#### **RESOLUTION NO. R17-66**

# A RESOLUTION OF THE CITY COUNCIL APPROVING A PERPETUAL EASEMENT FOR CHS INC. TO CONSTRUCT AND MAINTAIN A NEW WASTE WATER OUTFALL ACROSS CITY OWNED PROPERTY AND AUTHORIZING THE MAYOR TO EXECUTE THE EASEMENT ON THE CITY'S BEHALF.

WHEREAS, an "Easement Agreement" and "Easement Deed" between the City of Laurel, as Grantor, and CHS Inc. as Grantee has been prepared by CHS and submitted to the City for consideration;

WHEREAS, City Staff reviewed and modified the Easement Agreement and Deed to ensure the transaction is in the best interest of the City;

WHEREAS, the easement will allow CHS access across certain portions of real property owned by City in order to install and maintain CHS' Waste Water Outfall which is utilized to discharge CHS treated waste water into the Yellowstone River; and

WHEREAS, granting and approving the easement is in the best interests of the City and CHS at this time.

NOW, THEREFORE, BE IT RESOLVED that the City Council hereby approves, grants, and accepts the attached Easement Agreement and Easement Deed, including all terms and conditions contained therein, and further authorizes the Mayor to execute the documents on the City's behalf.

INTRODUCED at a regular meeting of the City Council on October 17, 2017 by Council Member Mountsier

PASSED and APPROVED by the City Council of the City of Laurel this 17<sup>th</sup> day of October 2017.

APPROVED by the Mayor this 17th day of October, 2017.

CITY OF LAUREL

Mark A. Mace, Mayor

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Bethany Keeler, City Clerk/Treasurer

Approved as

Sam S. Painter, Legal Counsel

#### SPACE ABOVE THIS LINE FOR RECORDER'S USE

#### **EASEMENT DEED**

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, CITY OF LAUREL, Montana, with a mailing address of 115 W 1<sup>st</sup> Street, Laurel, MT 59044 ("City") does hereby sell, assign, convey, and warrant to CHS INC., with a mailing address of 5500 Cenex Drive, Inver Grove Heights, MN 55077 ("CHS"), a non-exclusive easement with the right from time to time to survey, install, lay, construct, operate, protect, inspect, test, maintain, replace with the same or similar size pipes, abandon in place, repair, and remove treated waste water pipeline and appurtenances thereto (collectively, the "outfall") under, upon, over and through the tract of land more particularly described on Exhibit 1 attached hereto ("Property"), for the transportation of treated waste water from the CHS Refinery to the Yellowstone River.

TO HAVE AND TO HOLD the Easement unto CHS and its successors and allowed assigns, subject to the following conditions, covenants and agreements:

- 1. <u>Construction, Maintenance and Operation of Pipeline</u>. CHS shall repair or replace, at its sole expense, any existing fences, roads, ditches, and appurtenances on the Property that may be disturbed by the CHS's construction, operation, inspection, repair, removal, replacement and maintenance of the pipelines. CHS shall leave the finished surface of the Property in substantially the same condition as existed prior to any construction, maintenance or replacement of the pipeline. For purposes of this Easement, the term "substantially" shall be defined to require that the restored landscape meet existing grade, that the area is seeded to match surrounding vegetation, and that CHS has implemented proper noxious weed control measures.
- 2. Excavation. During operations involving excavation, CHS shall remove from the Property any large rocks or garbage, surplus excavated material and debris exposed by the excavation. CHS shall leave the finished surface of the Property in substantially the same condition as existed prior to the excavation. If any area that is excavated by the CHS subsequently moves, sinks, or changes after initial restoration, CHS shall return to the site and further restore the area to preexisting grade with an appropriate seeding to match surrounding vegetation.
- 3. <u>Changes in Course of or Damages Caused by the Yellowstone River.</u> If there is any change in the course of the Yellowstone River or damage caused by the Yellowstone River, CHS shall be responsible for restoring the river bank and protecting the easement and outfall, at

its sole cost and expense. In the event of a change in course of or other damage caused the Yellowstone River which the City believes has or will cause damage to the Easement or the pipeline, the CITY shall notify CHS in writing of the issue, and CHS shall address the problem within a reasonable time and in a manner that is satisfactory the CITY.

