereunder in respect to the payment of any taxes, payments in lieu of taxes, assessments, levies or other charges which Mortgagor shall be required by any provision hereof to pay so long as Mortgagor shall first notify the Mortgagee in writing at least thirty (30) days prior to the due date thereof of Mortgagor's intention to contest such payment and shall thereafter, in good faith and with all possible promptness, contest such payment; provided, however, that Mortgagor shall furnish to the Mortgagee, prior to commencing any such protest or other contest, cash or other security satisfactory to Mortgagee to indemnify Mortgagee against any loss or liability by reason of any such protest or other contest and to pay any such taxes, assessments, levies or other charges, together with interest and penalty thereon, if any, if said contest should fail. Upon a final adjudication of any such protest or other contest, and in any event prior to the date on which the interest of Mortgagee in the Premises will forfeit by reasons of the nonpayment of any such taxes, special assessments, levies or other charges, Mortgagor shall pay the amount thereof then

due. Mortgagee may, at its option, make such payment from the security deposited by Mortgagor pursuant to this paragraph.

6. **MAINTENANCE.** Mortgagor agrees to keep and maintain the Premises in good condition, repair and operating condition free from any waste or misuse, and to comply with all requirements of law, municipal ordinances, regulations, restrictions, and covenants affecting the Premises and their use, and will promptly repair or restore any buildings, improvements or structures now or hereafter on the Premises and all fixtures therein which may become damaged or destroyed to their condition prior to any such damage or destruction. Mortgagor further agrees that without the prior consent of Mortgagee, Mortgagee will not: (a) remove, alter, or demolish any buildings thereon, or sever or remove any fixtures or appliances from said buildings; nor (b) make any additions, alterations, or expansions to the Premises which will alter the basic structure, materially affect the market value or change the existing architectural character of the Premises; (c) acquiesce in any rezoning classification, modification or restrictions affecting the Premises; or (d) abandon or vacate the Premises. Mortgagee may enter upon and inspect the Premises at any reasonable time and effect whatever repairs or replacements Mortgagee may reasonably require to maintain the Premises in good condition and Mortgagor agrees to pay the cost of such repairs and replacements upon demand (provided Mortgagee shall have no duty to make inspections and shall not incur any liability or obligation for making or not making any inspections).

7. **ENVIRONMENTAL MATTERS.**

(a) As used in this paragraph, the following terms have the following definitions:

(1) **“Environmental Law”** means any federal, state or local statute, law, rule, regulation, ordinance, code, guideline, policy or rule of common law now or hereafter in effect and in each case as amended, and any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to the environment, health, safety or Hazardous Materials, including, without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, 42 U.S.C. § 9601 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Oil Pollution Act of 1990, 33 U.S.C. § 2701 et seq.; and any state and local counterparts and equivalents, including without limitation the Montana Hazardous Waste and Underground Storage Tank Act, MCA §75-10-401 et seq.,

and the Montana Comprehensive Environmental Cleanup and Responsibility Act, MCA § 75-10-701 et seq.

(2) “**Hazardous Material**” means (a) any oil, petroleum, and petroleum products, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of “hazardous chemical,” “hazardous material,” “hazardous substance,” “hazardous waste,” “pollutant,” or “contaminant” or words of similar import, under any applicable Environmental Law; and (c) any other chemical, material or substance the presence, collection, storage, use, generation, manufacturing, treatment, transportation, disturbance, disposal or exposure to or of which is prohibited, limited or regulated by any governmental authority and/or under any applicable Environmental Law.

(3) “**Hazardous Materials Contamination**” means the contamination (whether presently existing or occurring after the date of this Mortgage) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, the Premises by Hazardous Materials, or the contamination (whether before or after the date of this Mortgage) of the buildings, improvements, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time emanating from the Premises.

(b) Except as disclosed to Mortgagee in writing prior to the disbursement of Loan funds, Mortgagor represents and warrants to Mortgagee that to the Mortgagor’s knowledge: (1) during the period of Mortgagor’s ownership of the Premises, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination by any person on, under, about or from any of the Premises, other than Hazardous Materials which are present, stored, handled or used in Mortgagor’s ordinary course of business and in compliance with all applicable Laws, including Environmental Laws; and (2) Mortgagor has no knowledge of, or reason to believe that there has been (a) any breach or violation of any Environmental Laws involving the Premises; (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from the Premises by any prior owners or occupants of any of the Premises; (c) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Materials or any Hazardous Materials Contamination on, under, about or from any property adjoining

the Premises; (d) any underground storage tanks or underground storage tank systems located under or on the Premises; or (e) any actual or threatened litigation or claims of any kind by any person relating to such matters.

