

AGENDA
CITY COUNCIL MEETING
CITY OF SHELBY

July 16, 2018
6:30 P.M.

ROLL CALL OF MEMBERS

PLEDGE OF ALLEGIENCE

APPROVAL OF MINUTES

- Regular Council Meeting, 07/02/18 (pgs. 5-7)

APPEARANCE REQUESTS

- Agenda Items – Big Rose Colony
- Non-Agenda Items – Larry Kennedy

CLAIMS (End of Fiscal Year Batch) (pgs 8-12)

COMMITTEE REPORTS

- Law Enforcement Report

CITY ATTORNEY

- Resolution No. 1979 re: Intent to Sell City Property to Darryl VandeKop (pg. 13)
- Buy – Sell Agreement re: 532 Liberty Ave to Darryl VandeKop (pgs 14-18)
- Big Rose Colony Water Purchase Contract Amendment (pgs 19-22)
- Gibson Energy – Industrial Park Lease Renewal (pgs 23-29)

CITY FINANCE OFFICER

- City Judge's Report, June 2018 (pgs. 30-52)
- Bank Account Report (pg. 53), Budget Year to Date (pg. 54), Vendor Summary (pgs. 55-56), Enterprise Funds (pg. 57-60), Statement of Expenditures (pgs. 61-85), Revenues (pgs. 86-96), Budget Variance (pg. 97), Cash Flow Report (pg. 98), Project Budgets (pg. 99), June 2018
- City of Shelby Delinquent Taxes, 6/30/18 (pg. 100)
- FY 19 Preliminary Budget (pgs 101-184)

CITY SUPERINTENDENT

- Superintendent's Report, 07/16/18 (pg. 185)
- Service Worker Hire
- 2018 Paving Project (pgs 186-187)

COMMUNITY DEVELOPMENT DIRECTOR

OTHER MATTERS

- Fire Department Roof Repair
- Position Classification
- Garbage Truck Repairs (pgs 188-193)
- Sheriff's Department Dispatch Purchase (pgs 194-195)

ADJOURN

CITY COUNCIL PACKET LISTING

A. Agenda

B. Agenda Items

1. Minutes of Regular Council Meeting, 7/02/18
2. Claims - End of FY Batch
3. Resolution No. 1979 re: VandeKop Land Sale
4. Buy-Sell Agreement re: 532 Liberty Ave to Darryl VandeKop
5. Big Rose Colony Water Purchase Contract Amendment
6. Gibson Energy - Industrial Park Lease Renewal
7. City Judge's Report, June 2018
8. Bank Account Report, June 2018
9. Budget Year to Date, June 2018
10. Vendor Summary, June 2018
11. Enterprise Funds Report, June 2018
12. Statement of Expenditures, June 2018
13. Statement of Revenues, June 2018
14. Budget Variance, June 2018
15. Cash Flow Report, June 2018
16. Project Budgets, June 2018
17. City of Shelby Delinquent Taxes, 6/30/18
18. FY 19 Preliminary Budget
19. Superintendent's Report, 7/16/18
20. 5/31/18 Quote from United Materials re: 2018 Paving Project
21. 6/19/18 I-State Service Order re: Freightliner Truck
22. 7/2/18 Russell Country Communications LLC Proposal re: TCSO Dispatch Workstation

C. Correspondence

1. 7/05/18 Summary of the Port of Northern Montana Board Meeting
2. 7/08/18 Email from William Allen re: Mowing Bill
3. Corrections at the Crossroads: 5-year Analysis, 10-year Analysis, Crossroads Correctional Center
4. 2018 NTI Ridership
5. Final Shelby Billboard

D. Reports

- 1.

E. Handouts

- 1.

Policy on Conduct and Manner of Addressing Council

The public is invited to speak on any item after recognition by the presiding officer.

1. Public comments will be accepted only on items within the jurisdiction of the City of Shelby.
2. Comments shall be limited to 5 minutes per meeting, unless such time is extended by a majority vote of the Council members.
3. While the Council is in session, those in attendance must preserve order and decorum. No member of the public shall delay or interrupt the Council proceedings; disturb any member who may be speaking; or refuse to obey the orders of the Council or its presiding officer.
4. Prepared statements are welcome and should be given to the Finance Officer prior to a Council meeting. Prepared statements that are also read, however, shall be deemed unduly repetitious. All prepared statements for public hearings shall become part of the hearing record.
5. All remarks shall be addressed to the Council as a body and not to any member of the Council or Staff.
6. Public members recognized by the presiding officer, shall:
 - a. Stand, if able
 - b. For the record, give his/her name and address
 - c. If applicable, give the person, firm or organization he/she represents
 - d. Limit comments to the matter of fact
 - e. Address the Council as a body and not to any individual member of the Council or City Staff
 - f. Ask no questions of individuals who are Council members, staff or other public members, except through the presiding officer
 - g. Limit comments to a maximum of 5 minutes, unless such time is extended by a majority vote of Council members.

The Council thanks public members for respectfully and courteously providing constructive and valuable information.

MINUTES OF REGULAR COUNCIL MEETING OF THE SHELBY CITY COUNCIL
HELD IN COUNCIL CHAMBERS
July 2, 2018

Mayor McDermott called the meeting to order at 6:30 p.m.
Present were: Debra Clark, Lyle Kimmet, Luke Casey, Trent
Tustian, and Bill Moritz, Council Members; Bill Hunt, City
Attorney; Jade Goroski, Finance Officer; Loren Skartved, City
Superintendent; Lorette Carter, Community Development Director;
and Rob Tasker, Building Inspector. Absent and Excused Aaron
Heaton.

Other citizens present: Jennifer VanHeel

PLEDGE OF ALLEGIANCE

REGULAR MEETING MINUTES 6/18/2018

- CASEY MADE A MOTION TO APPROVE THE 6/18/2018 MINUTES.
SECONDED BY TUSTIAN. VOTE AYES - CLARK, MORITZ, CASEY,
KIMMET, TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN -
NONE.

APPEARANCE REQUESTS

- Agenda Items
- Non-Agenda Items

CLAIMS REPORT 6/30/2018

- MORITZ MADE A MOTION TO APPROVE THE 6/30/2018 CLAIMS
REPORT. SECONDED BY CASEY. VOTE AYES - CLARK, MORITZ,
CASEY, KIMMET, TUSTIAN. NOES- NONE. ABSENT - HEATON.
ABSTAIN - NONE.

BUILDING INSPECTOR

- Rob Tasker reported he issued 5 new permits and there are
currently 12 open permits. Rob also reported he is working
on abandoned vehicles, trailer notices, and mow notices.

COMMITTEE REPORTS

- Minutes of Park & Recreation Meeting 6/25/2018

CITY ATTORNEY

- VandeKop Land Sale
- Parking Ordinance
- Condo Agreement

- Humic Agreement

CITY FINANCE OFFICER

- Payroll Expense by Department 6/2018
- Payroll Budget Prep

CITY SUPERINTENDENT

Loren provided a report as part of the packet, discussed the additional paving project and discussed the Caterpillar bid specifications.

COMMUNITY DEVELOPMENT DIRECTOR

- 2018-2019 Shelby TBID Work Plan
CASEY MADE A MOTION TO APPROVE THE WORK PLAN. SECONDED BY CLARK. VOTE AYES - CLARK, MORITZ, CASEY, KIMMET, TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN - NONE.