- 4. <u>Indemnification</u>. CHS shall indemnify, defend, and hold harmless the CITY from any and all liability, expenses, charges, damages, claims, actions, or harm, including reasonable attorney fees and costs, related in any manner to the Easement and the actions or inactions relating thereto by CHS.
- 6. <u>Hazardous and Non-Hazardous Substances</u>. CHS shall be solely responsible for remediating any hazardous or non-hazardous waste or other condition that might be encountered within the Easement.
- 7. Reservation of Rights. The CITY reserves the right for it and its tenants to use the Property for any purposes that will not interfere with CHS's full enjoyment of rights granted hereunder.
- 8. <u>Entrance onto the Property</u>. The City hereby grants to CHS and its agents the right to enter the Property, with at least twenty-four (24) hours written notice to the CITY for the following purposes:
  - a. Constructing, inspecting, operating, repairing, removing, replacing and maintaining the outfall and related services, connections, accessories and appurtenances thereto; and
  - b. Trimming, removing or otherwise controlling any trees and brush inside the boundaries of the Easement, after notification the CITY of the intent to trim, remove or control trees or brush, which may, in the opinion of CHS, interfere or threaten to interfere with or be hazardous to the construction, operation and maintenance of the pipelines.

When accessing the Property, CHS and its agents shall use existing roads, trails or other routes which will cause the least damage and inconvenience to the CITY or its lessee. Twenty-four hours written notice to the CITY is not required if, in CHS's sole judgment, reasonably exercised, such entry is necessary to prevent damage to or destruction of the outfall or in other emergency situation.

- 9. <u>No Public Rights</u>. The grant of this Easement is not intended to benefit any third party nor is it intended to grant any rights to the public.
- 10. <u>Right to Grant Easement</u>. The CITY warrants that it is lawfully seized and possessed of the Property, that it has a lawful right to convey this Easement, and that it will forever defend title to the Easement against the claim of all persons.
- 11. <u>Default; Waiver</u>. If a party fails or refuses to perform its obligations under this Easement, and such default continues for a period of ten (10) days after written notice specifying

such default is given to such defaulting party, then the non-defaulting party may demand resolution as set forth in paragraph 12 below. The failure of either party to insist in any one or more instances upon strict performance of any of the terms or conditions of this Easement shall not be construed as a waiver or relinquishment for the future of such term or condition, but the same shall continue and remain in full force and effect.

- 12. <u>Disputes</u>. If a dispute arises under the terms and conditions of this Easement, such dispute shall be resolved as provided herein. CHS and the City agree the dispute shall be resolved pursuant to laws of the State of Montana. The Parties agree that if a dispute must be resolved in court, venue and jurisdiction is proper within the State District Court of Yellowstone County, Montana. If a dispute arises, CHS and the City, through a representative(s) with full authority to settle the dispute, shall meet and attempt to negotiate a resolution of the dispute in good faith no later than ten business days after the dispute arises. If negotiations fail, the Parties may utilize a third party mediator and equally share the costs of the mediator or file an appropriate suit.
- 13. <u>Material Breach Shall Invalidate Easement Deed.</u> A material breach of this Agreement by CHS shall be grounds for litigation to invalidate and terminate the Easement Deed.
- 14. <u>Governing Law</u>. This Easement has been made and entered into in the State of Montana and shall be governed by the laws of the State of Montana.
- 15. Expenses. Except as otherwise provided in this Agreement, each of the respective parties to this Agreement shall bear their own costs and expenses (including, without limitation, legal and accounting fees and costs) relating to this Agreement, the negotiations leading to this Agreement and the transactions contemplated by this
- 16. <u>Amendment</u>. This Easement shall not be amended or modified except in writing executed by both parties to this Easement.
- 17. Entire Agreement. This Easement and the Easement Agreement between the parties, dated the 12th day of October, 2017, including any schedules and exhibits hereto, contain all the terms, conditions, agreements, representations and warranties agreed upon by the parties to this Agreement relating to the subject of this Easement and supersede all prior agreements, negotiations, correspondence, understandings, undertakings and communications of the parties, whether oral or written, respecting such subject matter. The parties acknowledge that each has an opportunity to assist in the drafting of this Easement. Accordingly, the Easement should not be interpreted against any one party or draftsman.
- 18. Notices. All notices, consents, offers, requests, demands, instructions or other communications pursuant or related to this Easement shall be given in writing by personal delivery, by prepaid first class registered or certified mail, properly addressed with appropriate postage paid thereon; or by UPS, FedEx or other recognized and reputable overnight courier and shall be deemed duly given and received on the date of delivery if delivered personally, on the second day after deposit in the United States mail if mailed, or upon delivery if sent by UPS, FedEx or other recognized and reputable overnight courier. Notices shall be delivered, mailed or

otherwise sent to the City at the address set forth in the opening paragraph hereof. With respect to CHS, notice shall be sent to 803 US Highway 212 South, Laurel, MT 59044, with a copy to 5500 Cenex Drive, Inver Grove Heights, MN 55077, Attn: Legal Department. Such addresses may be changed from time to time by means of a notice given in the manner provided in this paragraph.

- 19. <u>Severability</u>. If any term, condition, agreement or other provision of this Easement, or the application thereof to any party or circumstances, shall be held to be invalid or unenforceable to any extent in any jurisdiction, then the remainder of this Easement and the application of such term, condition, agreement or other provision in any other jurisdiction or to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, agreement and other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 20. <u>Perpetual Easement</u>. Subject to paragraph 13 hereof, the rights and obligations of the parties to this Easement shall be perpetual and run with the land and shall bind, inure to the benefit of and be enforceable by the parties and their respective legal representatives, successors and assigns.

day of	IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 315t 2017.
	CHS INC.:
Attest:	By: Patrick B Kummel Its UP hayor Refirer

By: Totan S. 4 lauman Its / Liverasing Supervisor

STATE OF Montana :s County of Yellowstone)

The foregoing instrument was acknowledged before me on this 31st day of October, 2017, by Patrick B Kimmet, the UP Laurel Retining of CHS Inc., and he/she has executed said instrument on behalf of the corporation.

SHERRIE H. BUSH
NOTARY PUBLIC for the
State of Montana
Residing at Billings, Montana
My Commission Expires
February 23, 2019

Notary Public for the State of Montara

## Acknowledgement and Acceptance of Easement Agreement:

The Mayor for the City of Laurel, Yellowstone County Montana, on behalf of the City Council, acknowledges and accepts the Easement Agreement pursuant to City Council Resolution #<u>R17-46</u>. This 18th day of October, 2017.

Marlot Marc Mayor Attest: Bethany Keeler City Clerk/Treasurer STATE OF MONTANA ) : ss County of Yellowstone ) This instrument was acknowledged before me on this day of \_\_\_\_, 2017, by Mark A. Mace, as Mayor of the City of Laurel and Bethany Keeler, City Clerk/Treasurer of the City of Laurel. ptary Pathic for the State of Montana (NOTARIAL SEAL)

KELLY STRECKER
NOTARY PUBLIC for the
State of Montana
Residing at Bighorn, Montana
My Commission Expires
February 3, 2020

#### **EASEMENT AGREEMENT**

For consideration paid, CHS Inc., 5500 Cenex Drive, Inver Grove Heights, MN 55077 ("CHS") and the CITY OF LAUREL, of 115 W 1<sup>st</sup> Street, Laurel, MT 59044 ("CITY") agree that the CITYwill provide CHS with an easement deed dated October 12, 2017 on the terms and conditions set forth herein ("Easement Deed").

#### Recitals

Whereas, the CHS has requested that the CITY provide CHS with an easement (as defined below) for CHS's outfall and associated treated waste water pipeline(s) (as defined below).

Whereas, the City is willing to provide CHS with an easement (as defined below) for CHS's outfall and associated treated waste water pipeline(s) (as defined below) on the terms and conditions set forth herein.

Now, therefore, in consideration of the promises, covenants, restrictions, and agreements set forth herein, the parties agree as follows:

#### **Agreement**

- 1. <u>Grant of Easement.</u> CITY shall grant an Easement Deed to CHS in the form of Exhibit "A" attached hereto (referred to hereinafter as the "easement").
- 2. <u>CHS's Obligations.</u> In addition to the provisions set forth in the Easement Deed, CHS agrees to the following terms, conditions, and obligations which are material to the CITY in granting the Easement Deed:
- a. During operations involving excavation, CHS will remove from the site any large rocks or surplus excavated material or any debris that may have been exposed by the excavation. CHS will leave the finished surface in substantially the same condition as existed prior to construction. If any area that is disturbed CHS subsequently moves, sinks, or changes after initial restoration, CHS shall return to the site and further restore the area to preexisting grade.
- b. If there is any change in the course of the Yellowstone River or damage caused by the Yellowstone River after construction within the easement, CHS will be responsible for protecting its pipelines and easement through appropriate means.
- c. CHS shall indemnify, defend, and hold harmless the CITY from any and all liability, damage, claims, actions, or harm related in any manner to the work to be done by CHS pursuant to this Agreement.
- d. CHS shall use the easement solely for treated wastewater outfall and not for any other purpose.

