

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release (the "Agreement") dated as of _____, is entered into by and among Humic Growth Solutions, Inc. ("HGS") and the City of Shelby, Montana ("City") (collectively referred to herein as the "Parties").

WHEREAS, Disputes and differences have arisen between the Parties regarding the Parties' contractual obligations of providing utility services and economic benefits to HGS for locating a facility within the City of Shelby; and

WHEREAS, Recognizing the uncertainty of litigation and its associated expenses, the Parties have agreed to resolve and settle their underlying disputes and differences on the terms and conditions set forth in this Agreement; and

WHEREAS, the Parties desire to go forward with a positive relationship beneficial to both of them; and

NOW, THEREFORE, in consideration of the foregoing recitals and of the conditions, covenants and agreements set forth below, the amount and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. The City of Shelby shall:
 - a. Pay cash to HGS the sum of \$57,500.01 in 3 equal payments of \$19,166.67. The City shall make the payments on July 1, 2019; July 1, 2020; and July 1, 2021.
 - b. Credit HGS the equivalent of \$32,500.00 cash in water. The City shall provide HGS a monthly invoice of its water use. HGS shall not have to pay for water use until it has used \$32,500.00 in water. Should HGS cease operations and sell its property in the City of Shelby prior to completely using this water credit, the Parties agree that any remaining water credit "runs with the land" and shall benefit any new owner of the property.
 - c. Accept, without charge, any non-toxic, non-bagged, and dried byproduct or material similar to soil from HGS that is suitable for landfill cover and delivered to City's landfill. HGS agrees that the City shall have the sole discretion to determine whether any

byproduct or material is acceptable as cover. Such determination shall be based on reasonable standards consistent with environmental concerns and with requirements enforced against all other members of the public delivering material to the landfill.

d. Continue to assist HGS in reporting its employee information as required under the City's grant applications, including the preparation of any reports needed to comply with the City's grant application.

e. Install the new waterline, meter pit, and meter to the HGS manufacturing plant at no cost to HGS, as shown on the diagram attached Exhibit A to this Settlement Agreement and Mutual Release, and as follows:

1) City shall install new waterline from Point A to Point B (inlet of water meter) and connect to water meter as shown on Exhibit A.

2) Connect HGS's existing water service line to the water meter outlet at Point C as shown on Exhibit A.

3) City agrees to warranty against defective workmanship and materials, for a period of one year from the date of completion, the connections at Points A, B, and C, the waterline between Points A and B, the meter pit, and water meter.

2. Humic Growth Solutions shall:

a. Continue to cooperate with the City in completing its continuing requirements under the CDBG and EDA grants by providing required information regarding its employees as HGS has previously agreed for the duration of those grants.

3. Mutual Releases. Effective upon executing this Agreement, the Parties, on behalf of themselves, and all persons or entities claiming by, through or under them, and their respective heirs, successors and assigns, hereby fully, completely and finally waive, release, remise, acquit, and forever discharge and covenant not to sue the other Party, as well as the other Party's respective officers, officials, and representatives with respect to any and all claims, demands, suits, manner of obligation, debt, liability, tort, covenant, contract, or causes of action of any kind whatsoever, at law or in equity, including without limitation, all claims and causes of action arising out of or in any way relating to:

a. Promises and representations made by any former or current City official, regardless of whether the City official made the promise in his/her official capacity or outside of his/her authority, that are related to;

1. utilities provided to HGS including natural gas, water, electricity, and sewer; and

2. cash reimbursement or other economic benefit from City to HGS.

b. Promises and representations made by any former or current HGS officer or representative regardless of whether the HGS officer or representative made the promise in his/her official capacity or outside of his/her authority.

As used in Paragraph 3 of this Agreement, "promises" shall include those statements or inferences made either verbally or in writing via email or other means. Said "promises" shall not include those obligations that have been previously set forth in writing and contained within contracts or agreements that have been properly executed by the representatives and officials of both Parties

4. The Parties acknowledge and agree that these releases are GENERAL RELEASES. The Parties expressly waive and assume the risk of any and all claims for damages which exist as of this date, but which they do not know or suspect to exist, whether through ignorance, oversight, error, negligence, or otherwise, and which, if known, would materially affect his or her or its decision to enter into this Agreement.

5. The Parties expressly acknowledge that this waiver of claims includes any claims for any alleged fraud, deception, concealment, misrepresentation or any other misconduct of any kind in procuring this Agreement. The Parties specifically do not, however, waive or release any claim that may arise for breach of this Agreement.

6. No Admission of Liability. Neither the payment of any sums nor the execution of this Agreement shall be construed as an admission of liability or fault by any Party. Any and all liability is expressly denied by all Parties.

