



Item: Purchase of Property: A portion of Tract 1 (COS #3347) located in the East ½ of Section 21, Township 20 North, Range 3 East

From: Engineering Division

Initiated By: Public Works Department

Presented By: Jim Rearden, Public Works Director

Action Requested: Approve purchase of property (Office File 1625.2)

Suggested Motion:

1. Commissioner moves:

“I move that the City Commission (approve/deny) the purchase of a portion of Tract 1 located in the East ½ of Section 21, Township 20 North, Range 3 East, in Cascade County, Montana for a purchase price not to exceed the appraised value of the land and authorize the City Manager to enter into all necessary documents and agreements to consummate the transaction.”

2. Mayor requests a second to the motion, Commission discussion, public comment, and calls for the vote.

Staff Recommendation: Approve purchase of property.

Summary: Based on the results of a 2013 evaluation of the condition of the Gore Hill Water Tower and recommendations provided in the 2004 Water Master Plan, City Staff started evaluating possible locations for a new water tower on Gore Hill. Six (6) possible locations were evaluated resulting in negotiations with four (4) different property owners. Based on the results of the preliminary evaluations and negotiations, the property presented herein for purchase was determined to be viable. If the City Commission chooses to execute the Buy-Sell Agreement for this property, a 180 day due diligence period will start. During the due diligence period Staff and Consultants will perform a robust evaluation of the property. Should the geotechnical investigation, Federal Aviation Administration (FAA) determination, and title report all return favorable results then the proposed property will be subdivided, purchased, and annexed into the City. If the results of the investigation are not favorable or the subdivision and annexation are not approved, then the City may choose to terminate the Buy-Sell Agreement.

Exhibit A shows the approximately 2.07 acre portion of Tract 1 that Staff is recommending the City purchase from the Anderson Estate for the construction of the new Gore Hill Water Tower.

Background:

Significant Impacts

In 2013, Advanced Engineering and Environmental Services (AE2S) evaluated the Gore Hill Water Tower and documented excessive corrosion and pitting to the point that proper reconditioning may not be feasible. The 2004 Water Master Plan prepared by Thomas, Dean, and Hoskins (TD&H) and Black & Veatch Corporation recommended relocating the Gore Hill Water Tower further away from the Airport and constructing a new taller water tower to improve the normal operating water pressure in the Gore Hill Zone of the water distribution system. Based on these findings and recommendations, City Staff started actively researching possible locations for the new Gore Hill Water Tower.

In the last 2 years, approximately 22 holes in the Gore Hill Water Tower have been plugged by City Staff. When a hole develops that cannot be plugged, the water tower will need to be taken off line. With the tower off line, the Gore Hill portion of the water distribution system will need to be pressurized by the Gore Hill Pump Station. This will result in power bills that are 2 to 3 times higher than normal and a loss of capacity in the system.

Workload Impacts

Macek Companies, Inc. is under contract to facilitate the real estate transaction associated with the purchase of land for the new Gore Hill Water Tower. Macek Companies has been working with multiple property owners to identify parcels of land that might be available for purchase by the City. Mark Macek of Macek Companies is acting as an agent for the City in this transaction.

AE2S is under contract to provide engineering and project management services related to subdividing, annexing, and preparing a Certificate of Survey for the parcel of land chosen to construct the new water tower on. AE2S is also under contract to design and manage the construction of the new Gore Hill Water Tower.

City engineering staff, City water plant staff, and City planning staff will assist with project administration duties.

Purpose

The purpose of the Buy-Sell Agreement is to allow the City access to the property to determine if the proposed property is suitable for the new Gore Hill Water Tower. The ultimate goal is the purchase of an approximate 2.07 acre parcel of land annexed into the City that is suitable for the construction of a new 500,000 gallon elevated water storage tank.

Project Work Scope

The land purchased will be utilized to construct a new 500,000-gallon elevated water tank servicing the Gore Hill Pressure Zone of the water distribution system. The project is in the preliminary stages of design and the Consultant is recommending a composite type tower. A composite type tower consists of one concrete leg, approximately 35 feet in diameter, supporting a steel bowl that will be approximately 65 feet in diameter. The

FAA will determine the maximum allowable height of the new water tower. At this time we are estimating that the new tower will be between 135 and 150 feet tall. Approximately 2,200 feet of new 16-inch diameter water transmission piping will be installed to provide a looped connection to the water tower. The total cost associated with the new water tower is approximately \$3,500,000. This cost estimate includes the construction of the new water tower, the installation of new water transmission piping, pump upgrades to the Gore Hill Pump Station, site work, and demolition of the existing water tower.

Conclusion

City staff recommends approving the Buy-Sell Agreement including all necessary documents and agreements to consummate the land transaction.

Fiscal Impact: Water Capital Funds shall be used to pay for all expenses identified in the Buy-Sell Agreement and the Contract Addendum including but not limited to the appraisal, title report, title insurance, closing costs, and the purchase price of the property. Water Capital Funds shall also be utilized to pay for expenses related to the due diligence investigation.

