AGREEMENT FOR DEPOSIT OF OBLIGATIONS

18-1-301 through 18-1-304 MCA

This AGREEMENT is made as of September 3rd, 2026 by and between **Martel Construction, Inc.** (the CONTRACTOR), **First Western Trust Bank** (the FINANCIAL INSTITUTION), and the **City of Billings, Montana** (the OWNER).

WHEREAS, on September 22, 2025, the Contractor and the Owner entered into a Contract titled Standard Form Agreement Between Owner and Manager as Constructor ("CONSTRUCTION AGREEMENT") for the construction of **Billings Logan International Airport 2025 Terminal Project** (the "PROJECT"), and the Contractor is required to deposit securities ("OBLIGATIONS") in a form specified in 18-1-301 Montana Code Annotated (MCA) to be held by the Financial Institution in lieu of retainage by the Owner.

WHEREAS, the Owner will establish the amount which would otherwise be held as retainage and the Contractor, in compliance with the requirements set forth in 18-1-301 MCA, has selected the form of OBLIGATIONS and designated the Financial Institution where the OBLIGATIONS will be deposited in an amount equal to that of the estimated retainage ("RETAINAGE"). The retainage may be up to $1,145,345.

WHEREAS, the Financial Institution will provide for custodial care and servicing of any and all OBLIGATIONS deposited subject to the restrictions contained in this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Denomination. All OBLIGATIONS shall be held in the dual name of the Contractor and the Owner (or in the name of the Owner only), shall be signed or executed by the Contractor and made available to the Owner, and shall bear the tax identification number of the Contractor.

2. Interest, Income and Penalty. All interest and income generated by the OBLIGATIONS shall belong to the Contractor with disbursements made as established by the Financial Institution in accordance with the type of securities selected. All penalties, costs and fees shall be the responsibility of the Contractor. Contractor shall indemnify, defend and save the Owner, its officers, agents and employees harmless from all losses, damage and liability occasioned by, growing out of, or in any way related to any penalties, costs and/or fees associated with the OBLIGATIONS.

3. Requirements.

   3.1. Restriction. The Financial Institution shall permit no funds or OBLIGATIONS to be delivered, paid out, transferred or moved without direct written instructions from the Owner except as expressly authorized hereinafter. The Financial Institution is authorized, without prior written consent, to: (1) distribute on a current basis all interest, cash dividend and other income received on OBLIGATIONS held; (2) make withdrawals of any commissions, markups, service charges or any other fees or charges assessed by the Financial Institution. However, all withdrawals shall be either deducted from the interest, dividends or other income or shall be billed to the Contractor. In no instance shall the Financial Institution deduct any monies for any reason from that portion held as RETAINAGE by the Owner. The Contractor may choose to pay any fees, costs or penalties directly in a manner established by the Financial Institution rather than have them deducted from the earnings.

   3.2. Duplicate Statements and Confirmations. The Financial Institution shall provide the Owner with duplicate monthly and year-end statements and purchase and sale confirmations of all transactions. The Owner acknowledges that values placed on security positions (with regard to bonds, treasury bills and/or treasury notes) do not constitute a guarantee or representation of the liquidation value and that such statements are general guidelines.

4. Direction Authority. The Owner and the Contractor agree, consent and understand that the Contractor shall be exclusively entitled and authorized to direct the objectives of the OBLIGATIONS within the statutory methods permitted by 18-1-301 MCA. The parties further understand and agree that the Contractor shall be liable for all fees, costs and penalties of any transactions made therein. This authority shall extend only insofar as the Contractor is not held to be in default of the CONSTRUCTION AGREEMENT by the Owner.

5. Balance. The Owner and Contractor agree, consent and understand that the OBLIGATIONS or balance shall not drop below the agreed RETAINAGE amount which is held as RETAINAGE by the Owner. In the event this occurs, the Owner may withhold RETAINAGE from all future payments made under the Construction Contract.

6. Contractor Default.

6.1. Changes. Following receipt of written notice from the Owner of a default on the CONSTRUCTION AGREEMENT by the Contractor, the Financial Institution shall not effect any changes to the OBLIGATIONS held without the express written consent of the Owner. The parties agree and understand that express written consent of the Owner under this Agreement can only be provided by the mayor. No one else is permitted or authorized to provide written consent on behalf of the Owner under this Agreement.

6.2. Delivery of Assets. Following receipt of written notice to the Financial Institution from the Owner of default by the Contractor AND/OR upon written demand by the Owner, the Financial Institution shall deliver to the Owner the amount of the OBLIGATIONS held, or any portion thereof, which shall be identified with particularity in the demand. The amount delivered to the Owner shall be that which is identified as RETAINAGE (or any portion thereof) under the stipulations of the CONSTRUCTION AGREEMENT whereas all interest, cash dividend and other income received on OBLIGATIONS shall be delivered to the Contractor, unless directed otherwise by the written demand of the Owner.

