

AGREEMENT

ACME Asphalt and the CITY of Three Forks, Montana

This Agreement is entered into this **2nd day of September, 2025**, by and between:

CITY: CITY of Three Forks, Montana (CITY) with address of P.O. Box 187, Three Forks, MT, 59752, which has the need for and the authority to contract for such materials, work and services and desires to have the CONTRACTOR perform as specified in Scope of Work.

CONTRACTOR: ACME Asphalt, 205 W. Park, Butte, MT 59701 (CONTRACTOR), which is authorized to do business in the State of Montana where the undersigned has authority to enter into this Agreement on CONTRACTOR'S behalf. CONTRACTOR represents it is qualified to provide materials and perform such work and services in a safe and efficient manner to the CITY.

1. **SCOPE OF WORK.** CONTRACTOR shall provide all materials and perform all work and services to complete the project described in the Scope of Work attached as Exhibit "A".

2. **Term.** CONTRACTOR shall commence work on anytime after 9/2/2025 and complete the work as set forth in the SCOPE OF WORK no later than 12/31/2025. CONTRACTOR shall provide materials and perform all work and services, obligations and requirements without delay time being of the essence. Violation is a material breach.

3. **COMPENSATION.** CITY agrees to pay CONTRACTOR not to exceed \$76,800.00. CONTRACTOR agrees that all materials, work and services specified in the Scope of Work shall be provided for this amount. The amount charged or paid under this agreement shall not exceed the agreed amount, except for change of work orders that shall be considered additional work and shall be in agreed to in writing prior to commencement of additional work.

4. **PAYMENT SCHEDULE.** Payment requests shall include a billing statement specifically detailing all materials, work or services set forth in the SCOPE OF WORK that have been completed and all expenses incurred. Expense receipts shall accompany the payment request. Upon receipt of CONTRACTOR'S written payment request, CITY will assess the work and materials and approve the payment request or provide the CONTRACTOR with a written statement detailing items not approved by the CITY and the reason for disapproval. The CITY may only disapprove the payment request or a portion thereof based upon: (i) unsatisfactory job progress; (ii) failure to remedy defective construction work or materials; (iii) disputed work or materials; (iv) failure to comply with material provisions of the contract or accompanying documents, including but not limited to payroll certifications, lien releases, warranties, material certifications, and test data; (v) failure of a contractor to make timely payment for claims, including but not limited to claims for labor, equipment, materials, subcontracts, taxes, fees, professional services, rent, and royalties; (vi) damage to the CITY; or (vii) the existence of reasonable evidence that the contract cannot be completed for the unpaid balance of the contract sum. If the CITY does not provide a such a written statement to the CONTRACTOR within 14 days of receipt of a payment request, the payment request will be considered approved. CITY shall make payment within fourteen 14 days after CONTRACTOR'S payment request is approved.

5. **CONTRACT REPRESENTATIVES.** CONTRACTOR names Tom Rice 406-491-7905 as contact person who shall act as the liaison between the CITY and the CONTRACTOR and respond to requests from the CITY in writing promptly to prevent unreasonable delay in the progress of the Scope of Work and Payment Schedule. CITY names Steve Johnston 406-223-2302 as contact person who shall act as a liaison between the CITY and the CONTRACTOR and respond to requests from the CONTRACTOR in writing promptly to prevent unreasonable delay in the progress of the Scope of Work and Payment Schedule.

6. **INFORMATION RELEASE.** CONTRACTOR will not release information to a third party without prior written approval from CITY. "Third parties" as used in this section shall not include CONTRACTOR'S agents including subcontractors or sub-consultants. Both parties agree to use reasonable care to not use information developed during this project for the benefit of others except as may be authorized in writing. All documents, records, maps, drawings, or other papers produced or acquired by CONTRACTOR during this project shall remain the property of CITY.