Alternatives: The City Commission could consider denying the purchase of this property and direct Staff to continue searching for alternate sites.

Concurrences: The City Attorney's Office and Planning and Community Development support the subdivision, annexation, zoning, and purchase of this property.

Attachments/Exhibits:

1. Buy-Sell Agreement
2. Contract Addendum
3. Exhibit A – Site Plan
4. Certificate of Survey #3347

57 **PAYMENT/RECEIPT OF EARNEST MONEY:** Buyer agrees to provide Earnest Money in the amount of _____
58 Five Hundred U.S. Dollars (\$ 500.00) as evidenced by Cash; OR Check,
59 the receipt of which is acknowledged by the undersigned Broker/Salesperson; OR, _____
60 _____
61 _____

62 Mark Macek (406) 727-5505 _____
63 (Broker/Salesperson's Printed Name and Phone Number) (Signature of Broker/Salesperson) Mark Macek
64 **To be signed only if in actual receipt of cash or check**

65
66 If Buyer fails to pay the Earnest Money as set forth above, Buyer will be in default of this Agreement and Seller shall
67 be entitled to immediately terminate this Agreement and declare any Earnest Money already paid by Buyer to be
68 forfeited.
69

70 **DEPOSIT OF EARNEST MONEY:** All parties to this transaction agree, unless otherwise provided herein, that the
71 earnest monies will be deposited or delivered by the Broker/Salesperson listed above within (15) business
72 days of the date all parties have signed the Agreement or _____
73 and such funds will be held in a trust account by Macek Companies, Inc. Trust Account .
74

75 Parties agree that interest accruing on earnest money, if any, while deposited shall be payable to: _____
76 N/A - Macek Companies, Inc. does not have an interest bearing trust account. .

77 If interest is payable to the Broker it is agreed that sums so paid are consideration for services rendered.
78

79 The parties authorize the holder of the earnest money to forward to the closing agent, upon its request, all or any
80 portion of the earnest money required to complete the closing of the transaction.
81

82 **FINANCING CONDITIONS AND OBLIGATIONS:**

83
84 **BUYER'S REPRESENTATION OF FUNDS:** Buyer represents that they have sufficient funds for the down
85 payment and closing costs to close this sale in accordance with this Agreement and are not relying upon any
86 contingent source of such funds unless otherwise expressly set forth herein.
87

88 **LOAN APPLICATION:** If Buyer fails to make written application for financing and pay to the lender any
89 required fees, apply for assumption of an existing loan or contract, or initiate any action required for
90 completion of a contract for deed by 5:00 P.M. (Mountain Time) (date) _____
91 Buyer will be in breach of this Agreement and Seller can exercise Seller's remedies under this Agreement.
92

93 **CONTINGENCIES:** The contingencies set forth in this Agreement or on attached addenda shall be deemed to have
94 been released, waived, or satisfied, and the transaction shall continue to closing, unless, by 5:00 p.m. (Mountain Time)
95 on the date specified for each contingency, the party requesting that contingency has notified the other party or the
96 other party's Broker/Salesperson in writing that the contingency is not released, waived, or satisfied. If a party has
97 notified the other party on or before the release date that a contingency is not released, waived, or satisfied, the
98 transaction is terminated, and the earnest money will be returned to the Buyer, unless the parties negotiate other terms
99 or provisions.
100

101 **FINANCING CONTINGENCY:**

102 This Agreement is contingent upon Buyer obtaining the financing specified in the section of this Agreement
103 entitled "PURCHASE PRICE AND TERMS". If financing cannot be obtained by the Closing Date this Agreement
104 is terminated and the earnest money will be refunded to the Buyer; **OR**

105
106 This Agreement is contingent upon Buyer obtaining the financing specified in the section of this Agreement
107 entitled "PURCHASE PRICE AND TERMS." Release Date: _____ .
108

109 **APPRAISAL CONTINGENCY:**

110 Property must appraise for at least the Purchase Price **OR** at least \$ _____ . If the Property
111 does not appraise for at least the specified amount, this Agreement is terminated and earnest money refunded
112 to the Buyer unless the Buyer elects to proceed with closing this Agreement without regard to appraised value.
113 Written notice of Buyer's election to proceed shall be given to Seller or Seller's Broker/Salesperson within _____
114 days of Buyer or Buyer's Broker/Salesperson receiving notice of appraised value; **OR**

115
116 This agreement is contingent upon the Property appraising for at least the Purchase Price **OR** at least
117 \$ _____ . Release Date: _____ .