OTHER MATTERS

- NCMRWA Easement - Nutter
CLARK MADE A MOTION TO APPROVE THE EASEMENT LETTER. SECONDED BY CASEY. VOTE AYES - CLARK, MORITZ, CASEY, KIMMET, TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN - NONE.
- NCMRWA UPDATE
- Proposal for Water Line Sponsorship - Brian Kelleher
MORITZ MADE A MOTION TO APPROVE THE LINE SPONSORSHIP. SECONDED BY TUSTIAN. VOTE AYES - CLARK, MORITZ, CASEY, KIMMET, TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN - NONE.
- Facility Use Agreement
TUSTIAN MADE A MOTION TO APPROVE THE UPDATED FACILITY USE AGREEMENT. SECONDED BY KIMMET. VOTE AYES - CLARK, MORITZ, CASEY, KIMMET, TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN - NONE.
- City Property
- Lake Sheloole Over Flow Canal
- Toole County Emergency Services Radio System
- Distracted Driving Survey Results

Shelby City Council Minutes

July 2, 2018

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ADJOURN

AT 8:30 P.M. TUSTIAN MADE A MOTION TO ADJOURN THE MEETING.
SECONDED BY MORITZ. VOTE AYES - CLARK, MORITZ, KIMMET, CASEY,
TUSTIAN. NOES - NONE. ABSENT - HEATON. ABSTAIN - NONE.

GARY MCDERMOTT, MAYOR

ATTEST:

JADE GOROSKI, FINANCE OFFICER

07/12/18
07:59:23

CITY OF SHELBY
Claim Details
For the Accounting Period: 6/18

Page: 1 of 5
Report ID: AP100

For doc #s from 170974 to 170992
* ... Over spent expenditure

Claim Line #	Check	Invoice #/Inv Date/Description	Vendor #/Name/	Document \$/ Line \$	Disc \$	PO #	Fund Org Acct	Object Proj	Cash Account
170974			00327 KSEN/KZIN RADIO	150.00					
1	501502A-1	06/13/18 Farm & Ranch Tournament		37.50			1000 410200	300	101000
2	501502A-1	06/13/18 Farm & Ranch Tournament		37.50			5210 430512	300	101000
3	501502A-1	06/13/18 Farm & Ranch Tournament		37.50			5310 430612	300	101000
4	501502A-1	06/13/18 Farm & Ranch Tournament		37.50			5410 430812	300	101000
170975	-98765E	02109 PAYPAL		149.99					
		Skartved Reimbursed the City							
1		06/25/18 Paypal-Skartved		149.99			1000 362002		101000
170976	-98764E	02109 PAYPAL		2.10					
		Skartved Reimbursed the City							
1		06/25/18 Paypal-Skartved		2.10			1000 362002		101000
170977		00343 ENERGY LABORATORIES INC		2,118.75					
1	165236	06/29/18 Landfill Testing		2,118.75*		31515	5410 430840	300	101000
170978		01289 T & T DIESEL & AUTO REPAIR		100.00					
1	16010	05/30/18 Garbage Truck Clogged Filter		100.00*		31516	5410 430830	300	101000
170979		02337 ADVANCED TECHNOLOGY PRODUCTS INC		1,654.06					
1	18223	06/26/18 (3)Accu-Tab Cal Tab 55#		567.75*		315171	1000 460445	200	101000
2	18223	06/26/18 (4)Acid Magic-15 Gal Drum		969.00*		315171	1000 460445	200	101000
3	18223	06/26/18 Freight		117.31*		315171	1000 460445	200	101000
170980		00027 MARKS TIRE & ALIGNMENT		70.00					
1	53105	06/11/18 Flat Repair		20.00*		31518	1000 420500	300	101000
2	53201	06/18/12 Flat Repair		10.00		31518	1000 460430	300	101000
3	53246	06/20/18 Flat Repair		40.00*		31518	5410 430830	300	101000
170981		00047 BEN TAYLOR INC		5,664.63					
1	12972	06/26/18 6/18 Fuel		492.34		31514	1000 430200	230	101000
2	12972	06/26/18 6/18 Fuel		719.41		31514	5410 430830	230	101000
3	12972	06/26/18 6/18 Fuel		237.04*		31514	5210 430500	230	101000
4	12972	06/26/18 6/18 Fuel		16.58*		31514	5310 430600	230	101000
5	12972	06/26/18 6/18 Fuel		125.17*		31514	5310 430600	230	101000
6	12972	06/26/18 6/18 Fuel		187.93*		31514	5210 430500	230	101000
7	12972	06/26/18 6/18 Fuel		328.66*		31514	5210 430500	230	101000
8	12972	06/26/18 6/18 Fuel		993.70*		31514	1000 460430	230	101000
9	12972	06/26/18 6/18 Fuel		226.26*		31514	1000 460430	230	101000
10	12972	06/26/18 6/18 Fuel		73.65		31514	1000 430200	230	101000
11	12972	06/26/18 6/18 Fuel		85.66		31514	1000 430200	230	101000
12	12972	06/26/18 6/18 Fuel		296.52*		31514	5310 430600	230	101000
13	12972	06/26/18 6/18 Fuel		129.65*		31514	1000 420500	230	101000

07/12/18
07:59:24

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14	12972	06/26/18 6/18	Fuel	6.51		31514	5410 430830	230	101000
15	12972	06/26/18 6/18	Fuel	241.37*		31514	5210 430500	230	101000
16	12972	06/26/18 6/18	Fuel	54.08		31514	1000 440600	230	101000
17	173834	06/21/18	Bushing/Adaptor	2.08*		31513	1000 460445	200	101000
18	173615	06/19/18	Screws	2.49*		31513	1000 460445	200	101000
19	646877	05/11/18	Elbow/Brush/Handle	79.80*		31513	1000 460445	200	101000
20	171644	06/01/18	Elbow/Nipple	3.48*		31513	1000 460430	200	101000
21	172836	06/11/18	Clamp/Tee	18.88*		31513	1000 460430	200	101000
22	172790	06/11/18	Connector	8.49*		31513	1000 460430	200	101000
23	173841	06/21/18	Red Carb Gas/Exp Foam Seal	105.76*		31513	1000 460465	300	101000
24	172141	06/04/18	Adaptor/Coupling	3.28*		31513	1000 460430	200	101000
25	171670	06/01/18	Cable	5.99*		31513	1000 460430	200	101000
26	171724	06/01/18	Screws/Fasteners	1.64*		31513	1000 460430	200	101000
27	172310	06/06/18	Screws/Fasteners	1.79*		31513	1000 460430	200	101000
28	173756	06/20/18	Tri Ball/Clip	59.48*		31513	1000 460430	200	101000
29	173691	06/20/18	Plus Roto Ha	184.99*		31513	1000 460430	200	101000
30	173964	06/22/18	Chick Dry Cat	25.99		31513	1000 440600	200	101000
31	174253	06/25/18	Galv Scr Pin Sha	20.99		31513	5410 430840	200	101000
32	173587	06/19/18	Overall Su	14.99*		31513	1000 460430	200	101000
33	171687	06/01/18	Liq Nails	11.96*		31512	1000 460465	300	101000
34	174031	06/22/18	Mobil Clean 5/30 Quart	4.97		31512	1000 460437	200	101000
35	173149	06/14/18	Screws/Drill Bit	26.89*		31512	5410 430830	200	101000
36	173495	06/18/18	Chip Brush/Enam	33.75		31512	5410 430840	200	101000
37	651614	06/11/18	Pipe/Marker	58.29*		31512	5410 430830	200	101000
38	173706	06/20/18	Prop Tank Rent	120.00*		31512	5210 430500	300	101000
39	674244	06/06/18	Glystar Plus	80.00*		31512	1000 460439	200	101000
40	172399	06/07/18	1x50 MP/Nipple/Clamp	14.83*		31512	1000 460430	200	101000
41	674045	06/02/18	Directoalve	216.00*		31512	1000 460430	200	101000
42	172292	06/06/18	Cutter/Scrubber/Brush/Battery	172.93		31512	5210 430500	200	101000
43	172058	06/04/18	Pol Gas Cyli/Torch Kit	58.48		31512	5210 430500	200	101000
44	171610	06/01/18	Pipe Wrap/Non Toxic Dust	14.97		31512	5210 430500	200	101000
45	172905	06/12/18	Keys/Twist Noz/Light/Deepwood	87.92*		31512	1000 460445	200	101000
46	173787	06/20/18	Plunger	8.99*		31512	1000 460445	200	101000
170982		02097	FASTENAL COMPANY	104.22					
1	193267	06/25/18	Gloves/Eyewear	26.06		31510	1000 430200	260	101000
2	193267	06/25/18	Gloves/Eyewear	26.06		31510	5210 430500	260	101000
3	193267	06/25/18	Gloves/Eyewear	26.05		31510	5310 430600	260	101000
4	193267	06/25/18	Gloves/Eyewear	26.05		31510	5410 430830	260	101000