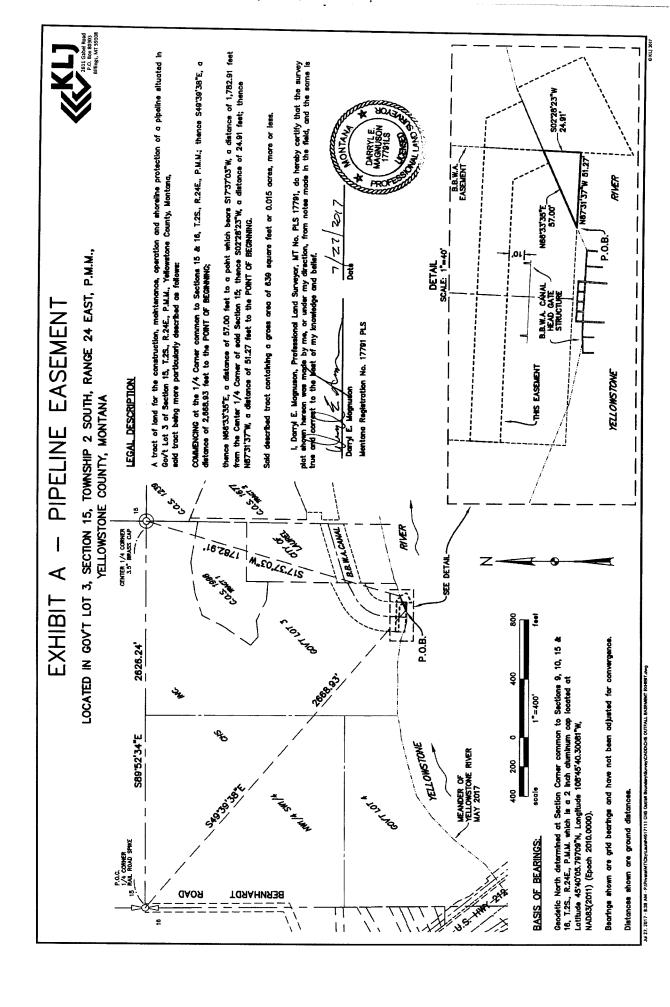
- e. CHS shall be solely responsible for remediating any hazardous or non-hazardous waste or other condition that might be encountered within the easement.
- f. City will allow access through and on City owned property southeast of BBWA Canal for construction and maintenance purposes. CHS will assure surface of area is restored to original puruposes.
- 3. The Obligations of the CITY. In addition to the provisions set forth in the Easement Deed, the CITY agrees to the following terms, conditions, and obligations which are material to the CHS:
- a. At no time will the CITY build, construct, erect, or maintain any permanent structure within the boundaries of the easement without the prior written consent of CHS.
- b. The CITY shall provide CHS with the right to enter, with 24 hour written notice to the CITY (except in emergency situations, such as a break in the pipelines when immediate access is required), upon the CITY's real property by using existing roads, trails or other routes on the CITY's real property causing the least damage and inconvenience to the CITY or its lessees in order to survey and establish the route and location of the easement and pipelines and to:
  - i. Construct, inspect, operate, repair, substitute, remove, replace and maintain the outfall and related services, connections, accessories and appurtenances; and
  - ii. Trim, remove or otherwise control any trees and brush inside the boundaries of the easement, after notification to the CITY, which may, in the opinion of the CHS, interfere or threaten to interfere with or be hazardous to the construction, operation and maintenance of the outfall.
- c. The CITY warrants that it is lawfully seized and possessed of the real property described in the Easement Deed, that it has a lawful right to convey the property and any interests therein, and that it will forever defend the title to this property against the claim of all persons.
- d. CHS may peaceably hold and enjoy the rights and privileges herein granted as limited herein without interruption by the CITY.
- 4. <u>Disputes.</u> CHS and the City agree the laws of the State of Montana govern this Agreement. The Parties agree that venue is proper within the State District Court of Yellowstone County, Montana. If a dispute arises, CHS and the City, through a representative(s) with full authority to settle a dispute, shall meet and attempt to negotiate a resolution of the dispute in good faith no later than ten business days after the dispute arises. If negotiations fail, the Parties may utilize a third party mediator and equally share the costs of the mediator or file suit.
- 5. <u>Material Breach Shall Invalidate Easement Deed.</u> A material breach of this Agreement by CHS shall be grounds for litigation to invalidate and terminate the Easement Deed.