7. Public Record. The Parties and their respective counsel represent and agree that this Agreement and its terms are part of the public record and subject to disclosure by anyone requesting it.

8. Authority. The Parties represent and warrant that they possess full authority to enter into this Agreement and to lawfully and effectively release the opposing Party as set forth herein, free of any rights of settlement, approval, subrogation, or other condition or impediment. This undertaking includes specifically, without limitation, the representation and warranty that no third party has now acquired or will acquire rights to present or pursue any claims arising from or based upon the claims that have been released herein.

9. Entire Agreement. The Parties represent and agree that no promise, inducement, or agreement other than as expressed herein has been made to them other than those promises previously made to each other in properly executed contracts and agreements.

10. Voluntary and Informed Assent. The Parties represent and agree that they each have read and fully understand this Agreement, that they are fully competent to enter into and sign this Agreement, and that they are executing this Agreement voluntarily, free of any duress or coercion.

11. Costs, Expenses and Attorneys' Fees. Each of the Parties will bear its own costs, expenses, and attorneys' fees incurred in connection with settling their disagreement.

12. Governing Law and Jurisdiction. The laws of the State of Montana shall apply to and control any interpretation, construction, performance or enforcement of this Agreement. The Parties agree that the exclusive jurisdiction for any legal proceeding arising out of or relating to this Agreement shall be the State of Montana District Court, Ninth Judicial District, Toole County, Montana and all Parties hereby waive any challenge to personal jurisdiction or venue in that court.

13. Attorneys' Fees and Costs for Breach. The prevailing Party in any action to enforce or interpret this Agreement is entitled to recover from the other Party its reasonable attorneys' fees.

14. Construction. This Agreement shall be construed as if the Parties jointly prepared it, and any uncertainty or ambiguity shall not be interpreted against any one Party.

15. Modification. No oral agreement, statement, promise, undertaking, understanding, arrangement, act or omission of any Party, occurring subsequent to the date hereof may be deemed an amendment or modification of this Agreement unless reduced to writing and signed by the Parties hereto or their respective successors or assigns.

16. Severability. The Parties agree that if, for any reason, a provision of this Agreement is held unenforceable by any court of competent jurisdiction, this Agreement shall be automatically conformed to the law, and otherwise this Agreement shall continue in full force and effect.

17. Number. Whenever applicable within this Agreement, the singular shall include the plural and the plural shall include the singular.

18. Headings. The headings of paragraphs herein are included solely for convenience of reference and shall not control the meaning or interpretation of any of the provisions of this Agreement.

19. Counterparts. This Agreement may be executed in several counterparts and all counterparts so executed shall constitute one agreement binding on all Parties hereto, notwithstanding that all the Parties are not signatories to the original or the same counterpart.

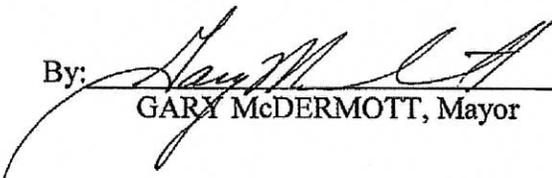
Facsimile signatures shall be accepted the same as an original signature. A photocopy of this Agreement may be used in any action brought to enforce or construe this Agreement.

20. No Waiver. No failure to exercise and no delay in exercising any right, power or remedy under this Agreement shall impair any right, power or remedy which any Party may have, nor shall any such delay be construed to be a waiver of any such rights, powers or remedies or an acquiescence in any breach or default under this Agreement, nor shall any waiver of any breach or default of any Party be deemed a waiver of any default or breach subsequently arising.

Dated this 25TH day of JUNE, 2018.

FOR THE CITY OF SHELBY:

By:


GARY McDERMOTT, Mayor

HUMIC GROWTH SOLUTIONS, INC.

By:


Ryan Merritt, its Vice-President

CITY OF SHELBY

PAYROLL EXPENSE BY DEPARTMENT - 6/2018

CITY HALL	24,981.87
ELECTED OFFICIALS (Mayor & Council)	7,804.00
PARK & RECREATION	11,825.07
PUBLIC WORKS	74,682.14
VOLUNTEERS (Animal Shelter & Firemen)	143.01
- Workers Comp expense only	
TOTAL PAYROLL EXPENSE	\$ 119,436.09

Payroll, Reports, Payroll Register, Preview, Pay Date: whole month, Select a Group: Yes, check Select by Dept box ,double click on individual department (City Hall, Elected, Park & Rec, Public Works and Volunteer), Sequence: Dept/Emp, Enter Total Payroll Expense (Gross Pay + Employer Contributions) above