07/12/18
07:59:24

CITY OF SHELBY
Claim Details
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170983			02045 NAPA AUTO PARTS	358.05					
1	95060	06/05/18 RFD-(3)Batteries		472.89*		31421	1000 420401	200	101000
2	95089	06/05/18 RFD-CREDIT-Core Deposit		-27.26*		31421	1000 420401	200	101000
3	95130	06/06/18 RFD-CREDIT-Core Deposit		-81.00*		31421	1000 420401	200	101000
4	95541	06/13/18 RFD-RETURN-Pwr/Steering Fl		-6.58*		31421	1000 420401	200	101000
170984			02334 BEN TAYLOR INC.	75.00					
1	643115	06/22/18 RFD-5W-20 Oil		75.00*		31422	1000 420401	200	101000
170985			01988 FIELDSTONE OFFICE SUPPLY	13.75					
1	01/08/18	RETURN-Ink		-56.50*		31423	1000 420400	200	101000
2	120361	06/05/18 CFD-Label Tape		19.00*		31423	1000 420400	200	101000
3	120443	06/25/18 CFD-Ink Cartridge		51.25*		31423	1000 420400	200	101000
170986			00088 CARQUEST AUTO PARTS	445.52					
1	2567281122	06/15/18 RFD-Refrigerant		47.94*		31424	1000 420401	200	101000
2	2567280839	06/09/18 RFD-Wash Det/Bug Tar Remov		17.80*		31424	1000 420401	200	101000
3	2567281442	06/22/18 CFD-Lights/Coupler/Cable/T		68.71*		31424	1000 420400	200	101000
4	2567281686	06/27/18 RFD-CREDIT-Core Return		-54.00*		31424	1000 420401	200	101000
5	2567281647	06/27/18 RFD-12V Commer Battery		307.98*		31424	1000 420401	200	101000
6	2567281646	06/27/18 CFD-Float Valve		57.09*		31424	1000 420400	200	101000
170987			00119 SHELBY VOLUNTEER FIRE DEPT	524.62					
1	06/04/18	CFD-(2)Door Swing Bars		19.90*			1000 420400	200	101000
2	06/05/18	CFD-(4)Door Levers w/Keypad		504.72*			1000 420400	200	101000
170988			02438 SPECTRUM AQUATICS	8,778.00					
		Pool Climbing Wall							
1	0172305	06/29/18 Kersplash Clear 12'x4'		8,778.00*		31487	1000 460445	900	101000
170989			02439 NORTH CENTRAL MONTANA REGIONAL	2,080.94					
1	1 06/30/18	Wheeling Charge Base Rate		252.00*			5210 430500	300	101000
2	1 06/30/18	Variable Wheeling Charge		280.74*			5210 430500	300	101000
3	1 06/30/18	Purchased Water Credit		1,548.20*			5210 430500	300	101000
170990	25153S	01593 I-STATE TRUCK CENTER		13,308.94					
1	R252035553	06/19/18 2015 Freightliner Repairs		13,308.94*			5410 430830	300	101000
170991			02045 NAPA AUTO PARTS	362.28					
1	94972	06/04/18 Disp Gloves		35.96*		31521	1000 460445	200	101000
2	95513	06/13/18 DEF/Fil/Fluid/2.5 DEF		99.80*		31521	5410 430830	200	101000
3	95515	06/13/18 Washer Fluid		59.76*		31521	5410 430830	200	101000
4	95535	06/13/18 (4)Filters		12.17		31521	1000 430200	200	101000
5	95535	06/13/18 (4)Filters		12.17		31521	5210 430500	200	101000

07/12/18
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Claim Details
For the Accounting Period: 6/18

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For doc #s from 170974 to 170992
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6	95535	06/13/18 (4)Filters		12.18		31521	5310 430600	200	101000
7	95535	06/13/18 (4)Filters		12.18		31521	5410 430840	200	101000
8	95580	06/14/18 DEF/FIL		80.00*		31521	5410 430830	200	101000
9	96481	06/28/18 Air Fresheners		5.98		31521	5210 430500	200	101000
10	96600	06/29/18 Wiper Blade		39.98		31521	5210 430500	200	101000
11	95889	06/19/18 RETURN-Trailer Jack		-55.89*		31521	1000 460430	200	101000
12	95889	06/19/18 Jack		47.99*		31521	1000 460430	200	101000
170992		01137 AQUA TECH LABORATORY		20.00					
1	29237	05/09/18 Monthly Water Testing		20.00*			5210 430500	300	101000
			# of Claims	19	Total:	35,980.85			
				Total Electronic Claims	152.09	Total Non-Electronic Claims	35828.76		

07/12/18
07:59:32

CITY OF SHELBY
Fund Summary for Claims
For the Accounting Period: 6/18

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Report ID: AP110

Fund/Account	Amount
1000 GENERAL	
101000 Cash-Operating	\$15,134.02
5210 WATER UTILITY	
101000 Cash-Operating	\$3,584.01
5310 SEWER UTILITY	
101000 Cash-Operating	\$514.00
5410 SOLID WASTE UTILITY	
101000 Cash-Operating	\$16,748.82
Total:	\$35,980.85

RESOLUTION NO. 1979

A RESOLUTION OF INTENT TO SELL CERTAIN CITY OF SHELBY
REAL PROPERTY TO DARRYL VANDEKOP

WHEREAS, Darryl Vandekop. and the City of Shelby, Montana (collectively hereinafter referred to as "the parties") have made an agreement; and,

WHEREAS, Darryl Vandekop. requested to purchase city property which is described as the real property situated in the City of Shelby, in County of Toole, Montana (the "Real Property"):

Shelby First Additon, S27, T32 N, R02 W, Block 008, Lot 016, TR 59X140
IN W2 LTS 16-18, according to the official map or plat thereof on file and
of record in the office of the Clerk and Recorder of Toole County, Montana.

Commonly known as: 532 Liberty Avenue, Shelby MT 59474

WHEREAS, Darryl Vandekop further requested that the City of Shelby allow him to install and connect a sewer line from the above-described real property to the 6" sewer line located on his adjacent real property; and

WHEREAS, the City of Shelby agrees to convey or transfer its interest in the above-described real property by Warranty Deed to Darryl Vandekop for a total price of \$5,000.00 cash plus the cost of title insurance and recording fees; and,

WHEREAS, the City of Shelby further agrees to allow him to install and connect a sewer line from the above-described real property to the 6" sewer line located on his adjacent real property; and

WHEREAS, pursuant to Section 7-8-4201(2), Mont. Code Ann (2017), the City Council may sell, dispose of, donate, or lease the above-described property by resolution passed by two-thirds vote of all members of the Council; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA; that

1. it authorizes the duly elected Mayor of the City of Shelby, Gary McDermott, to prepare and enter into a Buy-Sell Agreement containing the above-mentioned terms in order to convey the above-mentioned real property; and

2. it authorizes the duly appointed Finance Officer of the City of Shelby, Jade Goroski, to convey the City of Shelby's interest in the above-described real property to Darryl Vandekop.