(c) During the term of this Mortgage and any applicable period of redemption, Mortgagor agrees:

(1) that neither Mortgagor nor any tenant, contractor, agent or other authorized user of any of the Premises shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Materials on, under, about or from any of the Premises, other than such presence, storage, use or handling of Hazardous Materials as may occur in the ordinary course of business of Mortgagor or any tenant, contractor, agent or other authorized user and in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws;

(2) to give notice to Mortgagee immediately upon acquiring knowledge of: (i) the presence of any Hazardous Materials on the Premises, other than Hazardous Materials which are placed, stored, used or handled in the ordinary course of business in compliance with Subsection (7)(c)(1), above, or (ii) of any Hazardous Materials Contamination of the Premises, with a full description thereof in either case;

(3) to deliver to Mortgagee promptly after receipt: (i) copies of any documents received from or submitted to any governmental regulatory, environmental, or health agency concerning any actual, alleged or potential violation or noncompliance with any Environmental Law with respect to the operations of Mortgagor or Mortgagor's lessee(s) or other authorized users upon the Premises;

(4) to comply, and to cause any and all lessees or other authorized users of the Premises to comply, with any applicable requirements of Environmental Laws, including without limitation, at Mortgagor's own expense, preparation, submission and carrying out of any plans and financial assurances that may be required by any governmental authority with respect to any cleanup or remediation of any Hazardous Materials or Hazardous Materials Contamination; and

(5) upon the reasonable request of Mortgagee, at any time and from time to time during the existence of this Mortgage, Mortgagor will provide at Mortgagor's sole expense an inspection or audit of the Premises from an engineering or consulting firm approved by Mortgagee, indicating the presence or absence of Hazardous Materials or Hazardous Materials Contamination on or in the Premises. If Mortgagor fails to provide such inspection report or audit after reasonably notice, Mortgagee may order same, and

Mortgagor grants to Mortgagee and its employees and agents access to the Premises for the purpose of inspecting and testing for the presence of Hazardous Materials and Hazardous Materials Contamination. The cost of such tests shall be a demand obligation owing by Mortgagor to Mortgagee hereunder, together with interest thereon at the rate applicable under the Note after maturity of principal.

(d) Except to the extent of Mortgagee's gross negligence or willful misconduct, Mortgagor hereby (1) releases and waives any future claims against Mortgagee for indemnity or contribution in the event Mortgagor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Mortgagee from and against any and all fines, claims, losses, liabilities, damages, settlements, judgments, penalties, costs, expenses, attorney, expert and consultant fees, and actions of any kind (including without limitation, administrative or court investigative, enforcement, cleanup, remediation and restoration proceedings) which Mortgagee directly or indirectly sustains or suffers resulting from a breach of Subsection 7(b) or (c) of this Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of Hazardous Materials or Hazardous Materials Contamination on the Premises, or from any failure of Mortgagor to provide information, make submissions or take steps required under any Environmental Law.

(e) Mortgagor's obligations and liabilities under this paragraph and Subsections 7(b) and (c) of this Mortgage shall continue so long as Mortgagee may be subject to any liability under any Environmental Laws for or with respect to any Hazardous Materials or Hazardous Materials Contamination with respect to the Premises. This paragraph shall survive any foreclosure or termination, whether by deed in lieu of foreclosure, payment of the debt secured hereby, or otherwise, of this Mortgage. Mortgagor's failure to abide by the terms of this paragraph may, at Mortgagee's option and without waiting or foregoing any other rights and remedies available to Mortgagee, be restrained or enforced by injunction.