Buyer's Initials

118 **TITLE CONTINGENCY:** This offer is contingent upon Buyer's receipt and approval (to Buyer's satisfaction) of
119 the preliminary title commitment. Release Date: 20 days from Buyer's or Buyer's
120 representative's receipt of preliminary title commitment.
121

122 **PROPERTY INVESTIGATION:** This offer is contingent upon Buyer's independent investigation of the following
123 conditions relating to the property, including but not limited to; covenants, zoning, access, easements, well
124 depths, septic and sanitation restrictions, surveys or other means of establishing the corners and boundaries,
125 special improvement districts, restrictions affecting use, special building requirements, future assessments,
126 utility hook up and installation costs, environmental hazards, airport affected area, road maintenance
127 obligations or anything else Buyer deems appropriate. Buyer agrees that any investigations or inspections
128 undertaken by Buyer or on his/her behalf shall not damage or destroy the property, without the prior written
129 consent of Seller. Further, Buyer agrees to return the property to its original condition and to indemnify Seller
130 from any damage or destruction to the property caused by the Buyer's investigations or inspections, if Buyer
131 does not purchase the property. Release Date: March 30, 2017 .

132 **This offer is contingent upon**
133 **See attached addendum**

134
135
136
137 Release Date: March 30, 2017

138 **This offer is contingent upon** _____
139 _____
140 _____
141 _____
142 _____

143 Release Date: _____
144

145 **ADDITIONAL PROVISIONS:**

146 **The Buyer shall pay for all closing costs including Title Insurance.**

147 **See attached addendum for Buyer and Seller Obligations.**
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165 **CONVEYANCE:** The Seller shall convey the real property by General Warranty
166 deed, free of all liens and encumbrances except those described in the title insurance commitment, as approved by
167 Buyer. The Seller shall convey the personal property by Bill of Sale.
168

169 **WATER:** All water, including surface water or ground water, any legal entitlement to water, including statements of
170 claim, certificates of water rights, permits to appropriate water, exempt existing rights, decreed basins or any ditches,
171 ditch rights, or ditch easements appurtenant to and/or used in connection with the Property are included with the
172 Property, except **no exceptions**.
173 _____

174 Filing or transfer fees will be paid by Seller, Buyer, split equally between Buyer and Seller.

175 Documents for transfer will be prepared by the Buyer .

Buyer's Initials

231 of the date of closing unless otherwise agreed and: no exceptions.
232 _____
233 _____
234 _____

235
236 **CONDITION OF PROPERTY:** Seller agrees that the Property shall be in the same condition, normal wear and tear
237 excepted, from the date of the execution of this Agreement up to the time Buyer takes possession of the Property.
238 Seller will remove all personal property not included in this sale prior to closing.

239
240 **NOXIOUS WEEDS DISCLOSURE:** Buyers of property in the state of Montana should be aware that some properties
241 contain noxious weeds. The laws of the State of Montana require owners of property within this state to control, and to
242 the extent possible, eradicate noxious weeds. For information concerning noxious weeds and your obligations as an
243 owner of property, contact either your local County extension agent or Weed Control Board.

244
245 **MEGAN'S LAW DISCLOSURE:** Pursuant to the provisions of Title 46, Chapter 23, Part 5 of the Montana Code
246 Annotated, certain individuals are required to register their address with the local law enforcement agencies as part of
247 Montana's Sexual and Violent Offender Registration Act. In some communities, law enforcement offices will make the
248 information concerning registered offenders available to the public. If you desire further information please contact the
249 local County Sheriff's office, the Montana Department of Justice, in Helena, Montana, and the probation officers
250 assigned to the area.

251
252 **BUYER'S REMEDIES:** (A) If the Seller fails to accept the offer contained in this Agreement within the time period
253 provided in the BUYER'S COMMITMENT section, all earnest monies shall be returned to the Buyer. (B) If the Seller
254 accepts the offer contained in this Agreement, but refuses or neglects to consummate the transaction within the time
255 period provided in this Agreement, the Buyer may:

- 256 (1) Demand immediate repayment of all monies that Buyer has paid as earnest money, and upon the return of
257 such money, the rights and duties of Buyer and Seller under this Agreement shall be terminated; OR
258 (2) Demand that Seller specifically perform Seller's obligation under this Agreement; OR
259 (3) Demand monetary damages from Seller for Seller's failure to perform the terms of this Agreement.

260
261 **SELLER'S REMEDIES:** If the Seller accepts the offer contained in this Agreement and Buyer refuses or neglects to
262 consummate the transaction within the time period provided in this Agreement, the Seller may:

- 263 (1) Declare the earnest money paid by Buyer be forfeited; OR
264 (2) Demand that Buyer specifically perform Buyer's duties and obligations under this Agreement; OR
265 (3) Demand that Buyer pay monetary damages for Buyer's failure to perform the terms of this Agreement.

266
267 **BUYER'S AND SELLER'S CERTIFICATION:** By entering into this Agreement, each person or persons executing this
268 Agreement, as Buyer or Seller, represents that he/she is eighteen (18) years of age or older, of sound mind, and
269 legally competent to own or transfer real property in the State of Montana; and, if acting on behalf of a corporation,
270 partnership, or other non-human entity, that he/she is duly authorized to enter into this Agreement on behalf of such
271 entity.