6.3. The Financial Institution shall not make any withdrawals of any commissions, markups, service charges or any other fees or charges assessed by the Financial Institution from other than interest, dividends or other income. If management fees, costs or penalties exceed the income generated by the OBLIGATIONS, such costs shall be billed to and be the responsibility of the Contractor and not the Owner.

7. Liquidation of OBLIGATIONS.

7.1. The Financial Institution shall disburse, transfer or pay over the OBLIGATIONS held in accordance with joint written instructions signed by both the Contractor and the Owner or as directed by the Owner's express, written instructions.

7.2. If the OBLIGATIONS mature and there are no joint written instructions issued for liquidation, the OBLIGATIONS shall be held without any automatic renewals unless so directed by the Contractor pursuant to 4. above. Specifying the renewal, costs or fees associated with any renewal, early withdrawal or other transaction shall be the responsibility of the Contractor. The Financial Institution shall not be responsible for notifying the Contractor nor the Owner of the maturation of any OBLIGATIONS. Monitoring the maturation of all OBLIGATIONS shall be wholly the responsibility of the Contractor.

7.3. The Contractor shall prepare for the Owner's signature written authorization addressed to the Financial Institution and shall identify the amounts of funds or OBLIGATIONS to be disbursed upon completion of the construction Contract. The Financial Institution shall not make any disbursements other than interest, cash dividend or other income received on OBLIGATIONS held in without the express, written authorization of the Owner.

7.4. The Financial Institution shall be held liable to the Owner for disbursements to the Contractor of other than interest, cash dividend or other income received on OBLIGATIONS held without the express, written authorization of the Owner.

7.5. The Owner shall indemnify and hold harmless the Financial Institution, its agents, officers and employees against the Contractor for compliance with the Owner's express written instructions. The parties agree and understand that express written consent of the Owner under this Agreement can only be provided by the mayor[DP1.1]. No one else is permitted or authorized to provide written consent on behalf of the Owner under this Agreement.

8. Termination. The Contractor and the Owner agree that the OBLIGATIONS shall remain subject to this Agreement until such time that the Financial Institution has been notified in writing by the Owner that this Agreement has been breached, expired or otherwise terminated. The Contractor cannot terminate this Agreement at any time by any means.

9. Transfer. The Financial Institution shall have right to terminate its obligations under this Agreement by giving all parties hereto thirty (30) days' prior written notice of its intent to transfer the securities to another Financial Institution that complies with the requirements set forth in 18-1-301(1)(d) MCA, as directed by the Contractor, which shall also agree, be subject to and signee to this Agreement at the time of the transfer.

10. Successors and Assigns. The Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective transferees, successors and assigns. Addendums, alterations or modifications of this Agreement, including transfers, successors and assigns, shall be accomplished only by written instrument signed by all parties hereto.

11. Jurisdiction. The Agreement shall be governed by, subject to and construed in accordance with the laws of the State of Montana. In the event of litigation or arbitration concerning this Agreement, venue shall be the Thirteenth Judicial District in and for Yellowstone County, Montana, and the Contract shall be interpreted according to the laws of Montana.

12. Prior Agreements. The parties hereto agree that this Agreement is a limited revision to, and supersedes, the CONSTRUCTION AGREEMENT and any other prior agreements, whether verbal or written between them collectively or any two of the parties only as to the issue of retainage obligations. All other provisions, requirements, and non-retainage obligations in the CONSTRUCTION AGREEMENT remain in full force and effect.

13. Written Notices. Any and all notices or other communication required or permitted to be given under this Agreement shall be in writing and addressed per the following:

If to the Financial Institution:	Tanaya Carter First Western Trust Bank 211 East Oak St. Suite 2 Bozeman, MT 59715
If to the Contractor:	Jason Martel Martel Construction Inc 1203 S Church Ave Bozeman, MT 59715
If to the Owner:	Jeff Roach Billings Logan International Airport 1901 Terminal Circle, Room 216 Billings, MT 59105

Any notice or communication shall be deemed to have been received by a party if sent by registered or certified mail (return receipt requested) on the date specified on the return receipt or, if personally delivered, upon the date of such delivery. Changes in address for notice or person receiving notice shall be done by giving notice in the manner as specified in this paragraph.

This AGREEMENT entered into as of the day and year first written above:

Contractor:

(Signature)

PRESIDENT - BOZEMAN

(Title)

Owner:

(Signature)

MAYOR

Financial Institution:

(Signature)

(Title)