**8. CONDEMNATION AND INSURANCE ACTIONS AND PROCEEDS.** Mortgagor shall immediately notify Mortgagee of the commencement of any condemnation proceedings, actual or threatened, affecting the Premises or of any loss that may be covered by insurance. Mortgagor hereby assigns to Mortgagee any insurance proceeds and any award for property taken and for damages to remaining property, in connection with an actual or threatened condemnation proceeding, whether fully adjudicated or settled, and such proceeds and awards (less expenses of collection) shall, at the option of Mortgagee, be applied to the indebtedness secured hereby then most remotely to be paid, whether due or not, without the application of any prepayment premium, or to the restoration or repair of the Premises. Mortgagee shall have full authority, but shall not

be obligated, to make proof of loss and adjust and collect insurance and to intervene in any condemnation proceeding in the name of Mortgagor and settle, collect and receive any award from the condemning authorities. Any insurer or condemning authority is hereby authorized and directed to make payment directly to Mortgagee. Any expenses incurred by Mortgagee in intervening in any action or collecting such proceeds shall be reimbursed to Mortgagee first out of the proceeds. Should proceeds be applied to restoration or repair of the Premises, the restoration or repair shall be pursuant to plans and specifications approved by Mortgagee, and the proceeds shall be disbursed by Mortgagee under such safeguards as Mortgagee may reasonably require to assure completion in accordance with such plans and specifications.

9. **INDEMNIFICATION.** Mortgagor agrees to indemnify and save Mortgagee harmless from all costs and expenses (including reasonable attorney's fees and costs of a title search, continuation of abstract and preparation of survey) incurred by reason of any action or proceeding before any court or administrative body (excepting an action to foreclose or to collect the debt secured hereby) in which Mortgagee may be or become a party by reason hereof, including but not limited to condemnation, bankruptcy, probate and administration proceedings, as well as any other proceeding similar to the foregoing wherein proof of claims is by law required to be filed or in which it becomes necessary to defend or uphold the terms of the lien created by this Mortgage, and all money paid or expended by Mortgagee in that regard, together with interest thereon from date of such payment at the rate applicable under the Note after maturity of principal, shall be so much additional indebtedness secured hereby and shall be immediately and without notice due and payable by Mortgagor.

10. **COSTS AND EXPENSES.** Except as otherwise expressly provided herein, Mortgagor agrees to pay without demand, all costs, fees and expenses of this Mortgage, including costs of search and evidence of title, advertising and recording expense, and all other sums and expenses hereunder by Mortgagee with interest from the date of expenditure at the rate applicable under the Note.

11. **PROTECTION OF SECURITY.** If Mortgagor defaults hereunder in any respect, or if Mortgagee in its sole judgment and discretion deems it necessary to expend funds, appear in actions or take other action to protect the full security interest intended to be created by this instrument, then Mortgagee, without obligation to do so, without notice to or demand upon Mortgagor, and without releasing Mortgagor from any obligation hereof, may make such appearances, expend such funds and take such action as either may deem necessary to protect the security hereof, Mortgagee being authorized to enter upon the Premises for such purposes. Mortgagor will on demand reimburse Mortgagee for all amounts expended, including reasonable attorney's fees, pursuant to this paragraph,

together with interest thereon at the rate applicable under the Note.

12. **ASSIGNMENT OF RENTS.** In addition to any assignment by or in any Related Document and subject to the provisions of the Related Documents, Mortgagor hereby assigns to Mortgagee all rents, issues, royalties and profits of the Premises, provided that Mortgagor shall have the right to collect all such rents, issues, royalties and profits, but only as they become due and payable and only until Mortgagor defaults hereunder in any respect, at which time Mortgagee shall have the right, with or without taking possession of the Premises, to collect the same. Upon such default, Mortgagee may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court (Mortgagor hereby consenting to the appointment of Mortgagee as such receiver), and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Premises or any part thereof, in its own name sue for or otherwise collect said rents, issues, royalties and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorney's fees, upon any indebtedness secured hereby. Nothing contained herein, nor the exercise of rights hereunder by Mortgagee, shall be construed or considered an affirmation of any tenancy, lease or option, nor an assumption of liability under nor subordination of the lien or charge of this Mortgage to, such tenancy, lease or option.

13. **NON-WAIVER.** The entering upon and the taking possession of the Premises, the collection of rents, issues, royalties, profits, proceeds of insurance or condemnation awards or the application thereof to the indebtedness hereby secured shall not cure or waive any default or notice of default, invalidate any act done pursuant to such notice, nor extend or postpone the due date of any payment secured hereby.