272
273 **FOREIGN PERSON OR ENTITY:** Section 1445 of the Internal Revenue Code provides for the withholding of tax
274 upon the sale of U.S. real property owned by a foreign entity or foreign person unless the amount realized (usually the
275 sales price) does not exceed \$300,000 and the Buyer intends to use the property as a residence. If the Seller is a
276 foreign entity or foreign person, Seller acknowledges and agrees that the Buyer or closing agent is required to deduct
277 and withhold the applicable tax from the proceeds of sale at closing and submit the tax to the Internal Revenue
278 Service unless the transfer of the property satisfies an exception provided for in Section 1445 of the Internal Revenue
279 Code.

280
281 **AGRICULTURAL FOREIGN INVESTMENT DISCLOSURE ACT:** The Agricultural Foreign Investment Disclosure Act
282 of 1978 (AFIDA) requires any foreign person who acquires or transfers any interest, other than a security interest, in
283 agricultural land to submit a report to the Secretary of Agriculture not later than 90 days after the date of the
284 acquisition or transfer. If Buyer or Seller is or may be considered a foreign person under the AFIDA they are advised
285 to consult with an appropriate professional concerning any reporting that may be required by the AFIDA.

Buyer's Initials

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Buy-Sell Agreement Land, February 2016

Page 5 of 7 _____
Seller's Initials

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

291
292 **RISK OF LOSS:** All loss or damage to any of the above-described real property or personal property to any cause is
293 assumed by Seller through the time of closing unless otherwise specified.

294
295 **TIME IS OF THE ESSENCE:** Time is of the essence as to the terms and provisions of this agreement.

296
297 **BINDING EFFECT AND NON-ASSIGNABILITY:** This Agreement is binding upon the heirs, successors and assigns
298 of each of the parties hereto; however, Buyer's rights under this Agreement are not assignable without the Seller's
299 express written consent.

300
301 **ATTORNEY FEES:** In any action brought by the Buyer or the Seller to enforce any of the terms of this Agreement,
302 the prevailing party in such action shall be entitled to such reasonable attorney fees as the court or arbitrator shall
303 determine just.

304
305 **COMMISSION:** The Seller's and/or Buyer's commitment to pay a commission in connection with this transaction is an
306 integral part of this Agreement.

307
308 **FACSIMILE:** The parties agree that a facsimile copy of this Agreement to Sell and Purchase which contains the
309 parties' signatures may be used as the original.

310
311 **ENTIRE AGREEMENT:** This Agreement, together with any attached exhibits and any addenda or amendments
312 signed by the parties, shall constitute the entire agreement between Seller and Buyer, and supersedes any other
313 written or oral agreements between Seller and Buyer. This Agreement can be modified only in writing, signed by the
314 Seller and Buyer.

315
316 **COUNTERPARTS:** A copy of this document may be executed by each individual/entity separately, and when each
317 has executed a copy thereof, such copies, taken together, shall be deemed to be a full and complete contract between
318 the parties.

319
320 **EARNEST MONEY DISPUTES:** Buyer and Seller agree that, in the event of any controversy regarding the earnest
321 money and things of value held by the Broker, closing agent, or any person or entity holding such money or property,
322 unless mutual written instructions are received by the holder of the earnest money and things of value, Broker or
323 closing agent shall not be required to take any action, but may await any proceedings, or, at Broker's or closing
324 agent's option and sole discretion, may interplead all parties and deposit any monies or things of value in a Court of
325 competent jurisdiction and may utilize as much of the earnest money deposit as may be necessary to advance the
326 cost and fees required for filing such action.

327
328 **ADDENDA AND/OR DISCLOSURES ATTACHED:** (Check all that apply.)

- 329 Contingency for Sale of Buyer's Property Back-up Offer
330 Addendum for Additional Provisions
331 Water Rights Acknowledgement
332 Exhibit "A" - Site Plan / Addendum

333
334 **RELATIONSHIP CONFIRMATION:** The parties to this agreement confirm that the real estate licensees identified
335 hereafter have been involved in this transaction in the capacities indicated below and the parties have previously
336 received the required statutory disclosures setting forth the licensees duties and the limits of their obligations to each
337 party:

338
339 Mark Macek of Macek Companies Inc.
340 (name of licensee) (name of Brokerage company)
341 is acting as Seller's Broker/Salesperson; Dual Broker/Salesperson; Statutory Broker.