- 6. <u>Expenses</u>. Except as otherwise provided in this Agreement, each of the respective parties to this Agreement shall bear their own costs and expenses (including, without limitation, legal and accounting fees and costs) relating to this Agreement, the negotiations leading to this Agreement and the transactions contemplated by this Agreement.
- 7. <u>Amendment</u>. This Agreement shall not be amended or modified except in writing executed by all parties to this Agreement.
- 8. Entire Agreement. This Agreement, including any schedules and exhibits hereto, contain all the terms, conditions, agreements, representations and warranties agreed upon by the parties to this Agreement relating to the subject of this Agreement and supersede all prior agreements, negotiations, correspondence, understandings, undertakings and communications of the parties, whether oral or written, respecting such subject matter. All parties acknowledge that he, she or it has an opportunity to assist in the drafting of this Agreement. Accordingly, the Agreement should not be interpreted against any one party or draftsman.
- 9. Notices. All notices, consents, offers, requests, demands, instructions or other communications pursuant or related to this Agreement shall be given in writing by personal delivery, by prepaid first class registered or certified mail properly addressed with appropriate postage paid thereon, or by UPS, FedEx or other recognized and reputable overnight courier, and shall be deemed duly given and received on the date of delivery if delivered personally, on the second day after deposit in the United States mail if mailed, or upon delivery if sent by UPS, FedEx or other recognized and reputable overnight courier. Notices shall be delivered, mailed or otherwise sent to the CITY at the address set forth above. With respect to CHS, notice shall be sent to 803 US Highway 212 South, Laurel, MT 59044, with a copy to 5500 Cenex Drive, Inver Grove Heights, MN 55077, Attn: Legal Department. Such addresses may be changed from time to time by means of a notice given in the manner provided in this Section.
- 10. <u>Severability</u>. If any term, condition, agreement or other provision of this Agreement, or the application thereof to any party or circumstances, shall be held to be invalid or unenforceable to any extent in any jurisdiction, then the remainder of this Agreement and the application such term, condition, agreement or other provision in any other jurisdiction or to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term, condition, agreement and other provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
- 11. <u>Further Assurances</u>. After execution of this Agreement each party shall from time to time at the reasonable request and sole expense of the requesting party execute and deliver to the requesting party, or cause to be executed and delivered to the requesting party, such documents, and take such other actions, as the requesting party may reasonably request in order to more effectively consummate the transactions contemplated by this Agreement.
- 12. <u>Assignment</u>. The rights and obligations of the parties to this Agreement shall run with the land and bind, inure to the benefit of and be enforceable by the parties and their respective heirs, devisees, legal representatives, successors and assigns.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands this 31st day of October, 2017.		
	CHS INC.:	
Attest:	By: Patrick B Kinnel Its: VP haunel Robins	
By: Total Payman Its: Purchasing Supervisor		
STATE OF Montana )		
County of Yellowstan		
The foregoing instrument was acknowledged October, 2017, by Patrick B Kimm of CHS Inc. of CHS Inc., and he/she has executed said inst	not, the Ul Jaurel Refinery	
SHERRIE H. BUSH NOTARY PUBLIC for the State of Montana Residing at Billings, Montana My Commission Expires February 23, 2019	Public for the State of Montana	

# Acknowledgement and Acceptance of Easement Agreement:

(NOTARIAL SEAL)