7. **DEFAULT, REMEDIES and TERMINATION.** The parties agree each term and condition contained herein is material and of the essence. This agreement may be terminated by either party immediately should either party fail to perform in accordance with any term or condition of this agreement after it fails to cure within ten (10) calendar days written notice. CITY may also terminate without cause upon written notice. Should this Agreement terminate for any reason, payment to the CONTRACTOR shall be made on the basis of materials provided and services performed to the date of termination.

8. **CONTRACTOR ADDITIONAL OBLIGATIONS.** The CONTRACTOR'S additional obligations include the following: (a) provide all labor, materials, equipment, supplies and incidentals necessary to perform and complete the Scope of Work; (b) prepare and present such information as may be pertinent and necessary for the CITY to pass critical judgment on the quality of the work; (c) perform work and services in accordance with generally accepted commercial or accepted industry standards regarding similar type work or services; (d) perform all professional services in connection with the Scope of Work at a standard of similarly situated professionals in the United States, meeting all building code requirements and to the full satisfaction of the CITY; (e) maintain appropriate safety standards and keep all areas of work and adjacent areas free from foreseeable risks of harm and dangers; (f) immediately inform the CITY of the presence of any hazardous condition or waste or other toxic substance identified under the Scope of Work of this agreement; (g) allow the CITY upon reasonable notice and at reasonable times the right of review, inspect and examine the CONTRACTOR'S place of work and records pertaining to this agreement; and (h) all work and materials shall carry no less than a one year warranty.

9. **LAWS AND REGULATIONS.** In performance of its obligations herein, CONTRACTOR, its agents and subcontractors shall comply with all applicable federal, state and local laws, rules and regulations. If during the term of this Agreement new laws or regulations become applicable, CONTRACTOR shall also comply with them without notice from CITY. CONTRACTOR specifically acknowledges the following provisions of law and its responsibility to abide by the same if such provisions are applicable:

- (a) Montana Labor Preference Section 18-2-403(1), Montana Code Annotated (MCA); Equal Opportunity. Section 49-3-207, MCA;
- (b) Prevailing Wage Rates. Pursuant to Section 18-2-403, MCA, CONTRACTOR must pay the standard prevailing wage rates, fringe benefits, pension contributions and travel allowances in effect and applicable to CITY, Montana. The current standard prevailing wage rates published by the Montana Department of Labor and Industry for job classifications necessary to complete the Scope of Work are incorporated by reference into this agreement. Contractor shall maintain payroll records in a manner readily capable of being certified for not less than 3 years after completion of the work and post a statement of wages and fringe benefits. If any contract exceeds 30 months the prevailing wage must be increased 3% after the first 12 months and every 12 months thereafter. Questions regarding the requirements of this section should be directed to the Montana Department of Labor and Industry, Labor Standards Bureau.
- (c) ~~Registration and Withholding (1% tax withholding). CONTRACTOR shall register with the Montana Department of Labor and Industry as required in accordance with Title 39, Chapter 9, MCA and comply with Title 15, Chapter 50, MCA. CONTRACTOR shall withhold and forward gross contract receipts to the State of Montana. CITY has copy of 1099 showing this company is a S-Corp and CONTRACTOR is responsible for reporting taxes.~~

10. **SAFETY.** CONTRACTOR, on behalf of itself and CITY, assumes sole responsibility for initiating, maintaining and supervising all health and safety precautions and programs for all employees, subcontractors, and consultants in connection with the performance of this agreement. CONTRACTOR shall ensure that its

employees, consultants, and subcontractors are adequately and appropriately trained pursuant to the Montana Safety Culture Act, Title 39, Chapter 71, Part 15, MCA. CONTRACTOR shall also comply with the safety rules, codes, and provisions for occupational health and safety under Title 50, Chapter 71, MCA. CONTRACTOR shall post all notices necessary to ensure public safety for applications of chemicals.

