

## EXHIBIT 11-B

### SAMPLE NEWSPAPER COVERAGE OF A LOCAL CDBG PROJECT



Powell County/City of Deer Lodge  
Sun Mountain Lumber Company  
Big Check Ceremony  
August 30, 2004

CDBG Economic Development Project  
Funding for Working Capital  
Job Retention—230  
Job Creation—53

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#### **Deer Lodge Mill Gets \$800,000 Block Grant** By Pat Hansen for *The Montana Standard* - 08/31/2004

##### **Loan for Sun Mountain Lumber**

DEER LODGE - Most of the money from an \$800,000 Community Development Block Grant given to Powell County and the city of Deer Lodge will be loaned to Sun Mountain Lumber to help with the purchase and upgrades. Mark Simonich, Director of the Montana Department of Commerce, presented the \$800,000 check to city and county representatives Monday.

"I look at this as an important step," said Simonich. "The sawmill was for sale and we didn't know if it would be sold or shut down until Sherm and Bonnie Anderson's decision to buy the operation, thus saving several hundred jobs."

The seven-year, low-interest loan will be administered by Headwaters Resource Conservation and Development. Janice Copeland, Headwaters loan officer, said advantage of block grant funding for the package is that it makes available most other businesses. As loan payments are repaid, the money goes into a revolving loan fund.

"Sherm and Bonnie Anderson took a huge risk to meet a large payroll and keep sawmill a local enterprise," said commission chairman Tom Hatch. "This is the enterprise system at work and I wish them all the success in the world."

The purpose of the block grant program is to create or retain jobs. More than 230 jobs would have been lost at Sun Mountain Lumber had they not been able to put to financing package.

Copeland said the block grant loan isn't intended to compete with banks, "but as a partner with banks to help support what the borrower needs."

Jim Davison, chairman of Headwaters Resource Conservation and Development Area Inc., said from a regional standpoint, the mill is important to other counties as well even into Idaho, creating employment for mill workers and loggers.

Anderson said once he learned of the block grant program, he thought "if I was going to borrow money, why not do so where the repayment of the principle and interest would go back to the community?"

Since purchasing the mill from Louisiana Pacific, Sun Mountain Lumber has made improvements and retained the jobs of nearly 300 workers, he said.

Davison said, "Louisiana Pacific Inc. worked hard to keep the mill here, and they were an active partner in this project. LP's decision to sell was because the mill didn't fit into their overall business plan, not because it wasn't an important factor in the timber industry."

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