PAYROLL BUDGET PREP

FY 2018-19

	GENERAL 1000	STREET LIGHTING 2400	STREET MAINT 2500	PARK MAINT 2600	WATER 5210	SEWER 5310	SOLID WASTE 5410	TOTAL
CITY HALL (4 FT)	25,813	4,023	8,046	4,023	98,163	90,117	98,163	328,350
ELECTED (7)	16,459	-	-	-	49,376	49,376	49,376	164,588
PARK & REC (1 FT, 1 CC Temp, 10 Pool Temp)	92,486	-	-	-	-	-	-	92,486
PUBLIC WORKS (13 FT, 2 PT, 4 Temp)	201,664	-	14,163	-	221,576	168,115	315,981	921,499
	336,421	4,023	22,209	4,023	369,116	307,608	463,520	1,506,922
								<i>1,506,922</i>
FT = Full Time								
PT = Part Time								

CITY OF SHELBY

112 First Street South
Shelby, MT 59474
Telephone: (406) 434-5222
FAX: (406) 434-2039
www.shelbymt.com



Mayor: Gary Mc Dermott
Council: Debbie Clark, Luke Casey,
Bill Moritz, Lyle Kimmet,
Trent Tustian, Aaron Heaton
Animal Control: Mark Warila
Attorney: William E. Hunt, Jr.
Building Inspector: Rob Tasker
City Planner: Jim Yeagley
Community Development: Lorette Carter
Finance Officer: Jade Goroski
Judge: Joe Rapkock
Recreation Director: Cindy Florez
Superintendent: Loren Skartved

Paving project 2018- 2019 budget

\$10,000 Mobilization
\$266,430 Original project
\$204,562 Added Project

\$480,992 Total

\$32100 Champions Park Parking Lot

\$40,000 Golf course chip seal **Estimate**

\$15,000 Crack filling walking trail **Estimate**

Subway- county

\$204562

Additional
work

Prairie ST 32' x 510' x 3"

\$35,000 326 Tons

Sunrise Terrace 26' x 500' x 3"

\$28,000 260 Tons

Landfill Road 30' x 1470' x 3"

\$94,375 882 Tons

Shop Road
26,215

230 x 40 x 4"
245 Tons

\$19,688

230 x 40 x 3"
184 Tons

Landfill Road
Patch

55 x 8 x 4"
12 Tons

\$1,284

1

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Shelby Tourism Business Improvement District

Work Plan

2018-2019



Shelby Tourism Business Improvement District

Tourism is a vital part of the Shelby economy. The Shelby Tourism Business Improvement District (TBID) is a tool which will allow our community to actively pursue resident and non-resident tourists for local events, sporting venues, activities and conventions. The Shelby TBID is made up of the following lodging establishments: Comfort Inn; Crossroads Inn; Glacier Motel; Totem Motel; O’Haire Manor; Best Western Shelby Inns & Suites; and Sherlock Motel Inc.

These participating establishments have petitioned to the City of Shelby for formation. The TBID was approved through Resolution No. 1817 with original members. Resolution No. 1831 brought in O’Haire Manor. Resolution No. 1859 brought in the Best Western Shelby Inn & suites and Resolution No. 1878 included the Sherlock Motel. They have an executive committee; by-laws established November 8, 2011; and a yearly work plan.

Shelby TBID Estimated 2018-2019 Budget

Task	Percentage of Budget	Estimated Budget Amount
Administration/Insurance	8%	\$5,500.00
Marketing	36%	\$25,000.00
Event Sponsorship	50%	\$35,000.00
Other	6%	\$4,500.00
Total	100%	\$70,000.00

TBID Funding

Account Balance of June 12, 2018	\$49,920.02
Projected Expenses	\$70,000.00
<i>Average Yearly Income (Assessments)</i>	<i>\$45,000.00</i>

The Office of Community Development completes the administration of the Shelby TBID. Lorette Carter oversees all communication, reporting, and draw requests. The assessment form and fees are due quarterly. The Shelby Community Development Director will remind lodging establishments of transmittal deadlines. The assessment form/fees will be due 30 days after the quarter deadline to the City of Shelby. The City of Shelby will collect and house the TBID fees for TBID disbursement.

Shelby TBID Executive Board

Election of officers took place at the last regular meeting of the fiscal year which was June 12, 2017.