342 Mark Macek of Macek Companies Inc.
343 (name of licensee) (name of Brokerage company)

344 is acting as Buyer's Broker/Salesperson; Dual Broker/Salesperson; Statutory Broker;
345 Seller's Broker/Salesperson (includes Seller's Sub-Broker or Salesperson).
346

347 **BUYER'S ACKNOWLEDGMENT:** Buyer acknowledges that he/she has examined the real and personal property,
348 that Buyer enters into this Agreement in full reliance upon his/her independent investigation and judgement, that prior
349 verbal representations by the Seller or Seller's agent or representatives do not modify or affect this Agreement, and
350 that by signing this Agreement Buyer acknowledges having read and understood this entire Agreement.
351

352 **BUYER'S COMMITMENT:** I/We agree to purchase the above-described Property on the terms and conditions set
353 forth in the above offer and grant to said Salesperson until (date) _____
354 at _____ a.m. p.m. (Mountain Time) to secure Seller's written acceptance, whether nor not that
355 deadline falls on a Saturday, Sunday or holiday. Buyer may withdraw this offer at any time prior to Buyer being
356 notified of Seller's written acceptance. If Seller has not accepted by the time specified, this offer is automatically
357 withdrawn.

358 The parties hereto, all agree that the transaction contemplated by this document may be conducted by electronic
359 means in accordance with the Montana Uniform Electronic Transaction Act.
360

361 **I/WE HEREBY ACKNOWLEDGE** receipt of a copy of this Agreement bearing my/our signature(s).
362

363 Buyer's Address: _____ City _____ ,
364

365 State _____ , Zip Code _____
366

367 Buyer's Name Printed: City of Great Falls
368

369 Dated this _____ , at _____ am pm (Mountain Time).
370

371 _____
372 (Buyer's Signature) (Buyer's Signature)
373

374 **OFFER PRESENTATION:** This offer was presented to the Seller(s) on
375

376 Date: _____ Time _____ am pm By: _____
377 (Signature of person presenting the offer)

378 **SELLER'S COMMITMENT:** I/We agree to sell and convey to Buyer the above-described Property on the terms
379 and conditions herein above stated. I/We acknowledge a receipt of a copy of this Agreement bearing my/our
380 signature(s) and that of the Buyer(s) named above.
381

382 Seller's Address: _____ City _____ ,
383

384 State _____ , Zip Code _____
385

386 Seller's Name Printed: _____
387

388 Dated this _____ , at _____ am pm (Mountain Time).
389

390 _____
391 (Seller's Signature) (Seller's Signature)
392

393 **ACTION TAKEN, IF OTHER THAN ACCEPTANCE:**
394

395 I/We acknowledge receipt of this Agreement bearing my/our initial(s) and the signature(s) of the Buyer(s) named above.
396

397 Rejected by Seller _____ / _____ / _____ Modified per Attached Counter _____ / _____ / _____
398 Seller's Initials Date Seller's Initials Date

NOTE: Unless otherwise expressly stated the term "Days" means calendar days and not business days. Business days are defined as all days
as except Sundays and holidays. Any performance which is required to be completed on a Saturday, Sunday or a holiday can be
performed on the next business day.

Contract Addendum

This Contract Addendum is related to the following contract:

Addendum Date: October 5, 2016

Type of Contract: Land Buy Sell Agreement

Seller: Estate of Gary L. Anderson

Buyer: City of Great Falls

Address of Property: Belview Palisades Area, Great Falls, MT 59405

Legal Description: a portion of Tract 1 in the E1/2 of Section 21,
Township 20 North, Range 3 East, PMM, Cascade County, Montana
Recorded COS#3347
As depicted on Exhibit "A" attached to this contract

Date of Contract: October 5, 2016

RE: Buy Sell Contract Addendum for Additional Provisions

The Buyer and Seller agree to the following additions to the above described Land Buy Sell contract:

The Buy Sell Agreement is contingent upon these specific Buyer Due Diligence Items to be completed during its inspection period....

- 1) FAA approval to construct a water tower to a height acceptable to the City.
- 2) Favorable results from geotechnical investigations.
- 3) City Commission approval of the Purchase Agreement for this property.
- 4) State, County, and City approval of Subdivision required to create the property parcel.
- 5) State, County, and City approval of Annexation of the property to the City of Great Falls.
- 6) City zoning approval for the water tower to be located on the property.
- 7) City Commission approval of the closing and actual land purchase of the property.
- 8) Any other inspections or due diligence the Buyer deems necessary in conjunction with the purchase of the property.

Seller's Obligations: Seller will furnish Buyer copies of all existing surveys, easement documents, environmental studies/reports, geotechnical studies/reports, existing lease contracts, maintenance contracts, and any other information pertinent to the subject property in the Seller's possession or known to the Seller, within ten (10) business days following execution of the Purchase and Sale Agreement.

Other Seller Obligations

- 1) Seller shall allow access to the Buyer of their entire property during the due diligence period. The Buyer shall repair any damage to the property created by due diligence or other activities by or on behalf of the Buyer.
- 2) Seller shall cooperate in the approval and execution of necessary documents for subdivision of the Seller's property to create the property to be purchased by the Buyer. The actual subdivision of the property to be purchased will not be completed if the transaction does not close.
- 3) The Seller shall waive their rights to protest the zoning being established that will be required for the location of the City Water Tower on the property being purchased by the Buyer.

Buyer's Obligations:

The Buyer shall review with the Seller and the Seller shall approve the following items in writing with City of Great Falls Staff on or before November 30, 2016 :

Land Buy-Sell Agreement Addendum

Seller: Estate of Gary L. Anderson

Buyer: City of Great Falls

Date of Contract: October 5, 2016

- 1) Proposed access to the remaining Anderson property from the south as described in "Annexation and Improvements Agreement for Flying J Travel Plaza Addition" Section 6.C. stating that the easterly sixty (60) feet of the Addition (29th Street SW) shall be dedicated as an easement for a public right of way when deemed necessary by the City. Based on this Annexation Agreement, 29th Street SW can be considered as an access to the Seller's remaining property when said property is incorporated and developed.
- 2) The City shall install a new water main in the new public right of way adjacent to Seller's remaining land parcel near the proposed City Water Tank for future access to City Water. Approximate location of water main is shown on Exhibit "A".
- 3) There shall be no reimbursement due from the Seller or any Developer developing the Seller's remaining land parcel now or in the future for the cost associated with the installation of the new water main along 29th Street SW as shown on Exhibit "A".
- 4) There shall be no reimbursement due from the Seller or any Developer developing the Seller's remaining land parcel now or in the future for the cost associated with the installation of the new water main along 38th Avenue SW, should the City determine that a new water main is needed in 38th Avenue SW.
- 5) Seller or any Developer developing the Seller's remaining land parcel shall be responsible for all costs and fees associated with tapping into the water main and extending the water main onto the Seller's remaining land parcel.
- 6) Assist the Buyer in the approval of the annexation and subdivision of the property and creation of the subject parcel with the assistance of the Seller when necessary. Upon City Commission approval the subject parcel shall then be annexed into the City and zoned appropriately for the intended use. All applications, permits, surveys and other required paperwork for annexation and zoning shall be prepared by the Buyer for the Seller and will be at no cost to the Seller.

Seller shall request a standard title insurance policy immediately after the execution of a Purchase and Sale Agreement to be provided by First American Title of Great Falls and the Buyer shall within twenty (20) business days of receipt approve or disapprove this title report.

Brokerage: Buyer is paying Macek Companies, Inc. as a consultant and no real estate commission will be due from the Seller. Mark Macek, Macek Companies, Inc. is acting as an agent for the Buyer in this transaction.

Miscellaneous:

1. Seller will allow Buyer reasonable access to property upon execution of the Purchase Agreement for surveys, studies, utility investigation, and other Due Diligence actions. This includes bore holes to collect geotechnical information.