11. **LIEN.** Provided that CITY has first made all payments as required herein, CONTRACTOR shall pay all valid bills and charges for material and labor incurred by it and arising out of the Scope of Work and will hold CITY free and harmless against all liens and claims of liens or services, labor and materials filed against the property upon which the Scope of Work is commenced. As evidence of payment of service providers, material men, consultants and subcontractors, CONTRACTOR may be required to file lien waivers. CONTRACTOR will also file the same for its services. CONTRACTOR shall provide the necessary information to identify all CONTRACTORS of services, materialmen, consultants and subcontractors.

12. **WAIVER AND INDEMNIFICATION.** CONTRACTOR waives any and all claims and recourse against CITY or its officers, agents or employees, including the right of contribution for loss or damage to person or property arising from, growing out of, or in any way connected with or incident to the performance of this agreement except claims arising from the intentional acts or negligence of the CITY or its officers, agents or employees.

- (a) CONTRACTOR will indemnify, hold harmless, and defend the CITY and its officers, agents, and employees against any claim, damage, liability, loss, expense, fee, action or charge (including liability where activity is inherently or intrinsically dangerous), including attorney's fees (including fees of the CITY Attorney) arising out of CONTRACTOR'S acts, errors, omissions, or negligence or from CONTRACTOR'S failure to comply with the requirements of this agreement or with any applicable law relevant to the performance of this agreement. In the event of an action filed against CITY resulting from CONTRACTOR'S performance under this agreement, CITY may elect to represent itself and incur all costs and expenses of suit.
- (b) CONTRACTOR assumes all liability for person contact with chemicals applied CITY property.
- (c) These obligations shall survive termination of this agreement.

13. **INSURANCE.** CONTRACTOR shall carry Commercial General Liability insurance in the amount no less than \$1,500,000.00 for each occurrence and Automobile Liability in the amount of \$1,500,000.00 combined single limit. If CONTRACTOR is an architect or engineer or performing other professional services it shall carry Professional Liability or Errors and Omissions coverage in the amount of \$1,500,000.00. CONTRACTOR shall disclose insurance provisions of its policies related to toxic substances or waste. CITY may require an additional policy covering toxic substances or waste. All insurance policies shall be primary and noncontributory, shall name CITY as additional insured, and shall be maintained for a period of time equal to the warranty period in the prime contract, or for a period of one (1) year after completion of work, whichever is longer. CONTRACTOR shall require all consultants and subcontractors to meet the same insurance coverage. Certificates of Insurance evidencing CITY as additional insured and endorsement thereof must be supplied with the signed return of this Agreement. Such certificate shall require no less than fifteen (15) days notice of cancellation to CITY. CONTRACTOR shall put CITY on immediate notice of any changes or cancellation in coverage.

14. **INDEPENDENT CONTRACTOR.** CONTRACTOR, its consultants and subcontractors, shall at all times be considered independent contractors engaged in an independently established business or profession and rendering work and services in the course of such business as an independent contractor. Notwithstanding its obligation to fulfill the Scope of Work, CONTRACTOR and its consultants and subcontractors have been and will continue to be free from control or direction over their performance under this agreement and in fact. CITY will not be responsible for withholding any state or federal taxes or social security, nor will the CITY extend any of the benefits to the CONTRACTOR that it extends to its employees. The CONTRACTOR is required to maintain necessary records and withholding.

15. **WORKERS COMPENSATION.** As an independent contractor, CONTRACTOR must provide Workers Compensation for all employees in the amount required by Montana law. A Certificate of Insurance

showing compliance with Montana Workers Compensation law (or exemption therefrom) must be supplied to CITY with the signed return of this Agreement.

16. **PAYMENT AND PERFORMANCE BONDS.** CONTRACTOR is required to post the following bonds in an amount no less than the sum of the contract price(check applicable boxes)

☐Performance Bond ☐Payment Bond ☒No Bond

Bond documents must be delivered to the CITY with the signed return of this Agreement.

17. **ATTORNEY'S FEES.** If it is necessary for either party to bring an action to enforce the terms, covenants, or conditions of this Agreement, the prevailing party shall be entitled to reasonable attorney fees and costs, including paralegal costs, to be set by the appropriate court, including fees of the City Attorney.