PASSED UNANIMOUSLY, WITH ALL MEMBERS PRESENT AND VOTING, BY THE CITY COUNCIL OF THE CITY OF SHELBY, AND APPROVED BY THE MAYOR THIS 16th DAY OF JULY, 2018.

GARY McDERMOTT, MAYOR

ATTEST:

JADE GOROSKI, FINANCE OFFICER

BUY - SELL AGREEMENT

1. RECITALS

- 1.1. CITY OF SHELBY, of 112 1st St. South, Shelby, Montana 59474, (hereinafter called "Seller") agrees to sell, and DARRYL VANDEKOP, of Box 403, Shelby, Montana 59474 (hereinafter called "Buyer") agrees to buy the following described real property (hereinafter referred to as "Property") located in Toole County, Montana, to wit:

Shelby First Addition, S27, T32 N, R02 W, Block 008,
Lot 016, TR 59X140 IN W2 LTS 16-18, according to the
official map or plat thereof on file and of record in the
office of the Clerk and Recorder of Toole County,
Montana, SUBJECT, HOWEVER to all prior reservations,
exceptions, easements, conveyances, and rights-of-way
appearing either visually or of record.

LEGAL DESCRIPTION SHALL MATCH TITLE
COMMITMENT

1.2. **Included in the sale are:**

- 1.2.1. All interest of Seller in vacated streets and alleys adjacent thereto, all easements and other appurtenances thereto, and all improvements thereon.
- 1.2.2. **REAL PROPERTY:** All existing permanently installed buildings, fixtures, and fittings that are attached to the Property are included in the purchase price.

2. PURCHASE PRICE AND TERMS

- 2.1 Total purchase price is Five Thousand U.S. Dollars and No/100 (\$5,000.00 USD).
- 2.2 payable as follows: \$5,000.00 USD by cash at the time of closing.
- 2.3 **CLOSING COSTS:** Buyer shall pay for recording fees, and title insurance. Seller shall pay for attorney fees.
- 2.4 **PROPERTY TAXES AND ASSESSMENTS:** No property taxes are due and owing. Buyer shall pay all future taxes and assessments.
- 2.5 **CLOSING DATE:** The date of closing shall be on or before July 25, 2018. Seller need not be present at the closing, if it has executed this Agreement and Warranty Deed.
- 2.6 **POSSESSION:**
- 2.6.1 Seller shall deliver to Buyer possession of the property when the closing agent is in receipt of all required, signed documents and all funds necessary for the purchase.
- 2.6.2 Buyer may occupy and begin improvements on the property upon execution of this Agreement.

3. PROPERTY DISCLAIMER

- 3.1 The subject real property and any buildings, structures and improvements thereon is/are being sold on an "AS IS" and "WHERE IS" basis and condition as of the date hereof. Except as specifically set forth in this Agreement, no representations or warranties of any kind, either express or implied (including without limitation no warranty as to fitness or merchantability) have been made or are made, and no responsibility has been or is assumed by Seller as to the condition or repair of the subject real property, or the value, expense or operation or income potential thereof. Buyer has examined the subject real property and all buildings, structures and improvements thereon, if familiar with the physical condition thereof, and is accepting said real property in "AS IS" and "WHERE IS" condition.
- 3.2 **NOXIOUS WEEDS DISCLOSURE:** Buyer of property in the State of Montana should be aware that some properties contain noxious weeds. The laws of the State of Montana require owners of property within this state to control, and to the extent possible, eradicate noxious weeds. For information concerning noxious weeds and your obligations as an owner of property, contact either your local County extension agent or Weed Control Board.
- 3.3 **CITY OF SHELBY WEED ORDINANCE:** The City of Shelby requires owners of property located within the limits of Shelby to control weeds. The City's notice that a property is out of compliance with excessive weeds is by posting a sign on the property and does not require notice by mail or telephone. The property owner has five days from posting to mow. After five days, the City may enter the property to mow. In extreme circumstances, the City may not notice whatsoever and enter immediately the property to mow. The City will bill for mowing and bills are generally very expensive. If the owner fails to pay the mowing bill, the City will place a lien on the property.
- 3.4 **MEGAN'S LAW DISCLOSURE:** Pursuant to the provisions of Title 46, Chapter 23, Part 5 of the Montana Code Annotated, certain individuals are required to register their address with the local law enforcement agencies as part of Montana's Sexual and Violent Offender Registration Act. In some communities, law enforcement offices will make the information concerning registered offenders available to the public. If you desire further information please contact the local County Sheriff's office, the Montana Department of Justice, in Helena, Montana, and/or the probation officers assigned to the area.

4. CONTINGENCIES: NONE.

5. ADDITIONAL PROVISIONS

- 5.1. **CONVEYANCE:** The Seller shall convey the Property by Warranty Deed to Buyer. Seller does warrant that the title to this property is free from liens (including past due utilities), judgments, delinquent property taxes, and encumbrances.
- 5.2. **WATER and SEWER:** The Property is served by City water and sewer. Seller does not warrant the condition of the water and sewer lines.
- 5.3. **SEWER CONNECTION TO ADJACENT LOT:** Seller agrees to allow Buyer to install and connect a sewer line on the Property and connect it to the 6" sewer line on his adjacent lot.
- 5.4. **WATER RIGHT OWNERSHIP UPDATE DISCLOSURE:** By Montana law, failure of the parties at closing or transfer of real property to pay the required fee to the Montana Department of Natural Resources and Conservation for updating water right

ownership may result in the transferee of the property being subject to a penalty. Additionally, in the case of water rights being exempted, severed, or divided, the failure of the parties to comply with section 85-2-424, MCA, could result in a penalty against the transferee and rejection of the deed for recording.

5.5. **SPECIAL IMPROVEMENT DISTRICTS:** All Special Improvement Districts (including rural SIDs), including those that have been noticed to Seller by City/County but not yet spread or currently assessed shall be assumed by Buyers.

5.6. **ASSOCIATION SPECIAL ASSESSMENTS:** Any special or non-recurring assessments of any non-governmental association, including those that have been approved but not yet billed or assessed, will be paid off by Seller at closing; assumed by Buyer at closing; OR

5.6 **MISCELLANEOUS**

5.6.1 **BUYERS AND SELLER'S CERTIFICATION:** By entering into this Agreement, each person or persons executing this Agreement, as Buyers or Seller, represents that he/she is eighteen (18) years of age or older, of sound mind, and legally competent to own or transfer real property in the State of Montana; and, if acting on behalf of a corporation, partnership, or other non-human entity, that he/she is duly authorized to enter into this Agreement on behalf of such entity.

5.6.2 **FOREIGN PERSON OR ENTITY:** Section 1445 of the Internal Revenue Code provides that a Buyers of a U.S. real property interest may be required to withhold tax if the Seller is a foreign person. Seller acknowledge and agree that unless the purchase price of the Property does not exceed \$300,000 and Buyer is purchasing the Property for use by Buyers as a personal residence, Seller shall deliver to Buyers a certificate of non-foreign status and any other certificate, affidavit, or statement as may be necessary to meet the requirements of Section 1445 of the Internal Revenue Code, in a form reasonably acceptable to Buyer and/or Buyer's attorney. In the event Seller do not deliver said documents to Buyers at or before closing, Seller acknowledge and agree that Buyers or the closing agent may withhold ten percent (10%) of the Purchase Price and submit this amount to the Internal Revenue Service, pursuant to Section 1445 of the Internal Revenue Code.