14. **APPLICATION OF PAYMENTS.** Except as otherwise required by law, all payments made to Mortgagee and any amounts applied to the indebtedness secured hereby shall be applied to the various amounts secured hereby in any order Mortgagee may determine, subject to the provisions of the Note or any Related Documents.

15. **POWERS OF MORTGAGEE.** Without affecting the liability of any person, including Mortgagor, for the payment of any indebtedness secured hereby or the lien of this Mortgage on the remainder of the Premises for the full amount of any indebtedness unpaid, Mortgagee is empowered as follows: Mortgagee may from time to time, without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, upon notice to Mortgagor: (a) release any person liable for the payment of any of the indebtedness; (b) extend the time or otherwise alter the terms of payment of any of the indebtedness; (c) alter, substitute or

release any property securing the indebtedness; (d) accept any additional security or resort to any security in such order as Mortgagee may determine; (e) consent to the making of or amending of any map or plat of the Premises; (f) join in granting any easement or creating any restrictions thereon; (g) join in any subordination or other agreement affecting this Mortgage or the lien or charge thereof; or (h) release all or any part of the Premises.

Mortgagee shall not be required, prior to exercising its rights, against any person or at any other time, by reason of any demand or otherwise, to commence proceedings against any person liable under this Mortgage or under any note secured hereby.

**16. DUE ON SALE OR ENCUMBRANCE.** If all or any part of the Premises or any interest therein is sold, conveyed, transferred or further mortgaged or encumbered, or if the rents of the Premises or any part thereof are assigned, or if all or any part of the ownership interest in Mortgagor is transferred, assigned, or pledged, or if any person other than Mortgagor or Mortgagee obtains any interest in or right to acquire the Premises, without the prior written consent of Mortgagee, Mortgagee may, at Mortgagee's option, declare all indebtedness secured hereby immediately due and payable, in full. Mortgagee shall exercise such option to accelerate by mailing notice of acceleration to Mortgagor within sixty (60) days after Mortgagee has actual knowledge of one of the events mentioned above; such notice shall provide a period of not less than thirty (30) days from the date such notice is mailed within which Mortgagor may pay the sums declared due. Failure by Mortgagor to pay such sums within such time shall constitute an Event of Default hereunder. Consent as to any one transaction shall not be deemed to be a waiver of the right to require consent to future or successive transactions.

**17. EVENTS OF DEFAULT.** If any one or more of the following events ("Events of Default") shall occur:

(a) Default in the punctual payment of any payment of money required to be made pursuant to the Note or any Related Document, or in any payment of money to be made pursuant to this Mortgage, or any other instrument securing the Note,

(b) Mortgagor, ADF, either corporation that comprises ADF, or any maker, guarantor or surety of any Note secured hereby, shall file a voluntary petition in bankruptcy proceeding, shall consent to voluntary or involuntary adjudication to bankruptcy or to reorganization, or shall be adjudged bankrupt or insolvent under any applicable law or laws, or admits, in writing to have become insolvent, or becomes unable to pay debts as they mature, or suspends doing business, or makes an assignment for the benefit of creditors, or shall apply for, or consents to, the appointment of a Mortgagee or receiver for a substantial portion of its assets,

(c) A Mortgagee or receiver is appointed for Mortgagor or ADF or for a substantial portion of Mortgagor's or ADF's assets and is not discharged within sixty (60) days after such appointment,

(d) Default by Mortgagor or ADF under any terms, covenants and conditions of this Mortgage, the Note, any Related Document or of any other instrument securing the Note, not involving the payment of money, or

(e) any representation or warranty made by Mortgagor or ADF to Mortgagee in connection with the loan secured hereby proves to be untrue in any material respect,

then, in any such case and upon expiration of any applicable cure period provided with respect to such event of default without cure of such default, Mortgagee or its attorney, may, at its option, without further written notice to Mortgagor except as may be provided in the Note or any Related Document, declare the principal of and the accrued interest on the Note and all sums advanced hereunder, with interest, to be immediately due and payable, and thereupon the Note, including both principal and all interest accrued thereon, and including any prepayment premium then applicable, and all sums advanced hereunder and interest thereon, shall be and become immediately due and payable without presentment, demand or further notice of any kind.

**18. MORTGAGEE'S REMEDIES.** Upon the happening of any Event of Default entitling the Mortgagee or other holder of the Note to accelerate the maturity thereof, or in case the principal of the Note shall have become due and payable, whether by lapse of time or by acceleration, then and in every such case the Mortgagee or other holder of the Note may:

(a) Proceed to protect and enforce its rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in the Note, or in aid of the execution of any power herein or therein granted, or for the foreclosure of this Mortgage, or for the enforcement of any other appropriate legal or equitable remedies. Mortgagee may be the purchaser at any foreclosure sale, and Mortgagee shall have the right to credit upon the amount of its bid at sale the amount payable to Mortgagee out of the net proceeds of the sale.

(b) In any action to foreclose, appoint a receiver of the rents, issues and profits of the Premises as a matter of right and without notice, with power to collect the rents, issues and profits of the Premises due and coming due during the pendency of such action, without regard to the value of the Premises or the solvency of any person or persons liable

for the payment of the Note involved in this action. Mortgagor, for itself and any subsequent owner or owners, hereby waives any and all defenses to the application for a receiver as above provided, and hereby specifically consents to such appointment without notice, but nothing herein contained is to be construed to deprive Mortgagee of any other right, remedy or privilege it may now have under the law to have a receiver appointed. The provision for the appointment of a receiver of the rents and profits is made an express condition upon which the loan evidenced by the Note is made.

19. **SURRENDER OF POSSESSION AFTER SALE.** Mortgagor agrees to surrender possession of the Premises to the purchaser at foreclosure sale on the tenth (10<sup>th</sup>) day following said sale, in the event such possession has not previously been delivered by Mortgagor.

20. **EFFECT OF DISCONTINUANCE OF PROCEEDINGS.** Mortgagee shall have the unqualified right, after invoking any remedy permitted under this Mortgage, to discontinue the same, and in such event Mortgagor and Mortgagee shall be restored to their former positions with respect to the indebtedness secured hereby; and this Mortgage, the Premises and all right, remedies and recourse of Mortgagee shall continue as if the same had not been invoked.

21. **ATTORNEY FEES, COSTS AND EXPENSES.** Except as may be otherwise provided herein, each party agrees to pay the other's costs and expenses, including reasonable attorney's and paralegal's fees, incurred: (a) in instituting, prosecuting or defending any court action in which it is the prevailing party, if such action involves the interpretation hereof or performance hereunder by a party hereto or the breach of any provision hereof, including but not limited to an action to obtain possession of the Premises after foreclosure sale hereunder; and (b) in attempts, which fall short of instituting an action or commencing foreclosure, to secure performance hereof.

22. **WAIVERS AND CUMULATIVE RIGHTS.** Waiver by either party of any default herein, or acceptance of payment in default or partial payment, shall not constitute a waiver of any continuing or subsequent default. Failure by either party to exercise any right, power, privilege or remedy which it may have by reason of a default shall not preclude the exercise of such right, power, privilege or remedy so long as such default remains uncured or if a subsequent default occurs. Each right, power, privilege and remedy herein conferred upon either party is cumulative and in addition to every other right, power, privilege and remedy available to such party at law or in equity, or under any other agreement, and each and every right, power, privilege and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by such party and such exercise shall not be a waiver of the right to

exercise at any time thereafter any other right, power, privilege or remedy.

23. **FURTHER ASSURANCES.** The parties agree upon reasonable request by the other to execute and deliver such further agreements and documents as may be necessary or proper to carry out more effectively the purposes of this Mortgage or any property intended to be subjected hereto by the granting clause hereof.

24. **RIGHT TO DEAL WITH SUCCESSORS.** If ownership of the Premises becomes vested in a person or persons other than Mortgagor, Mortgagee may continue to deal with Mortgagor without any obligation to deal with such successor until notified of such vesting. Upon such notification, Mortgagee may thereafter deal with such successor in place of Mortgagor without any obligation to thereafter deal with Mortgagor and without waiving any liability of Mortgagor hereunder or under the Note. Mortgagor shall give immediate written notice to Mortgagee of any change of ownership of the Premises but nothing in this paragraph shall constitute consent of Mortgagee to any such change or negate any provisions elsewhere in this Mortgage giving Mortgagee the right to declare the entire unpaid balance of the indebtedness secured hereby due and payable immediately on such vesting.