### A tract of land for the construction, maintenance and operation of a pipeline situated in GoVt Lot 3 of Section 15, T.25., R.24E., P.M.M., Yellowetone Caunty, Mantana, said tract being more particularly described as follows: S26"32'20"E 28.60' thence S8731'37'E, a distance of 20.00 feet to a point which bears S1719'10"W, a distance of 1,739.82 feet from the Center 1/4 Corner of sold Section 15; thence S26'32'20'E, a distance of 26.60 feet; thence S66'33'33"W, a distance of 36.58 feet; thence MOZ26'23'E, a distance of 39.25 feet to the PORNT OF BECANNING. COMMENCING at the 1/4 Corner common to Sections 15 & 16, T.2S., R.24E., P.M.M.; thence S51'25'20"E, a distance of 2,871.29 fact to the PONT OF BECINNING; Darry E. Magnusan, Professional Land Surveyor, MT No. PLS 17791, do hereby certify that the survey seen hereon was made by me, or under my direction, from notes made in the field, and the same is all correct to the bast of my knowledge and belief. S87'31'37"E (\_20.00' S86'33'35"W 36.58 80 Sold described tract containing a gross area of 878 square feet or 0.020 acres, more or less. P.O.B. B.B.W.A. EASEMENT NO2'28'23"E 38.25 RVER LOCATED IN GOV'T LOT 3, SECTION 15, TOWNSHIP 2 SOUTH, RANGE 24 EAST, P.M.M., SCALE: 1"=40' DETAIL B.B.W.A. CANAL HEAD GATE STRUCTURE PIPELINE EASEMENT Montana Registration No. 17791 PLS I, Darry E. Magnuson, P. plat shawn harean were true and ... THIS EASEMENT YELL DINS TONE LEGAL DESCRIPTION **Батту! Е. <sup>К</sup>мадпиво** YELLOWSTONE COUNTY, MONTANA CENTER 1/4 CORNER 3.5" BRASS CAP RIVER MaOL BLLIS 1739.82 SEE DETAIL EXHIBIT 80 P.O.B. Geodetic North determined at Section Corner common to Sections 9, 10, 15 & 16, 1,25. R.24E., P.M.M. which is a 2 inch aluminum cap located at Latitude 45'40'05.79708"N, Longitude 108'45'40.30081"W, 2626.24 Bearings shown are grid bearings and have not been adjusted for convergence. ş L. S89'52'34"E YELLOWSTONE MEANDER OF -YELLOWSTONE RIVER MAY 2017 200 \* to, the Distances shown are ground distances. NAD83(2011) (Epoch 2010.0000) P.O.C. 1/4 CORNER 15 RAIL ROAD SPIKE BASIS OF BEARINGS: **GAOR** BERNHARDT 14.5. KH

u 27, 2017 - 8:20 AM - P.NPI

A tract of land for the construction, maintenance, operation and shoreline protection of a pipeline situated in GoV't Lot 3 of Section 15, T.2S., R.24E., P.M.M., Yellowetone County, Montana, thence N66'33'35'E, a distance of 45.61 feet to a point which bears 516'28'18"W, a distance of 1,753.16 feet from the Center 1/4 Carner of sold Section 15; thence 526'31'34"E, a distance of 49.20 feet, thence 553'06'28"W, a distance of 74.86 feet; thence N02'28'23"E, a distance of 59.64 feet to the PONIT OF BEGINANG. N66'33'35"E 45.81 i, Darry E. Magnuson, Professional Land Surveyor, MT No. PLS 17791, do hareby certify that the survey plat shown hereon was made by me, or under my direction, from notes made in the field, and the same is true and correct to the year of my knowledge and belief. COMMENCING at the 1/4 Corner common to Sections 15 & 16, T.2S., R.24E., P.M.M.; thence SSC'14'53"E, distance of 2,694.60 feet to the POINT OF BEGINNING; Sold described tract containing a gross area of 3,086 square feet or 0.070 acres, mare or less. B.B.W.A. EASEMENT PROF RIVER 12017 P.O.B.-122 SCALE: 1"=40" LOCATED IN GOV'T LOT 3, SECTION 15, TOWNSHIP 2 SOUTH, RANGE 24 EAST, P.M.M., DETAIL Date sold tract being more particularly described as follows: B.B.W.A. CANAL HEAD GATE STRUCTURE PIPELINE EASEMENT Montana Registration No. 17791 PLS THIS EASEMENT YELL OWS TOWE LEGAL DESCRIPTION YELLOWSTONE COUNTY, MONTANA Dorryl E. Mognusc Sep Soo 5 .91.821 M.81,82.915 RIVER CENTER 1/4 CORNER 3.5" BRASS CAP SEE DETAIL EXHIBIT 8 P.O.B.七 Geodetic North determined at Section Corner common to Sections 9, 10, 15 & 16, 1.25. R.24E., P.M.M. which is a 2 inch aluminum cap located at Latitude 45'40'05.79709"N, Longitude 108'45'40.30081"W, 2626.24 Bearings shown are grid bearings and have not been adjusted for convergence. 7594.00 홍 SE. YELLOWSTONE S89'52'34"E MEANDER OF YELLOWSTONE RIVER MAY 2017 200 TO, LAG Distances shown are ground distances. INS THE NAD83(2011) (Epoch 2010.0000). 1/4 CORNER 1/4 CORNER 15 RAL ROAD SPIKE BASIS OF BEARINGS: ROAD **BERNHARDT** 1. 1. S. H.