5.6.3 **CONSENT TO DISCLOSE INFORMATION:** Buyer and Seller hereby consent to the procurement and disclosure by Buyer, Seller, and Salespersons and their attorneys, agent, and other parties, if applicable, having interests essential to this Agreement, of any and all information reasonably necessary to consummate the transaction anticipated by this Agreement, specifically including access to escrows for review of contracts, deeds, trust indentures, or similar documents concerning this property or underlying obligations pertaining thereto.

5.6.4 **RISK OF LOSS:** All loss or damage to any of the above-described Property or personal property to any cause is assumed by Seller through the time of closing unless otherwise specified.

5.6.5 **TIME IS OF THE ESSENCE:** Time is of the essence as to the terms and provisions of this Agreement.

5.6.6 **BINDING EFFECT AND NON-ASSIGNABILITY:** The Agreement is binding upon the heirs, successors and assigns of each of the parties hereto; however, Buyer's rights under this Agreement are not assignable without the Seller's express written consent.

- 5.6.7 **ATTORNEY FEE:** In any action brought by the Buyer or the Seller to enforce any of the terms of this Agreement, the prevailing party in such action shall be entitled to such reasonable attorney fees as the court or arbitrator shall determine just.
- 5.6.8 **FACSIMILE:** The parties agree that a facsimile copy of this Agreement to Sell and Purchase contains the parties' signatures may be used as the original.
- 5.6.9 **ENTIRE AGREEMENT:** This Agreement, together with any attached exhibits and any addenda or amendments signed by the parties, shall constitute the entire agreement between Seller and Buyer, and supersedes any other written or oral agreements between Seller and Buyer. This Agreement can be modified only in writing, signed by the Seller and Buyer.
- 5.6.10 **COUNTERPARTS:** A copy of this Agreement may be executed by each individual/entity separately, and when each has executed a copy thereof, such copies, taken together, shall be deemed to be a full and complete Agreement between the parties.
- 5.6.11 **BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that prior verbal representations by the Seller or Seller's representatives do not modify or affect this Agreement. Buyer acknowledges that by signing this Agreement he has examined the subject real and personal Property; has entered into this Agreement in full reliance upon his/her independent investigation and judgments; and has read and understood this entire Agreement.
- 5.6.12 **ELECTRONIC MEANS:** The parties hereto, all agree that the transaction contemplated by this document may be conducted by electronic means in accordance with the Montana Uniform Electronic Transaction Act.

6. ATTORNEY RESPONSIBILITY: Both parties understand and accept that Hunt Law Firm, PLLC is the closing agent responsible for:

6.1 preparation of the following documents

- this Buy-Sell Agreement
- Warranty Deed, if a warranty deed is specified in the terms
- Quit Claim Deed
- Contract for Deed, if this is such a sale
- Notice of Purchaser's Interest, if this sale is by contract for deed
- Escrow Agreement, if this sale is by contract for deed and the parties wish to use an escrow agent
- Prepare the Realty Transfer Certificate
- Other: Prepare W-7 for Buyer

6.2 Additionally, Hunt Law Firm, PLLC will take the following actions:

- Order the preliminary title commitment, if requested by the parties

Order the title insurance, if this sale is by warranty deed

Disburse the monies

Record the Warranty Deed, if applicable

Record the Quit Claim Deed, if applicable

Record the Notice of Purchaser's Interest, if applicable

Record the Realty Transfer Certificate

Other:

- 6.3 The Parties understand and agree that Hunt Law Firm, PLLC, does not warrant that the condition of the title is free from liens, other encumbrances, easements, unpaid taxes, not subject to Special Improvement Districts, and not restricted by zoning regulations and/or other laws and statutes. Further, the parties understand and agree that Hunt Law Firm, PLLC does not guarantee or make representations as to the condition of the real property, buildings, fixtures, and appurtenances including the as to their structural soundness, safety, access to waters or minerals, and the presence of hazardous materials. Hunt Law Firm, PLLC relies solely on the information the parties provide.

I HEREBY ACKNOWLEDGE receipt of a copy of this Agreement bearing my signature.

Dated this ____ day of July, 2018.

BUYER:

DARRYL VANDEKOP, BUYER

SELLER'S COMMITMENT: I agree to sell and convey to Buyer the above-described Property on the terms and conditions herein above stated. We acknowledge receipt of a copy of this Agreement bearing our signatures and that of the Buyers named above.

Dated this ____ day of July, 2018.

GARY McDERMOTT, MAYOR
CITY OF SHELBY, SELLER

ACTION TAKEN, IF OTHER THAN ACCEPTANCE:

Seller initials

Buyers initials

FIRST AMENDMENT TO WATER PURCHASE CONTRACT

This First Amendment to Water Purchase Contract (this "First Amendment") entered into on the ____ day of _____, 2018, by and between the **CITY OF SHELBY, MONTANA**, 112 1st South, Shelby, MT 59474 ("SELLER") and the **BIG ROSE FARMS INC.**, PO Box 146, Sunburst MT 59482, ("PURCHASER").

Recitals

WHEREAS, Seller and Purchaser are parties to that certain Water Purchase Contract dated June 8, 2006 ("Contract"); and

WHEREAS, Seller and Purchaser desire to amend the Contract on the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, receipt acknowledged, and pursuant to Paragraph C.3 of the Contract and the laws of the State of Montana, SELLER and PURCHASER agree to amend the Contract as follows:

A. 4" TO 2" METERING EQUIPMENT

1. Paragraph A.3 of the Contract is amended and restated as follows:

(SELLER agrees) To operate and maintain, at its own expense at point of delivery, the necessary **two (2)** inch metering equipment and remote reading unit. A meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. The previous readings of any meter disclosed by testing to be inaccurate shall be corrected for the six (6) months previous to such testing in accordance with the percentage of inaccuracy found by such tests. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless SELLER and PURCHASER shall agree upon a different amount. The metering equipment shall be read on the 15th or before day of each month. An appropriate official of the PURCHASER at all reasonable times shall have access to the meter for the purpose of verifying its readings.

2. Paragraph B.2 of the Contract is amended and restated as follows:

PURCHASER shall furnish and install all equipment, materials, buildings, parts, booster pumps, meter tapping fees, backflow prevention valves, and any and all costs associated with the tapping, **any future equipment changes or modifications**, and provisions of water associated with this water contract. The design of the water line, tap, metering, building, testing, booster equipment and backflow prevention is subject to City of Shelby approval and must be provided by a Montana certified civic engineer and be approved by the Montana Department of Environmental Quality prior to construction. PURCHASER shall pay the City of Shelby for any of the City of Shelby's documented costs associated with the provisions of water associated with this agreement. All costs related to any required water quality testing related specifically to the water system by any state or federal agency, will be paid by PURCHASER. All costs related to providing pressure to the water system will be paid by PURCHASER.

B. PUBLIC NOTICE REQUIREMENTS UNDER THE NATIONAL PRIMARY DRINKING WATER REGULATIONS

1. In the event there is need for the SELLER to issue a public notice regarding the potable water supply, the SELLER will issue public notice to PURCHASER at its property address. PURCHASER will be responsible for notification of the users of the System. PURCHASER will be responsible for notifying the Montana Department of Environmental Quality (DEQ) that the public notice was delivered as required by local state or federal regulations. The SELLER will not be responsible for delivery of public notice to the individual users of the System under any circumstance.