25. **NO CLAIM AGAINST MORTGAGEE.** Nothing contained in this Mortgage shall constitute any consent or request by Mortgagee, express or implied, for the performance of any labor or services or for the furnishing of any materials or other property in respect of the Premises or any part thereof, nor as giving Mortgagor or any party in interest with Mortgagor any right, power or authority to contract for or permit the performance of any labor or services for the furnishing of any materials or other property in such fashion as would create any personal liability against Mortgagee in respect thereof or would permit the making of any claim that any lien based on the performance of such labor or services or the furnishing of any such materials or other property is prior to this Mortgage. Mortgagor will permit Mortgagee's authorized representatives to enter the Premises at all times for the purpose of inspecting the same; provided Mortgagee shall have no duty to make such inspections and shall not incur any liability or obligation for making or not making any such inspections.

26. **GOVERNING LAW.** This Mortgage and all rights and indebtedness secured hereby shall be governed and construed in accordance with the laws of the State of Montana.

27. **SEVERABILITY.** The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid.

28. **TIME.** Time shall be of the essence of this Mortgage.

29. **NOTICES.** Any notices which any party hereto may desire or may be required to give to any other party shall be in writing and if either personally served upon such party or mailed by certified mail to the respective addresses as set forth herein, or to such other places any party hereto may hereafter by notice in writing designate, shall constitute service of notice.

30. **WAIVER OF MARSHALING AND CERTAIN RIGHTS.** To the extent that Mortgagor may lawfully do so, Mortgagor hereby expressly waives any right pertaining to the marshaling of assets or other matters to defeat, reduce or affect (a) the right of Mortgagee to sell all or any part of the Premises for the collection of the Note (without any prior or different resort for collection), or (b) the right of Mortgagee to the payment of the Note out of the proceeds of the sale of all or any part of the Premises in preference to every other person and claimant.

31. **MORTGAGEE'S CONSENT.** Unless otherwise agreed to in writing, in any instance hereunder where Mortgagee's prior approval or consent is required to be obtained by Mortgagor, or Mortgagee's judgment is required to be exercised as to any matter, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

32. **BINDING EFFECT.** Subject to the "Due on Sale or Encumbrance" paragraph hereof, this Mortgage shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, lessees, licensees, tenants, successors and assigns. The term "Mortgagee" shall include the owner and holder, including any pledgee, of the Note.

33. **HEADINGS, WORDS AND PHRASES.** Whenever the context requires or permits the masculine, feminine and neuter shall be freely interchangeable, the singular shall include the plural and the plural shall include the singular. The headings of the paragraphs are for convenience only and shall not be construed as limiting in any way the scope of the provisions hereof.

IN WITNESS WHEREOF, Mortgagor has executed this instrument the day and year first above written.

**[Signature pages follow]**



**MORTGAGEE**

**MONTANA BOARD OF INVESTMENTS**

\_\_\_\_\_  
By: Herbert J. C. Kulow  
Its: Senior Portfolio Manager

STATE OF MONTANA                    )  
  : ss.  
County of \_\_\_\_\_                )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2014, before me, the undersigned, a Notary Public for the State of Montana, personally appeared Herbert J. C. Kulow, known to me to be the Senior Portfolio Manager of the Montana Board of Investments, and acknowledged to me that he executed the written instrument on behalf of said corporation.

In witness whereof, I have hereunto set my hand and affixed my official seal on the day and year first-above written.

\_\_\_\_\_  
Notary Public for the State of Montana

(Notarial Seal/Stamp Above)

## ASSIGNMENT OF LEASE AGREEMENT

THIS ASSIGNMENT, is made this 15th day of April, 2014, by the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana ("CITY" or "Assignor"), to the MONTANA BOARD OF INVESTMENTS, an agency of the government of the State of Montana established pursuant to Mont. Code Ann. § 2-15-1808 ("MBOI" or "Assignee").

WHEREAS, the CITY OF GREAT FALLS, a municipal corporation organized and existing under the laws of the State of Montana (the "Assignor"), has issued and delivered its Public Improvements Use Fee Note Number 724-9661 (ADF International, Inc. and ADF Group USA, Inc. Project), of even date herewith, in favor of the MONTANA BOARD OF INVESTMENTS ("MBOI"), in the principal amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and 00/100 Dollars (\$4,999,800); and

WHEREAS, the Assignor has entered into a Loan Agreement of even date herewith (as such may be amended or supplemented from time to time in accordance with its terms, the "Loan Agreement"), with MBOI pursuant to which the Assignor has agreed to borrow from MBOI the sum of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800) (the "Loan") for the purpose of financing the purchase of certain Public Improvements consisting of the approximately 98,125 square foot steel fabrication facility and 100 acres of land located in Great Falls, Montana (as more specifically described in the Loan Agreement) to be leased to and occupied by ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC., a Delaware Corporation (together known as the "Corporation"); and

WHEREAS, in order to provide for the timely payment of the Loan, the Assignor has entered into a Public Improvements Use Fee Agreement with the Corporation, of even date herewith (the "Use Fee Agreement"), and has also entered into a Lease Agreement with Corporation (the "Lease") pursuant to which the Corporation has agreed to pay Public Improvement Use Fees and, by credit for Use Fees paid, to pay Rent (as defined therein) in amounts and at times sufficient to repay the Board Loan when due; and

WHEREAS, under the terms of the Public Improvement Use Fee Agreement and Lease, the Assignor has authorized and directed the Corporation to pay the Public Improvement Use Fees and Rent directly to the MBOI; and

WHEREAS, the Assignor by separate instrument has assigned the Public Improvement Use Fee Agreement to MBOI and is desirous of further securing the Note issued to MBOI.

NOW, THEREFORE, in order to induce MBOI to make the Board Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Assignor does hereby transfer, assign, and set over unto the MBOI all of Assignor's right, title and interest in the Lease Agreement between Assignor and the Corporation, dated as of April 15, 2014, including, but not limited to, the Assignor's right to receive Rent. Notwithstanding the assignment of the Lease Agreement contained herein, the Assignor may

continue to exercise its rights under the Lease, except any right to receive Rent payments thereunder, so long as Assignor is not in default under its Loan Agreement and Note with MBOI, shall continue to perform its obligations under the Lease, and shall remain obligated to the Corporation under the Lease Agreement to perform all the duties and obligations of the Assignor thereunder to the same extent as if this Assignment had not been executed and MBOI shall have no liability with respect to such performance; but under no circumstances shall Assignor be obligated for repayment of the Loan except to the extent of the Public Improvements Use Fees provided in the Public Improvement Use Fee Agreement and to the extent of the Collateral and other security provided with respect to the Loan, as provided in the Loan Agreement. The Assignor represents and warrants to MBOI that the Assignor has the right to assign and transfer the Lease Agreement in the manner and form aforesaid and that its interest is free and clear of all charges and encumbrances.

Dated this 15th day of April, 2014.

CITY OF GREAT FALLS

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By: Michael Winters  
Its: Mayor

MONTANA BOARD OF INVESTMENTS

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By: Herbert J. C. Kulow  
Its: Senior Portfolio Manager

**GUARANTY**

**ADF STEEL CORP.**, a corporation organized and existing under the laws of the State of New York (“Guarantor”), guarantees payment to MONTANA BOARD OF INVESTMENTS, an agency of the government of the State of Montana established pursuant to § 2-15-1808, MCA (“MBOI”) of all liabilities and indebtedness of ADF INTERNATIONAL, INC., a Florida Corporation, and ADF GROUP USA, INC., a Delaware Corporation (together “ADF”) to the CITY OF GREAT FALLS (“City”), under the terms and conditions of that Public Improvements use Fee Agreement (“Agreement”) and Lease Agreement (“Lease”) of even date herewith, the first in the amount of Four Million Nine Hundred Ninety-Nine Thousand Eight Hundred and no/100 Dollars (\$4,999,800), together with all renewals of, extensions of, modifications of, consolidations of, and substitutions of the Agreement and Lease. MBOI shall not be required to exhaust its recourse or take any action against ADF before being entitled to payment by the undersigned of all amounts guaranteed. Notice of default on the part of ADF of either the Agreement or the Lease is waived and the undersigned agrees to remain bound in spite of any extensions, renewals, modifications, or compromises of any indebtedness, liability, or obligation of ADF under the terms of the above described Agreement and Lease.

Dated this 15th day of April, 2014.

**GUARANTOR:**

**ADF STEEL CORP.**, a New York Corporation

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