Cheri Hirst, Chair

Comfort Inn & Suites
(406) 434- 2212

Rachel Reed, 1st Vice Chair

Best Western Shelby Inn & Suites
(406) 424-4560

Jean McFee, 2nd Vice Chair

Glacier Motel
(406) 434-5181

Lorette Carter, Reporting

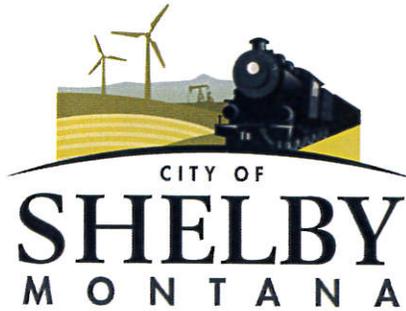
Office of Community Development
(406) 424-8799

Shelby TBID 2018-2019 Estimated Expenditures

Task	Items	Expense	Total Estimated Expenditures
Administrative/Insurance			
Admin	Donation to City of Shelby	2,500.00	
Insurance	Liability ~ Board coverage	2,000.00	
Supplies	Stamps, envelopes, misc. office expenses	1,000.00	
Total Admin./ Insurance			5,500.00
Marketing			
	Central Montana Planner	2,000.00	
	Vacation Travel Guide	1,000.00	
	Shelby Crossroads Magazine (2019)	1,500.00	
	Other tourism marketing	6,500.00	
<i>Sub Total</i>			<i>11,000.00</i>
	Brochure (based on 10,000)/Distribution	6,000.00	
	Web	1,500.00	
	VIC Staffing	6,000.00	
	Other advertising	500.00	
<i>Sub Total</i>			<i>14,000.00</i>
Total Marketing			25,000.00
Event Sponsorship			
	Marias Valley Golf Course	7,000.00	
	Marias River Livestock Assoc.	2,000.00	
	SHS Coyote Classic Basketball Tournament	12,000.00	
	Marias Valley Archery Winter Shoot	3,000.00	
	Shelby Wrestling Camp	2,000.00	
	Tourism Training Workshop	1,000.00	
	Other event sponsorship	8,000.00	
Total Event Sponsorship			35,000.00
Other			
Association contribution	Voices of Tourism	3,500.00	
Donations	Christmas decorations; Chamber dues; photo library; misc. community donations	1,000.00	
Total Other			4,500.00
Total Project Expenditures			\$70,000.00

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Finance Officer: Jade Goroski
Judge: Joe Rapkoch
Recreation Director: Cindy Florez
Superintendent: Loren Skartved

July 2, 2018

Peggy Nutter
500 Oilmont Hwy
Oilmont, MT 59466

RE: North Central Montana Regional Water Authority Easement

Dear Peggy:

We wish to thank you for providing the necessary easement for the new North Central Montana Regional Water Authority (NCMRWA) water line on your property.

This water line will be owned by NCMRWA and maintained by the City of Shelby.

This letter will serve at the City of Shelby's commitment to provide one residential water tap subject to City water rates, ordinances, and rules. It will be your responsibility to provide the meter, meter pit, service line and any other required piping or pumping necessary to deliver water to your desired place of use. Once the water connection has been made the City of Shelby will send a monthly utility bill based on usage at current City rates.

Sincerely,

Gary McDermott
Mayor

Cc: City Council

Date: June 21st 2018

Subject: Proposal for Water Line Sponsorship

Attn: City Of Shelby

Dear Mr. McDermott,

I am wiring to you on behalf of a recent letter that I have received from the North Central Regional Water Authority (NCRWA). In 2014 I began to explore options to obtain a reliable water source for a family farm and ranch property located approximately 5 miles North of Shelby. From our past meetings with many different folks to include the City of Shelby, Galata Water District, and the Big Rose Colony we have become aware of many logistical challenges and/or concerns that to date have been prohibitive to allowing for a connection to a reliable water supply. In recent discussions with the NCRWA it is the shared belief that we have identified a new solution that we feel confident will be suitable to all parties while still addressing the known technical issues and concerns we have encountered in the past.

In response to and by the recommendation of the NCRWA (see attached), we would like to proceed by installing a connecting water line to the quickly approaching NCRWA Shelby / Sunburst main line. We have been advised by the NCRWA that the new line will be installed during the 2018/2019 time-frame as the project is fully funded and out for competitive bid. The new NCRWA line will parallel I-15 North 1 mile to the East on the section line in the area of the proposed connection site. (see attached routing and proposed connection site map attached)

At the connection site of the proposed 2-3 inch customer connection line to the NCRWA main, a meter pit and shut off valve would be installed. The required piping, meter, delivery system, permits, easements, and future line maintenance would be the sole responsibility of the customer.

Based on the criteria set forth by the NCRWA recommendation, we will need to obtain a sponsorship from a NCRWA Member Entity such as the City of Shelby. The sponsors responsibility would be to bill the customer for water usage.

In conclusion, I would like to formally request the sponsorship of the City of Shelby. We are very eager to proceed and I believe that with the exception of a sponsor, we have all of the other required components in place in order to move into the build phase of the project. Please don't hesitate to contact me with any questions. Thank you for your time and consideration.

Best Regards,

Brian Kelleher
406-450-0729