2. The SELLER will issue a single annual Consumer Confidence Report to PURCHASER at PURCHASER's property address. PURCHASER will be responsible to copy and distribute, as required, the annual Consumer Confidence Report to its users. PURCHASER is responsible for notifying the Department of Environmental Quality (DEQ) that the annual Consumer Confidence Report was provided to their users as required by local state or federal regulations.

3. Nothing in Contract or this First Amendment will obligate the SELLER to modify the operation or maintenance of the SELLER's water treatment or water distribution system except as otherwise provided in this First Amendment.

4. Nothing in the Contract or First Amendment will relieve either Party from any duty required by local, state or federal rules or regulations including PURCHASER's obligation under 17.38.210 A.R.M.

C. NOTICE OF WATER RATE CHANGE. Paragraph C.3 of the Contract is amended and restated as follows:

The provisions of this Contract pertaining to the schedule of rates to be paid by the Purchaser for water delivered are subject to modification pursuant to Montana law applicable to municipal utility rate increases. Any increase or decrease in rates shall be based on a demonstrable increase or decrease in the costs of performance hereunder and shall coincide in timing and amounts with rate increases or decreases that the SELLER requires of customers inside its corporate City limits. PURCHASER shall be given notice as required by law before any increase in rates. Other provisions of this Contract may be modified or altered by mutual agreement.

G. MISCELLANEOUS

1. This First Amendment applies to and binds the heirs, successors, executors and assigns of the parties to the Amendment.

2. Seller may unilaterally amend the Contract and this First Amendment to ensure that they both comply with all applicable state or federal rules or regulations governing Seller by giving notice to Purchaser as provided for herein. Notwithstanding the foregoing, any such amendment shall only take effect at the specified time after the effective date of the notice. If Purchaser is unwilling for the Contract and this First Amendment to continue as amended, it may terminate the Contract by giving notice to Seller no later than 30 days following Purchaser's receipt of the notice as described in this First Amendment.

3. Except as set forth in this First Amendment, the Contract is hereby ratified and confirmed. In the event of a conflict between the terms and conditions of this First Amendment and the terms and conditions of the Contract, the terms of this Amendment will prevail.

4. The persons executing this First Amendment on behalf of the parties represent and warrant that they have the legal authority to enter into this First Amendment on behalf of SELLER and PURCHASER.

5. Any party's failure to insist upon strict performance of any provision or obligation of this First Amendment—despite the length of time the failure continues—is not a waiver of that party's right to demand strict compliance in the future. An express or implied consent to or waiver of any breach or default in the performance of any obligations under this First Amendment is not a consent to or waiver of any other breach or default in the performance of the same or of any other obligation.

6. The invalidity or unenforceability of any provision of this First Amendment does not affect the validity or enforceability of any other provision of this First Amendment. If a court of competent jurisdiction determines that any provision is invalid, the remaining provisions of this First Amendment are to be construed as if the invalid provision had never been included in this

First Amendment. Upon a determination that any provision is invalid, illegal, or unenforceable, the parties to this First Amendment shall negotiate in good faith to modify this First Amendment to give effect to the original intent of the parties as closely as possible in a mutually acceptable manner so that the transactions contemplated by this First Amendment can be consummated as originally contemplated to the greatest extent possible.

7. If any party to this First Amendment institutes any legal cause of action against another party arising out of or relating to this First Amendment or the Contract, the prevailing party will be entitled to the costs incurred in conducting the cause of action, including reasonable attorneys' fees and expenses and court costs.

IN WITNESS WHEREOF the parties have each caused this First Amendment to be executed and delivered by a duly authorized representative as of the date first above written.

THE CITY OF SHELBY, MONTANA "SELLER"

By: _____
GARY McDERMOTT, Mayor

Attest:

JADE GOROSKI, Finance Officer

BIG ROSE FARMS, INC. "PURCHASER"

By: _____
, President

By: _____
ROY BENJAMIN, Manager

Return to:
Hunt Law Firm, PLLC
PO Box 569
Shelby MT 59474

GROUND LEASE

THIS GROUND LEASE (this "Lease"), effective at Shelby, Toole County, Montana, on the ____ day of _____, 2018, entered into by and between the **CITY OF SHELBY, MONTANA**, a municipal corporation ("Lessor") and **GIBSON ENERGY (US) INC.**, Suite 1700 440 2nd Avenue SW, Calgary, AB CANADA T2P 5E9 ("Lessee").

WITNESSETH:

The Lessor and the Lessee, for and in consideration of the obligations and covenants hereinafter mentioned, agree as follows:

1. LESSOR'S DEMISE. Upon the terms and conditions hereinafter set forth, and in consideration of the payment from time to time by Lessee of the rents hereinafter set forth and in consideration of the prompt performance continuously by Lessee of each and every one of the covenants and agreements hereinafter contained, to be kept and performed by Lessee, the performance of each and every one of the covenants and agreements of which is to be declared an integral part of the consideration to be furnished by Lessee, Lessor does lease, let, and demise to Lessee and Lessee does hereby lease of and from Lessor, the following described premises (hereinafter "Premises") situated in Toole County, Montana:

Shelby Industrial Park, Tract 1A-1 of the Shelby Industrial Park according to the map or plat thereof on file and of record in the office of the Clerk and Recorder of Toole County, Montana, SUBJECT, HOWEVER to all prior reservations, exceptions, easements, conveyances, and rights-of-way appearing either visually or of record.

2. INITIAL LEASE TERM. The initial term of this Lease shall be for a period of FIVE (5) YEARS commencing on August 15, 2018, and ending on August 14, 2023, both dates inclusive unless sooner terminated as hereinafter provided.

3. AUTOMATIC RENEWAL. Unless Lessee provides Lessor with notice not less than 60 days prior to the end of the initial term or any renewal term, this Lease shall automatically renew for three additional terms of FIVE (5) years each, provided that Lessee is not in default under this Lease beyond the expiration of any applicable cure period. Any such renewal shall be upon the same terms and conditions as set forth in this Lease.

4. **RENT.** The rent for the first year of a five (5) year term is \$2,214.20 per year (the "Rent"), payable in advance, said sum representing the figure of \$0.040 per square foot per year of leased premises (55,355 square feet). The Rent shall automatically be increased by two percent (2%) per annum.

5. **OPTION TO PURCHASE.** During the first five (5) year term of the Lease, Lessee shall have the option to purchase Tract 1A-1 for \$38,130.00. During any renewal term of this Lease, Lessee shall have the option to purchase the Premises at its appraised value or an amount mutually acceptable to Lessor and Lessee. Any appraiser retained to appraise the Premises for purposes of this Paragraph 5 shall be mutually acceptable to Lessor and Lessee and the costs of appraising the Premises shall be borne by Lessor and Lessee equally.

6. **REAL ESTATE TAXES.** Lessee shall pay, before the incurrence of any fine, penalty or interest, or become due or be imposed by operation of law for the nonpayment thereof, all taxes, assessments, water and sewer rents, and other governmental charges, general and/or special, ordinary and extraordinary, unforeseen, of any kind and nature, whatsoever, which at any time during the term of the Lease may be assessed, levied, confirmed, imposed upon, or grown and become due and payable out of or in respect of, or become a lien on, the Premises, or any improvements thereon, or any part thereof or any appurtenance thereof.

7. **NO LIEN.** Lessee shall not have the power to subject the interest of Lessor in the Premises to any mechanic's or material men's liens or lien or any kind, without Lessor's prior written consent except as provided in Paragraph 9 of this Agreement.