18. **VENUE.** An action to enforce this Agreement shall be brought in the District Court of the Eighteenth Judicial District, Gallatin County, Montana.

19. **NOTICE.** All notices and certifications made pursuant to this agreement shall be delivered to the addresses in Paragraph 1 above by certified mail or personal delivery in care of the party's representative named above. A party shall give the other prompt notice of any change in address.

20. **INTERPRETATION.** This Agreement shall be governed and interpreted according to the laws of the State of Montana. Section headings are for convenience only and are not intended to define or limit any provisions of this Agreement. The provisions of this Agreement are independent and severable, and the invalidity, partial invalidity, or unenforceability of any one provision or portion thereof shall not affect the validity or enforceability of any other provision. Both parties having been given an opportunity to have this Agreement reviewed by others, the Rule of Construction providing that the Agreement shall be construed against the drafter will not be used in the interpretation of this Agreement.

21. **ENTIRE AGREEMENT.** This document represents the entire and integrated agreement between the CITY and CONTRACTOR and supersedes all prior negotiations, agreements or representations, either written or oral. This agreement may be amended only by written instrument signed by both CITY and CONTRACTOR.

22. **NON-WAIVER.** Delay, waiver or failure to enforce or assert any claim, defense or provision of this agreement shall not operate as a waiver of any of the CITY's rights and remedies at law or equity that are expressly reserved without limitation.

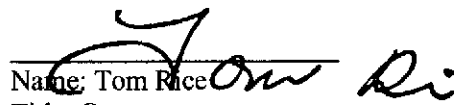
23. **NON-ASSIGNMENT.** It is expressly agreed that this Agreement shall not be assigned, in whole or in part, without the prior written consent of the CITY. Such consent shall not be unreasonably withheld.

24. **SUCCESSORS.** This Agreement shall be binding upon, inure to the benefit of, and be enforceable by the parties hereto and their respective heirs, successors, and assigns.

25. **EXECUTION OF AGREEMENT.** The CITY Clerk will keep the original agreement. An exact unaltered copy of the original agreement has the same force and effect as the original.

IN WITNESS WHEREOF the parties have signed this Agreement for Services.

CONTRACTOR


Name: Tom Rice
Title: Owner

CITY

Name: Randy Johnston
Title: Mayor

Exhibit 'A' to follow



205 W. Park
Butte, MT 59701
Cell (406) 491-7905
Office: (406) 560-1417
Email: tomrice@acmeasphalt.com

PROPOSAL

Date: August 11, 2025
Crystal Turner
City of Three Forks
Asphalt paving alley approaches

"Alley approaches paving"

We are pleased to submit estimates to provide asphalt paving as related to the above mentioned project

SCOPE: Asphalt paving:

1. Excavate approx. 400 sf. each to a depth of 12"
2. Supply, place and compact 6" of 1 ½"-3" base material
3. Supply, place and compact 3" of 1" base material.
4. Supply, place and compact 3" of hot asphalt

include hauling
off?
S. Johnston
Confirmed yes.
8/28/25

FOR A LUMP SUM TOTAL OF: \$8.00 per square foot

-If you have any questions, please call Tom Rice @ 406-491-7905

-Thank you for the opportunity to bid your project.

All work guaranteed against failure and workmanship for one full year.

WE MAY WITHDRAW THIS PROPOSAL IF NOT ACCEPTED WITHIN 20 DAYS.

All materials are guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviations from above specifications involving extra costs will be executed only upon written orders, and will become an extra charge over and above the estimate. Our performance and its timing may be excused or extended by strikes, accidents, or delays beyond our control. Payment is due upon receipt of invoice. Account will accrue 18% APR finance charge 15 days after invoice date. This document also serves as a Right to Lien.

Authorized Signature:
Tom Rice
Estimator/Project Manager
Acme Asphalt Industries Inc.

Date: 07/01/2025

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted.
You are authorized to do the work as specified. Payment will be made as outlined below.

SIGNATURE:

DATE OF ACCEPTANCE: