

RESOLUTION NO. 1984

A RESOLUTION LEVYING AN ASSESSMENT AGAINST EACH LOT OR PARCEL OF LAND IN THE CITY OF SHELBY'S PARK MAINTENANCE DISTRICT NO. 1

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA:

THAT, each lot or parcel of land included in the city's Park Maintenance District No. 1 shall be assessed, for the fiscal year ending June 30, 2019, its proportionate cost against the property embraced within said maintenance district. The assessment is based on the taxable value times a fixed rate of .0129 for all benefited lots or parcels of land within the district, with a total annual billing not to exceed \$40,000.

This resolution shall be kept on file in the office of the city finance officer, for public inspection. Also on file shall be an Assessment Detail which lists the Tax ID, Name, Taxable Value and Amount Billed for each lot or parcel of land.

Notice of this levy and assessment shall be given pursuant to M.C.A. 7-12-4108.

PASSED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA, AND APPROVED BY THE MAYOR THIS 4TH DAY OF SEPTEMBER, 2018.

GARY MCDERMOTT, MAYOR

ATTEST:

JADE GOROSKI, FINANCE OFFICER

RESOLUTION NO. 1985

A RESOLUTION LEVYING AN ASSESSMENT AGAINST
EACH LOT OR PARCEL OF LAND IN THE CITY OF SHELBY'S
2012 CURB, GUTTER AND SIDEWALK PROJECT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA:

THAT, each lot or parcel of land included in the city's 2012 curb, gutter and sidewalk project shall be assessed its proportionate cost of the entire project considering said lot or parcel of land's degree of improvement under said project for the fiscal year ending June 30, 2019.

This resolution shall be kept on file in the office of the city finance officer, for public inspection. Also on file shall be a list in which shall be described the owner of each lot or parcel of land and the amount levied against said owner of each lot or parcel of land.

Notice of this levy and assessment shall be given pursuant to M.C.A. 7-14-4110.

PASSED BY THE CITY COUNCIL OF THE CITY OF SHELBY, MONTANA, AND
APPROVED BY THE MAYOR THIS 4TH DAY OF SEPTEMBER, 2018.

GARY MCDERMOTT, MAYOR

ATTEST:

JADE GOROSKI, FINANCE OFFICER

RESOLUTION NO. 1986

A RESOLUTION OF INTENT TO SELL CERTAIN CITY OF SHELBY
REAL PROPERTY TO NORTH CENTRAL MONTANA REGIONAL WATER
AUTHORITY

WHEREAS, North Central Montana Regional Water Authority (“NCMRWA”) and the City of Shelby, Montana have made an agreement; and,

WHEREAS, NCMRWA 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”):

Township 32 North, Range 2 West, Section 23

NW4 Tract 1A

Also shown as Tract 1A on the attached Exhibit A

WHEREAS, the City of Shelby agrees to convey or transfer its interest in the above-described real property by Warranty Deed to NCMRWA for a total price of \$4,000.00 cash plus the cost of title insurance and recording fees; 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 NCMRWA.

PASSED UNANIMOUSLY, WITH ALL MEMBERS PRESENT AND VOTING, BY THE CITY COUNCIL OF THE CITY OF SHELBY, AND APPROVED BY THE MAYOR THIS 20th DAY OF AUGUST, 2018.

GARY McDERMOTT, MAYOR

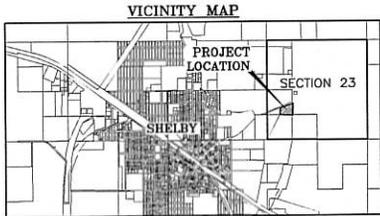
ATTEST:

JADE GOROSKI, FINANCE OFFICER

EXHIBIT A

CERTIFICATE OF SURVEY

LOCATED IN: NW1/4SW1/4 SECTION 23, T. 32 N., R. 2 W. OF P.M.MONTANA, TOOLE COUNTY
 PURPOSE: TO CREATE A UTILITY TRACT "MCA 76-3-201(1)(h)"
 COMMISSIONED BY: NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY (NCMRWA)
 OWNER: CITY OF SHELBY



LEGAL DESCRIPTIONS:

TRACT 1: A TRACT OF LAND BEING AN 8.003 ACRE TRACT SHOWN ON CERTIFICATE OF SURVEY 79-7 FILED WITH THE CLERK AND RECORDER OF TOOLE COUNTY, LOCATED IN NW1/4SW1/4 OF SECTION 23, T. 32 N., R. 2 W., P.M. MONTANA, TOOLE COUNTY. EXCEPTING THEREFROM TRACT 1A AS SHOWN ON THIS CERTIFICATE OF SURVEY. SAID TRACT CONTAINS 7.72 ACRES MORE OR LESS AND IS SUBJECT TO ALL EXISTING EASEMENTS AND DOCUMENTS OF RECORD.

TRACT 1A: A TRACT OF LAND BEING A PORTION AN 8.003 ACRE TRACT SHOWN ON CERTIFICATE OF SURVEY 79-7 FILED WITH THE CLERK AND RECORDER OF TOOLE COUNTY, LOCATED IN NW1/4SW1/4 OF SECTION 23, T. 32 N., R. 2 W., P.M. MONTANA, TOOLE COUNTY. SAID TRACT IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WESTERLY RIGHT-OF-WAY OF BENJAMIN ROAD, FROM WHICH THE NORTHEAST CORNER OF SAID 8.003 ACRE TRACT SHOWN ON CERTIFICATE OF SURVEY 79-7 BEARS N 00°01'53" W, 175.24 FEET; THENCE, ALONG SAID RIGHT-OF-WAY, S 00°01'53" E, 75.00 FEET; THENCE N 89°34'55" W, 110.00 FEET; THENCE N 00°01'53" W, 75.00 FEET; THENCE S 89°34'55" E, 110.00 FEET TO THE POINT OF BEGINNING. SAID TRACT CONTAINS 0.19 ACRES (8,250 S.F.) MORE OR LESS AND IS SUBJECT TO ALL EXISTING EASEMENTS AND DOCUMENTS OF RECORD.

WATER-LINE EASEMENT

A STRIP OF LAND 50 FEET IN WIDTH FOR THE CONSTRUCTION AND MAINTENANCE OF A WATERLINE OVER, ACROSS AND THROUGH A PORTION OF AN 8.003 ACRE TRACT SHOWN ON CERTIFICATE OF SURVEY 79-7 FILED WITH THE CLERK AND RECORDER OF TOOLE COUNTY, LOCATED IN NW1/4SW1/4 OF SECTION 23, T. 32 N., R. 2 W., P.M. MONTANA, TOOLE COUNTY, THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTHERLY RIGHT-OF-WAY OF CITY SHOP ROAD, FROM WHICH THE NORTHEAST CORNER OF SAID 8.003 ACRE TRACT SHOWN ON CERTIFICATE OF SURVEY 79-7 BEARS N 66°06'11" E, 219.19 FEET; THENCE S 24°10'48" E, 65.53 FEET; THENCE S 44°55'28" E, 90.17 FEET TO A POINT ON THE WESTERLY BOUNDARY OF TRACT 1A AS SHOWN ON THIS CERTIFICATE OF SURVEY, WHICH IS THE POINT OF ENDING; THE EASEMENT CONTAINS 0.18 ACRES (7,785 S.F.) MORE OR LESS AND IS SUBJECT TO ALL EXISTING EASEMENTS AND DOCUMENTS OF RECORD.

CERTIFICATE OF EXEMPTIONS

(1) WE (I), THE UNDERSIGNED, HEREBY CERTIFY THAT THE PURPOSE OF THIS SURVEY IS TO CREATE A UTILITY TRACT (TRACT 1A) AND IS THEREFORE EXEMPT FROM REVIEW AS A SUBDIVISION IN ACCORDANCE WITH THE PROVISIONS OF MCA 76-3-201(1) UNLESS THE METHOD OF DISPOSITION IS ADOPTED FOR THE PURPOSE OF EVADING THIS CHAPTER, THE REQUIREMENTS OF THIS CHAPTER MAY NOT APPLY TO ANY DIVISION OF LAND THAT: (h) IS CREATED FOR RIGHTS-OF-WAY OR UTILITY SITES. A SUBSEQUENT CHANGE IN THE USE OF THE LAND TO A RESIDENTIAL, COMMERCIAL, OR INDUSTRIAL USE IS SUBJECT TO THE REQUIREMENTS OF THIS CHAPTER.

(2) WE (I), THE UNDERSIGNED, HEREBY CERTIFY THAT THIS SURVEY IS EXEMPT FROM SANITATION IN SUBDIVISION REVIEW PURSUANT TO MCA 76-4-125(2)(A), WHICH STATES, (2) "A SUBDIVISION EXCLUDED FROM THE PROVISIONS OF CHAPTER 3 MUST BE SUBMITTED FOR REVIEW ACCORDING TO THE PROVISIONS OF THIS PART, EXCEPT THAT THE FOLLOWING DIVISIONS OR PARCELS, UNLESS THE EXCLUSIONS ARE USED TO EVADE THE PROVISIONS OF THIS PART, ARE NOT SUBJECT TO REVIEW: (A) THE EXCLUSION CITED IN 76-3-201."

CERTIFICATE OF ACKNOWLEDGEMENT/APPROVAL:

(1) I/WE THE UNDERSIGNED HEREBY CREATE THE "50' WIDE WATER-LINE EASEMENT" AS SHOWN AND DESCRIBED ON THIS CERTIFICATE OF SURVEY.

DATED THIS _____ DAY OF _____, 20____.

MAYOR OF THE CITY OF SHELBY

ON THIS _____ DAY OF _____, 20____, BEFORE ME A NOTARY PUBLIC FOR THE STATE OF MONTANA PERSONALLY APPEARED THE ABOVE NAME(S) KNOWN TO ME TO BE THE PERSON(S) WHOSE NAME(S) ARE SUBSCRIBED TO THE WITHIN INSTRUMENT, AND ACKNOWLEDGED TO ME THAT SHE/HE/THEY EXECUTED THE SAME.

NOTARY PUBLIC FOR THE STATE OF MONTANA

PRINTED NAME OF NOTARY _____
 RESIDING AT _____
 MY COMMISSION EXPIRES _____

NOTES

- ALL DISTANCES SHOWN ARE GROUND AND MEASURED UNLESS OTHERWISE NOTED.
- SURVEY WORK WAS PERFORMED SEPTEMBER, 21 2017.
- UNITS ARE INTERNATIONAL FEET.

CERTIFICATE OF COUNTY COMMISSION

I, CHAIRMAN OF THE BOARD OF COUNTY COMMISSIONERS, DO HEREBY CERTIFY THAT THE USE OF THE EXEMPTION CLAIMED ON THE ACCOMPANYING CERTIFICATE OF SURVEY HAS BEEN DULY REVIEWED AND HAS BEEN FOUND TO CONFORM TO THE REQUIREMENTS OF THE MONTANA SUBDIVISION AND PLATTING ACT, SECTIONS 76-3-201 ET SEQ., MCA, AND THE TOOLE COUNTY SUBDIVISION REGULATIONS.

DATED THIS _____ DAY OF _____, 20____.

CHAIRMAN, BOARD OF COUNTY COMMISSIONERS

CERTIFICATE OF COUNTY TREASURER

I, HEREBY CERTIFY, PURSUANT TO SECTION 76-3-611 (1)(B) OF MCA, THAT ALL REAL PROPERTY TAXES AND SPECIAL ASSESSMENTS ASSESSED AND LEVIED ON THE LAND DESCRIBED ON THIS PLAT AND ENCOMPASSED BY THE PROPOSED CERTIFICATE OF SURVEY HAVE BEEN PAID.

GEOCODE 21-4424-23-3-03-03-CITY

DATED THIS _____ DAY OF _____, 20____.

TREASURER, TOOLE COUNTY, MONTANA.

CERTIFICATE OF SURVEYOR

I, THE UNDERSIGNED, MICHAEL J. RIES, PROFESSIONAL LAND SURVEYOR, DO HEREBY CERTIFY THAT THIS CERTIFICATE OF SURVEY WAS SURVEYED UNDER MY SUPERVISION AND DESCRIBED AS SHOWN ON THE ACCOMPANYING PLAT AND PLATTED IN ACCORDANCE WITH THE PROVISIONS OF THE MONTANA SUBDIVISION AND PLATTING ACT, SECTION 76-3-101 THROUGH 76-3-625, MCA.

DATED THIS _____ DAY OF _____, 20____.

MICHAEL RIES, PLS
 MT REG. NO. 17794LS

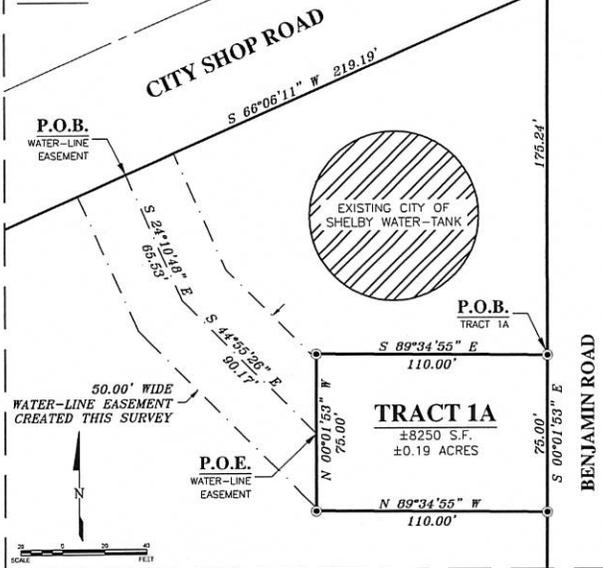
CERTIFICATE OF EXAMINING LAND SURVEYOR

REVIEWED FOR ERRORS AND OMISSIONS THIS _____
 DAY OF _____, 20____, PURSUANT TO
 SECTION 76-3-611(2)(c), MCA.

EXAMINING LAND SURVEYOR

LICENSE NO. _____

DETAIL



CERTIFICATE OF CLERK AND RECORDER

FILED FOR RECORD _____ DAY OF _____

20____, AT _____

CLERK AND RECORDER,
 TOOLE COUNTY, MONTANA.

CITY SHOP ROAD
 N 66°06'11" E 219.19'
 N 65°48'29" E 725.16'(R)
 N 66°07'34" E 723.82'(R1)

SEE DETAIL

TRACT 1
 ±7.72 ACRES

CITY SHOP
 8.003 ACRES (R)
 7.90 ACRES (R1)
 C.O.S. 79-7

CITY OF SHELBY
 C.O.S. 79-7

P.M. MONTANA,
 TOOLE COUNTY

1/4	SEC.	T.	R.
23	32N	2W	

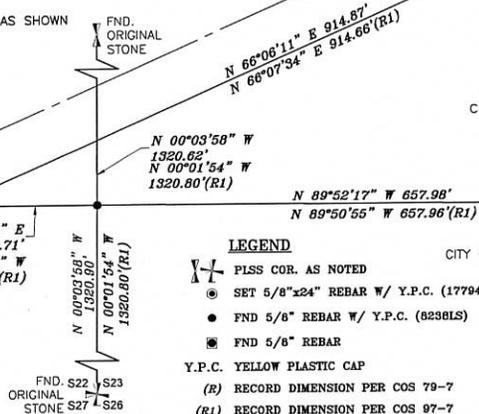
SHEET 1 OF 2

DRWN BY	CHKD BY	PROJECT NO.	DATE
B.J.L.	M.J.R.	4605014	7/11/2018



2969 Airport Road, Suite 1B,
 Helena, MT 59601
 (406) 449-7764
 www.kjeng.com

BASIS OF BEARINGS:
 GEODETIC NORTH BASED ON GPS
 OBSERVATIONS AT N48°30'44.99978"
 W111°50'30.51590"



- LEGEND**
- PLSS COR. AS NOTED
 - SET 5/8"x24" REBAR W/ Y.P.C. (17794LS)
 - FND 5/8" REBAR W/ Y.P.C. (8239LS)
 - FND 5/8" REBAR
 - Y.P.C. YELLOW PLASTIC CAP
 - (R) RECORD DIMENSION PER COS 79-7
 - (R1) RECORD DIMENSION PER COS 97-7

FND. S22 S23
 ORIGINAL STONE S27 S26

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 NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY (hereinafter called "Buyer") agrees to buy the following described real property (hereinafter referred to as "Property") located in Toole County, Montana, to wit:

Township 32 North, Range 2 West, Section 23
NW4 Tract 1A

Also shown as Tract 1A on the attached Exhibit A

.19 acres, more or less.

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 Four Thousand U.S. Dollars and No/100 (\$4,000.00 USD).
- 2.2 payable as follows: \$4,000.00 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 August 31, 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

Seller initials

Buyers initials

- 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:** Seller does not warrant the condition of any water and sewer lines that may serve the Property.
- 5.3. **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.

- 5.4. **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.
- 5.5. **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 August, 2018.

BUYER: NORTH CENTRAL MONTANA REGIONAL WATER AUTHORITY

By: _____
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 August, 2018.

GARY McDERMOTT, MAYOR
CITY OF SHELBY, SELLER

ACTION TAKEN, IF OTHER THAN ACCEPTANCE:

Lori Stratton

From: Bill Hunt <bhunt@3rivers.net>
Sent: Monday, August 13, 2018 3:50 PM
To: Lori Stratton; Jade Goroski; garym@3rivers.net; Gary McDermott; Tammy Pederson
Subject: FW: INDUSTRIAL PARE LEASE RENEWAL
Attachments: 1 Tr01A-1 Gibson Energy lease, 2018.docx; Gibson Energy 2018 invoice.doc

Lori,

Can you please add to the agenda under City Attorney "Gibson Energy Industrial Park Lease"? Also, please include this email chain in the packet for the council's reference along with the attachments.

Thanks,

Bill

From: Tammy Pederson [mailto:tammy@shelbymt.com]
Sent: Monday, August 13, 2018 3:35 PM
To: Bill Hunt <bhunt@3rivers.net>; Jade Goroski <jade@shelbymt.com>; garym@3rivers.net
Subject: FW: INDUSTRIAL PARE LEASE RENEWAL

FYI.

Tammy

From: Craig Carpenter [mailto:Craig.Carpenter@gibsonenergy.com]
Sent: Monday, August 13, 2018 3:24 PM
To: Tammy Pederson <tammy@shelbymt.com>
Subject: INDUSTRIAL PARE LEASE RENEWAL

Hey Tammy,

I was just looking over the lease and invoice. We don't wish to renew this lease for 5 years but would like to do a year to year lease or we would consider a 5 year term with a yearly termination clause. Let me know how you want to proceed.

Craig

From: Donna Smith
Sent: August-13-18 3:17 PM
To: Craig Carpenter <Craig.Carpenter@gibsonenergy.com>
Subject: FW: **External E-Mail**FW: INDUSTRIAL PARE LEASE RENEWAL

Hi Craig,

Can you help Tammy with this?

Thank you!
Donna

From: Tammy Pederson [mailto:tammy@shelbymt.com]
Sent: Monday, August 13, 2018 3:11 PM
To: Donna Smith <Donna.Smith@gibsonenergy.com>
Subject: **External E-Mail**FW: INDUSTRIAL PARE LEASE RENEWAL

Just checking on the status of this?

Tammy

From: Tammy Pederson
Sent: Tuesday, July 17, 2018 4:01 PM
To: 'Donna Smith' <Donna.Smith@gibsonenergy.com>
Subject: INDUSTRIAL PARE LEASE RENEWAL

Attached please find the new Industrial Park lease and invoice. Please sign and return. Once signed I can email you a copy for your files.

Thanks so much.

Tammy Pederson
Deputy Clerk
City of Shelby
112 1st St S
Shelby MT 59474
(406) 434-5222

Information about the company can be found at <http://www.gibsonenergy.com>.

This e-mail and any attached documents are confidential and intended only for the named addressee(s).

This e-mail may be subject to legal privilege and may contain information that is confidential and exempt from disclosure under applicable law. If you are not the intended recipient, please notify us by return e-mail and delete the original message; you may not copy, forward, disseminate or use this e-mail for any purpose, nor disclose its contents to any other person.

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

CITY OF SHELBY

112 First Street South

Shelby, Montana 59474

Telephone: (406) 434-5222 FAX: (406) 434-2039

July 2, 2018

Gibson Energy (US) Inc.
Suite 1700 440 2nd Avenue SW
Calgary, AB CANADA T2P 5E9

<u>DESCRIPTION</u>	<u>AMOUNT</u>
Industrial Park Lease, Tract #1A-1 (1120 W Industrial Park Rd)	\$ 2,214.20

Lease Term: 8/15/2018 - 8/14/2023

Lease Rent: 8/15/2018 - 8/14/2019

PLEASE REMIT PAYMENT WITHIN 30 DAYS

THANK YOU

FOR OFFICE USE ONLY:

Code to: **INDPARKREN-GENE 1000-361003**