8. **RELEASE OF LIEN.** Except as provided in Paragraph 9 of this Agreement, Lessee covenants and agrees with Lessor that Lessee will not permit or suffer to be filed or claimed against the interest of Lessor in the Premises during the continuance of this Lease, any lien or claim of any kind and if such lien be claimed or filed, it shall be the duty of Lessee, within thirty (30) days after Lessor shall have been given written notice of such a claim having been filed among the public records of Toole County, Montana, or within thirty (30) days after Lessor shall have been given written notice of such claim and shall have transmitted a written notice of the receipt of such claim unto Lessee (whichever thirty (30) day period expires earlier) to cause the Premises to be released from such claim, either by payment or by the posting of bond or by the payment unto the Court of the amount necessary to relieve and release the Premises from such claim, or in any other manner which, as a matter of law, will result within such period of thirty (30) days, in releasing Lessor and the title of Lessor from such claim; and Lessee covenants and agrees, within such period of thirty (30) days, so as to cause the Premises and Lessor's interest therein to be released of the legal effect of such claim.

9. **RIGHT TO MORTGAGE.** Notwithstanding anything to the contrary contained herein, Lessee may, in its sole and absolute discretion, mortgage its interest in the buildings and improvements located on the Premises for purposes of securing loans.

10. **INDEMNIFICATION BY LESSEE.** Lessee covenants and agrees with Lessor that during the entire term of the Lease and any renewal term, Lessee will indemnify and save harmless Lessor against any and all claims, debts, demands, or obligation which may be made against Lessor

or against Lessor's title in the Premises, arising by reason of, or in connection with, any alleged act or admission of Lessee or any person claiming under, by, or through Lessee; and if it becomes necessary for Lessor to defend any action seeking to impose any such liability, Lessee will pay Lessor all costs of court and attorney's fees incurred by Lessor in effecting such defense in addition to any other sums which Lessor may be called upon to pay by reason of the entry of a judgment against Lessor in the litigation in which such claim is asserted.

11. HAZARDOUS SUBSTANCES.

(a) Definitions. For purposes of this Lease, "Hazardous Substance" means hazardous waste, toxic substances, polychlorinated biphenyls, or asbestos or related materials, and also includes but is not limited to substances defined as "hazardous substances" or "toxic substances" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9061, et seq., or the Hazardous Materials Transportation Act, 49 U.S.C. Sec. 6901, et seq., as well as all substances or materials defined as hazardous under the laws of the State of Montana. The term "Hazardous Substances" as used in this Agreement also includes petroleum, including crude oil or any fraction thereof, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel, or mixtures of the foregoing, PVB's, asbestos, urea formaldehyde or related substances.

(b) Warranties Pertaining to Hazardous Substances. Lessee warrants that during the entire time Lessee has possession of the Leased Property;

(i) Hazardous Substances will be lawfully used and disposed of and will not be discharged, dispersed, released, improperly stored, treated, generated, or allowed to escape in, on, under, or about the Premises by Lessee; and

(ii) Lessee's operations at the Premises will be in compliance with all applicable federal, state and local statutes, laws, ordinances, rules and regulations related to Hazardous Substances.

(c) Indemnification. Lessee hereby agrees to indemnify and hold Lessor, its directors, employees, agents and representatives harmless against and in respect of any and all losses, suits, obligations, fines, damages, judgments, injuries, administrative orders, consent agreements and orders, penalties, actions, causes of action, notices of potential responsibility or requests for response from government agencies, response costs, charges, costs, and expenses, including without limitation reasonable attorneys' fees and reasonable consultants' fees, and including costs and expenses (including reasonable attorney's fees) incurred in enforcing the Lessee's obligation under this Section, claims, including but not limited to claims arising out of the release or threat of release of hazardous substances, loss of life, injury to persons, property, or business, environmental contamination or damages to natural resources or to water supplies, whether based on tort, contract, implied or express warranty, statute, regulations, common law, or otherwise which:

(i) arises out of or is related to the presence on, remediation of, or the actual, alleged or threatened release to or from any of the Premises of any hazardous substances or which resulted from occurrences during Lessee's possession of the Premises; or

(ii) arises out of noncompliance by Lessee with the warranties set forth in subsection(b)(ii) above.

12. INSURANCE.

(a) *Insurance coverage of premises.* Lessee shall provide for throughout the term of the lease insurance for loss or damage by fire and the extended coverage hazards for one hundred per cent (100%) of the full replacement value of such improvements and all improvements which are now or hereafter a part of the premise. The Lessor will be named as a primary additional insured on the above policy, and the policy will provide that it cannot be canceled without a 30 day written notice of cancellation to Lessor.

(b) *Personal injury liability insurance.* Lessee shall provide for throughout the term of this lease comprehensive general liability insurance covering the premises and its appurtenances in the amount of Two Million Dollars (\$2,000,000) for injury to or death of any one person, and Two Million Dollars (\$2,000,000) for injury to or death of any number of persons in one occurrence, and property damage liability insurance in an amount equal to the replacement cost of the trackage improvements. The Lessor will be named as a primary additional insured on the above policy specific to Lessor's interest in or on the above premises and its appurtenances, and the policy will provide that it cannot be canceled without a 30 day written notice of cancellation to Lessor. Lessee must have railroad protective insurance and shall provide evidence of such insurance in form and substance satisfactory to Lessor upon commencement of this Lease. Lessor will be provided with copies of all required insurance policies on an annual basis.

13. INSURANCE PREMIUMS. Lessee covenants and agrees with Lessor that Lessee will pay premiums for all of the insurance policies which Lessee is obligated to carry under the terms of this Lease, and will deliver to Lessor evidence of such payment before the payment of any such premiums become in default, and Lessee will cause renewals of expiring policies to be written and the policies or copies thereof, as the Lease may require, to be delivered to Lessor at least ten (10) days before the expiration of such expiring policies.

14. ASSIGNMENT. Other than as authorized under Paragraph 9 above, Lessee may not assign or transfer its rights under this Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld.

15. DEFAULT. In the case at any time a default shall be made by Lessee in the payment of any of the Rent for upon the day such rent becomes due and payable, or in the case of default in relation to liens, as hereinabove provided for, or if Lessee shall fail to pay any of the taxes or assessments thereof, during the lease term for nonpayment of any tax or assessment, or in case Lessee shall fail to keep insured any building, buildings or improvements which may at any time hereafter be upon the Premises, as herein provided for, or if the Lessee shall fail to perform any of the covenants of this Lease by it to be kept and performed, and if such default shall continue for a period of sixty (60) days after receipt of written notice, specifying in general terms the nature of such default and a demand that the Lessee cure such default within said sixty (60) days from the time of receipt of such notice by Lessee, then, in any of such events, it shall be lawful for the Lessor, upon election, to declare the lease term ended and to reenter upon the Premises and the building or buildings and improvements then situated thereon, or the Lessor may have such other remedy as the law and this instrument may afford; and the Lessee covenants and agrees that upon

the termination of the lease term, at such election of the Lessor, or in any other way, the Lessee will surrender and deliver up the Premises peaceably to the Lessor, or the agent or attorney of the Lessor, immediately upon the termination of the lease term; and if the Lessee, its agent, attorney, tenants shall hold the Premises, or any part thereof, one day after the same shall be surrendered, according to the terms of this Lease, it shall be deemed guilty of forcible detainer of the Premises under the statutes and shall be subject to eviction or removal, forcibly or otherwise, with or without process of law.

16. DUTY TO REPAIR. Lessee shall keep in good state of repair and in first class condition any and all buildings, furnishing, fixtures, and equipment which are brought or constructed or placed upon the Premises by the Lessee, nor will Lessee suffer or permit any waste, or neglect of any building or other property to be committed, and that Lessee will repair, replace, and renovate such property as often as it may be necessary in order to keep the building(s) and other property which is the subject matter of this Lease in first class repair and condition. Additionally, Lessee specifically agrees to keep the Premises free and clear of all weeds and other waste material or rubbish at all times.