Buyer-City of Great Falls

Date

Seller-Estate of Gary L. Anderson

Date

Seller-Estate of Gary L. Anderson

Date

CERTIFICATE OF SURVEY

PURPOSE OF SURVEY: BOUNDARY RELOCATION
 LOCATED IN THE E1/2 S.21, T.20 N., R.3 E.,
 P.M.M., CASCADE COUNTY, MONTANA

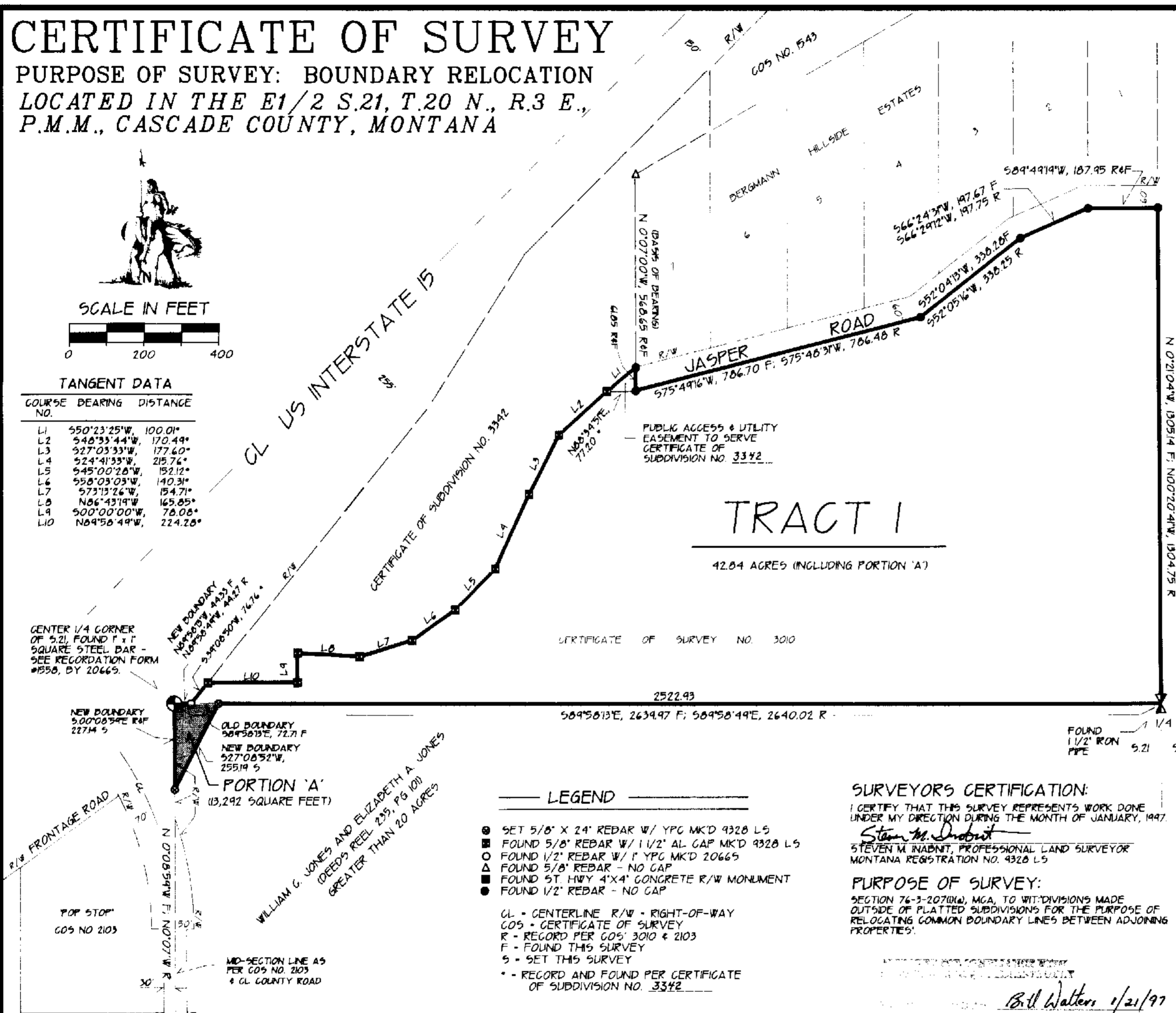


SCALE IN FEET



TANGENT DATA

COURSE NO.	BEARING	DISTANCE
L1	550°23'25"W	100.01'
L2	548°33'44"W	170.49'
L3	527°03'33"W	177.60'
L4	524°41'33"W	215.76'
L5	545°00'28"W	152.12'
L6	558°03'03"W	140.31'
L7	573°13'26"W	154.71'
L8	N86°43'19"W	165.85'
L9	S00°00'00"W	78.08'
L10	N64°58'49"W	224.28'



LEGAL DESCRIPTION:

PERIMETER LEGAL DESCRIPTION:
 A PARCEL OF LAND BEING CERTIFICATE OF SURVEY NO. 3010,
 LESS CERTIFICATE OF SUBDIVISION NO. 3342 AND A PORTION
 OF LAND DESCRIBED IN DEEDS REEL 235, PAGE 101, LOCATED
 IN THE E1/2 OF SECTION 21, P.M.M., CASCADE COUNTY,
 MONTANA AND FURTHER DESCRIBED AS FOLLOWS:

PERIMETER:
 BEGINNING AT THE 1/4 CORNER COMMON TO SECTIONS 21 & 22
 THENCE N.00°21'04"W, 1805.14 FEET; THENCE
 S.89°49'19"W, 187.95 FEET; THENCE S.66°24'39"W, 197.67
 FEET; THENCE S.52°04'13"W, 338.28 FEET; THENCE
 S.75°49'16"W, 786.70 FEET; THENCE N.00°07'00"W, 42.85
 FEET; THENCE S.50°23'25"W, 100.01 FEET; THENCE
 S.48°33'44"W, 170.49 FEET; THENCE S.27°03'33"W, 177.60
 FEET; THENCE S.24°41'33"W, 215.76 FEET; THENCE
 S.45°00'28"W, 152.12 FEET; THENCE S.58°03'03"W, 140.31
 FEET; THENCE S.73°13'26"W, 154.71 FEET; THENCE
 N.86°43'19"W, 165.85 FEET; THENCE S.00°00'00"W, 78.08
 FEET; THENCE N.89°58'49"W, 224.28 FEET; THENCE
 S.39°08'50"W, 76.76 FEET; THENCE N.89°58'19"W, 44.33
 FEET; THENCE S.00°08'59"E, 227.14 FEET; THENCE
 N.27°08'52"E, 255.19 FEET; THENCE S.89°58'19"E,
 224.28 FEET TO THE POINT OF BEGINNING CONTAINING 42.84
 ACRES, AS SHOWN ON THE ATTACHED SURVEY, AND BEING
 SUBJECT TO ALL EASEMENTS AND DEDICATIONS EXISTING,
 SHOWN AND/OR OF RECORD.