17. TERMINATION. Upon termination of this Lease, Lessee will peaceably and quietly deliver possession of the Premises to Lessor. Upon termination of this Lease Lessee shall have a period of sixty (60) days to remove all improvements, including the building or buildings constructed thereon, and, additionally, any furnishings, fixtures, and equipment which Lessee may have brought placed or constructed upon the Premises.

18. COVENANT OF QUIET ENJOYMENT. Lessor covenants and agrees with Lessee that so long as Lessee keeps and performs all the covenants and conditions by Lessee to be kept and performed, Lessee shall have quiet and undisturbed and continued possession of the Premises, free from any claims against Lessor and all persons claiming under, by, or through Lessor. Lessee, upon paying the Rent and all other sums and charges to be paid by it as herein provided, and observing and keeping all covenants, warranties, agreements, and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the terms of this Lease without hindrance or molestation by Lessor.

19. FORCE MAJEURE. In the event that Lessor or Lessee shall be delayed, hindered in, or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive government laws or regulations, riots, insurrection, war or other reason beyond their control, then performance of such act shall be excused for the period of the delay and the period for the performance of any such delay shall be extended for a period equivalent to the period of such delay.

20. CONSTRUCTION PLANS. Any future buildings or improvements constructed upon the Premises shall be first approved by the body known as the Industrial Park Committee. All maps, plats, charts and blueprints relative to said construction shall be submitted to said Industrial Park Committee for its approval. No construction shall be commenced without Lessee first obtaining said approval from the aforementioned Industrial Park Committee. The Industrial Park Committee shall not unreasonably deny Lessee's request to construct additional buildings or

improvements. The decision of the Industrial Park Committee shall be based upon its sound discretion and Industrial Park Zoning regulations. Plans for a building or buildings to be constructed upon the Premises shall comply and be in full accordance with the applicable laws, building codes, health codes, safety codes, zoning ordinances and all applicable statutes, rules and regulations and/or ordinances passed by the federal, state and local authorities.

21. IMPROVEMENTS ON THE PREMISES. Lessee covenants and agrees that all improvements on the Premises must be constructed and paid for wholly at the expense of Lessee.

22. TIME AND PARTIES BOUND. The time of payments and performance shall be of the essence of this Lease and all the terms, covenants and agreements herein contained shall extend and be obligatory upon the heirs, executors, administrators, personal representatives, successors, nominees and assigns of the respective parties hereto.

23. COSTS OF SUITS. The Parties covenant and agree that if, at any time, a Party to this Agreement is required to enforce the terms of this Lease, the prevailing party shall have the right to collect from the other party its reasonable costs, necessary disbursements, and attorneys' fees incurred.

24. GOVERNING LAW. All of the rights and remedies of the respective parties shall be governed by the provisions of this instrument and by the law of the State of Montana.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands the day and year first above written.

LESSOR
CITY OF SHELBY, MONTANA,
a municipal corporation

Gary McDermott, Mayor

ATTEST:

Jade Goroski, Finance Officer

LESSEE
GIBSON ENERGY (US) INC.

Craig Carpenter, Manager

Shelby City Court
Cases by Filing Date
City
All Case Types
From 6/1/2018 to 6/29/2018
All Judges

Judge: Rapkoch, Peter

Case	Filed	Entered	Party	Status
TK-865-1985-0000141	Sealed 6/22/2018	6/22/2018	Diemunsch, Charles Hernan, Defendant	Closed
TK-865-2018-0000064	6/1/2018	6/1/2018	Goodrich, Charles Lillard, Defendant	Closed
TK-865-2018-0000065	6/6/2018	6/6/2018	Peterson, Steven Ralph, Defendant	Closed
TK-865-2018-0000066	6/8/2018	6/8/2018	Rink, Kathryn Desrosier, Defendant	Closed
TK-865-2018-0000067	6/9/2018	6/9/2018	Pedersen, Rebecca Dawn, Defendant	Pending
TK-865-2018-0000068	6/19/2018	6/19/2018	Rekofke, Nichole Danielle, Defendant	Pending
TK-865-2018-0000069	6/22/2018	6/22/2018	Fyall, Jason Christopher, Defendant	Pending
TK-865-2018-0000070	6/22/2018	6/22/2018	Norton, Nicholas William, Defendant	Pending
TK-865-2018-0000071	6/22/2018	6/22/2018	Seidler, Erin Chantel, Defendant	Pending
TK-865-2018-0000072	6/22/2018	6/22/2018	Fyall, Debra Kay, Defendant	Pending
TK-865-2018-0000073	6/25/2018	6/25/2018	Harmon, Barbara Gillespie, Defendant	Pending

Total cases for Rapkoch, Peter : 11

Total cases for report: 11

Shelby City Court
 Receipts by Date
 City
 All Case Types
 From 6/1/2018 to 6/29/2018

User:
 BALEXANDER

All Judges

6/8/2018

Receipt	Time		Bond Conversion	Transfer	Cash	Check	Cashiers Check	Money Order	Credit Card	Debit Card	E-Payment	Direct Deposit
5269	11:29 AM	Criminal Payment Payor: Rink, Kathryn Desrosier	.00	.00	.00	10.00	.00	.00	.00	.00	.00	.00
		TK-865-2018-0000066 Rink, Kathryn Desrosier	7.3B.7			Parallel Parking						
		10.00 Fine										
		10.00				Check Number: 6698						
5270	01:13 PM	Criminal Payment Payor: Bye Welding,	.00	.00	.00	10.00	.00	.00	.00	.00	.00	.00
		TK-865-2018-0000031 Bye Welding,	7.3B.5			Parking on Sidewalk						
		10.00 Fine										
		10.00				Check Number: 1279						
5271	03:50 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
		15.00 Search Fee										
		15.00				Check Number: 8689						
5272	03:51 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
		15.00 Search Fee										
		15.00				Check Number: 8690						
5273	03:51 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
		15.00 Search Fee										
		15.00				Check Number: 8712						

Shelby City Court
 Receipts by Date
 City
 All Case Types
 From 6/1/2018 to 6/29/2018

User:
 BALEXANDER

All Judges

6/8/2018

Receipt	Time		Bond Conversion	Transfer	Cash	Check	Cashiers Check	Money Order	Credit Card	Debit Card	E-Payment	Direct Deposit
5274	03:52 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 8713
5275	03:53 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 8714
5276	03:54 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 8715
5277	03:55 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 8716
5278	03:56 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 8725

Shelby City Court
Receipts by Date
City
All Case Types
From 6/1/2018 to 6/29/2018

All Judges

6/29/2018

Receipt	Time		Bond Conversion	Transfer	Cash	Check	Cashiers Check	Money Order	Credit Card	Debit Card	E-Payment	Direct Deposit
5302	01:23 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00		Check Number: 10210				
5303	01:24 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00		Check Number: 10207				
5304	01:25 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00		Check Number: 10204				
5305	03:29 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00		Check Number: 10209				
5306	03:32 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00		Check Number: 10206				

Shelby City Court
 Receipts by Date
 City
 All Case Types
 From 6/1/2018 to 6/29/2018

User:
 BALEXANDER

All Judges

6/29/2018

Receipt	Time		Bond Conversion	Transfer	Cash	Check	Cashiers Check	Money Order	Credit Card	Debit Card	E-Payment	Direct Deposit
5307	03:48 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 10211
5308	03:49 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 10208
5309	03:51 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 10205
5310	03:52 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 10237
5311	03:54 PM	Miscellaneous Payor: Court Diligence	.00	.00	.00	15.00	.00	.00	.00	.00	.00	.00
						15.00	Search Fee					
						15.00						
												Check Number: 10239