FOR CONVEYANCE OF PORTION 'A':
 BEGINNING AT THE CENTER 1/4 OF SECTION 21 THENCE
 S.00°08'59"E, 227.14 FEET; THENCE N.27°08'52"E, 255.19
 FEET; THENCE N.89°58'19"W, 170.49 FEET TO THE POINT OF
 BEGINNING CONTAINING 13,292 SQUARE FEET, AS SHOWN ON THE
 ATTACHED SURVEY.

NOTE: THIS CERTIFICATE OF SURVEY SHALL NOT BE USED AS A
 REFERENCE DESCRIPTION IN ANY SUBSEQUENT TRANSFER OF
 PROPERTIES DESCRIBED HEREIN AS PORTION 'A'.

OWNERS CERTIFICATION:

WE HEREBY CERTIFY THAT THE PURPOSE OF THIS DIVISION OF
 LAND IS TO RELOCATE A COMMON BOUNDARY LINE BETWEEN
 ADJOINING PROPERTIES OUTSIDE A PLATTED SUBDIVISION.
 THEREFORE, THIS DIVISION OF LAND IS EXEMPT FROM REVIEW
 AS A SUBDIVISION PURSUANT TO SECTION 76-3-207(b),
 MCA.

Gary Anderson *Viola K. Anderson*
 GARY ANDERSON VIOLA K. ANDERSON
 OWNERS: COS NO. 3010

William G. Jones *Elizabeth A. Jones*
 WILLIAM G. JONES ELIZABETH A. JONES
 OWNERS: PORTION 'A'

ACKNOWLEDGMENT:

STATE OF MONTANA, COUNTY OF CASCADE
 THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON
JAN. 20, 1997 BY GARY ANDERSON & VIOLA K. ANDERSON
William G. Jones & Elizabeth A. Jones
 NOTARY MY COMMISSION EXPIRES 1-23-98

ACKNOWLEDGMENT:

STATE OF MONTANA, COUNTY OF CASCADE
 THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON
JAN. 20, 1997 BY WILLIAM G. JONES & ELIZABETH A. JONES
 NOTARY MY COMMISSION EXPIRES 1-23-98

SURVEYORS CERTIFICATION:

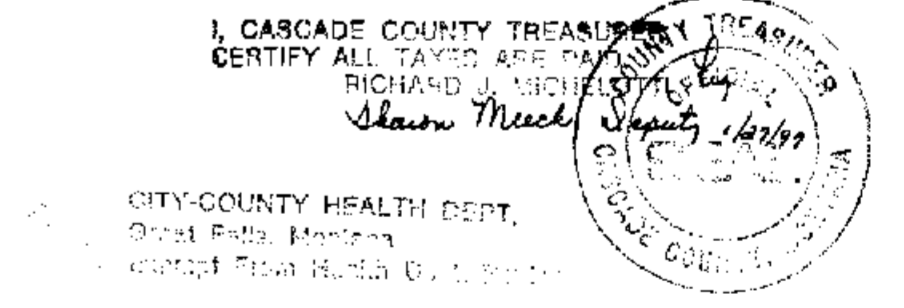
I CERTIFY THAT THIS SURVEY REPRESENTS WORK DONE
 UNDER MY DIRECTION DURING THE MONTH OF JANUARY, 1997.
Steven M. Inabnit
 STEVEN M. INABNIT, PROFESSIONAL LAND SURVEYOR
 MONTANA REGISTRATION NO. 4328 L5

PURPOSE OF SURVEY:

SECTION 76-3-207(b), MCA, TO WITHDRAWALS MADE
 OUTSIDE OF PLATTED SUBDIVISIONS FOR THE PURPOSE OF
 RELOCATING COMMON BOUNDARY LINES BETWEEN ADJOINING
 PROPERTIES.

DATE OF SURVEY: 1/21/97
 BY: Bill Walters

I CERTIFY THAT I RECEIVED AND
 FILED THIS INSTRUMENT ON THIS
 DAY OF JAN 21 1997
 AT 4:10 O'CLOCK P.M.
 BY: John Hendrick
 CLERK AND RECORDER
 BY: Tomella J. Fox DEPUTY



CITY-COUNTY HEALTH DEPT.
 Great Falls, Montana
 Contact: Tina Hurlburt, 464-2222
 Date: 1-21-97
 By: Dr. J. ...

1/4	SEC	T	R
<input checked="" type="checkbox"/>	21	20N	3E
<input type="checkbox"/>			

CERTIFICATE OF SURVEY NO. _____
 SANITARY APPROVAL # _____
 CASCADE COUNTY, MONTANA
 SHEET 1 OF 1

ELI & ASSOCIATE, LLP
 PROFESSIONAL LAND SURVEYORS
 ENGINEERS & LAND PLANNERS
 P.O. BOX 7462 MISSOULA, MONTANA 59807
 TELEPHONE (406) 549-5022

PREPARED FOR: GARY & VIOLA K. ANDERSON
 PROJECT NO.: 96-4547