

RIGHT-OF-WAY CONTRACT

STATE OF MONTANA §
 §
COUNTY OF YELLOWSTONE §

FOR AND IN CONSIDERATION of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, CITY OF BILLINGS, MONTANA, herein referred to as "Grantor" whether one or more, does hereby grant unto PHILLIPS 66 PIPELINE LLC, a Delaware Limited Liability Company, and all subsidiary and affiliated companies, their successors and assigns, herein referred to as "Grantee", a right-of-way for the right from time to time to survey, construct, lay, maintain, inspect, erect, alter, operate, protect, repair, replace with same or different size pipe, relay, relocate, mark, remove and/or abandon in place one (1) pipeline; above ground valves; appurtenances; cathodic protection equipment, including the necessary electric rectifiers mounted above ground on poles with wires connecting to a source of AC or DC electricity, generators; ground beds, cables and deep wells; communication lines; electric lines and appurtenances; and fences and structures to enclose above ground facilities at the sole discretion of Grantee (all of the above herein being collectively referred to as "Facilities", and all rights granted herein being collectively referred to as the "Purpose"), over, through, upon, under and across the following described lands in Yellowstone County, State of Montana, to wit:

Pipeline to be located on and across Grantor's lands in Section 2 and 11, Township 1 South, Range 26 East, Billings, Montana, as shown on Exhibit A attached hereto and made a part hereof.

The right-of-way herein granted shall be thirty (30) feet in width, the approximate route of which is more generally described in EXHIBIT "A", attached hereto and made a part hereof, together with additional work space as needed for construction, maintenance, repair, inspection, removal and replacement of Facilities. Following construction of the pipeline, the final as-built dimensions with metes and bounds legal description will be provided as an amendment to this Right-of-Way Contract.

Grantor further grants and conveys unto Grantee the right of unimpaired ingress and egress on, over, across and through the above-described lands including lands owned, leased or claimed by Grantor which are adjacent or contiguous thereto, including the right to use existing roads on the above described lands, for all purposes necessary or incidental to the exercise of the rights herein granted, with the further right to clear all trees, undergrowth, brush, structures and other obstructions from the herein granted right-of-way. Grantor shall not impound water or build, construct, create or install, nor permit others to impound water or build, construct, create or install, any buildings, structures, fences, trees, engineering works, or any obstructions whatsoever on the herein granted right-of-way, and Grantor will not change the grade of the right-of-way without the express written consent of Grantee, which consent shall not be unreasonably withheld.

Grantor agrees that any payment made hereunder by Grantee for the right-of-way includes full payment for all construction damages to the right-of-way occurring during the construction of the Facilities, except to the extent such any such damages are caused by the negligence or willful misconduct of Grantee. Grantee agrees to pay a reasonable sum for any actual damage which may be done by Grantee to Grantor's facilities to the extent caused by Grantee's maintenance operations; provided, however, that Grantee shall not be liable to Grantor for any damages caused on the right-of-way by keeping said right-of-way clear of trees, undergrowth, brush or obstructions in the exercise of the rights herein granted. Any payment due under this Right-of-Way Contract may be made directly to any Grantor if there be more than one.

Grantee shall restore the right-of-way, as near as reasonably practical to do so, upon completion of all construction, maintenance, replacement or removal operations. Grantee shall exercise reasonable care to avoid damaging the right of way in any manner that is not consistent with the Purpose. If damage is caused by Grantee to the right of way that is not consistent with the Purpose, it shall be the responsibility

of the Grantee to repair such damage and to restore the right of way to the condition it was in prior to such damage.

Each party shall reasonably cooperate with the other party provided such cooperation is not inconsistent with the terms of this Right-of-Way Contract. and comply with reasonable requests of the other party that are not inconsistent with the Purpose for which this right-of-way is granted.

Grantor shall have the right to fully use and enjoy said premises, subject to the restrictions set forth herein, provided that any such use does not unreasonably interfere with the exercise of any of the rights and privileges herein granted to Grantee or endanger the safety of Grantee's Facilities.

Grantee agrees to bury all pipelines to a depth that is sufficient to avoid any interference with the current public utilities operations of Grantor on the right of way.

When said right-of-way is no longer useful, necessary or convenient to Grantee, Grantee shall execute and record a release of this Right-of-Way Contract. Grantee shall have no obligation to remove any of the Facilities, but shall have the option, at Grantee's sole discretion, to do so with respect to all or any of the Facilities. In the event that Grantee removes any of the Facilities, Grantee shall restore the surface, as near as reasonably practical, to its condition prior to the construction of the Facilities. In the event any of the Facilities are left in place, Grantee shall leave the Facilities in a condition that is in accordance with all applicable laws, rules and regulations.

TO THE MAXIMUM EXTENT ALLOWED BY LAW, GRANTEE COVENANTS AND AGREES TO FULLY PROTECT, RELEASE, INDEMNIFY, DEFEND AND FOREVER HOLD GRANTOR, AND ITS OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "INDEMNIFIED PARTIES"), HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, CAUSES OF ACTION, FINES, PENALTIES, DAMAGES, LOSSES, JUDGMENTS, COSTS AND EXPENSES (INCLUDING ATTORNEYS' FEES, COSTS OF LITIGATION AND/OR INVESTIGATION), AND LIABILITIES, OF EVERY KIND, (COLLECTIVELY REFERRED TO HEREFTER AS "CLAIMS"), INCLUDING WITHOUT LIMITATION THOSE RELATING TO INJURY OR DEATH OF ANY PERSONS WHOMSOEVER, AND/OR DAMAGE (INCLUDING ENVIRONMENTAL DAMAGE) TO, LOSS OF, OR CONTAMINATION OR POLLUTION OF, ANY PROPERTY OR RESOURCE, THAT MAY BE MADE OR COME AGAINST THE INDEMNIFIED PARTIES BY REASON OF, RESULTING FROM, OR IN ANY WAY ARISING OUT OF, GRANTEE'S EXERCISE OF ITS RIGHTS HEREUNDER, REGARDLESS OF THE CAUSE OR CAUSES THEREOF, INCLUDING WITHOUT LIMITATION WHETHER THE SAME IS CAUSED BY OR CONTRIBUTED TO BY THE INDEMNIFIED PARTIES' JOINT OR CONCURRENT NEGLIGENCE OR FAULT (WHETHER IMPOSED BY STATUTE, RULE, REGULATION OR OTHERWISE) OR STRICT LIABILITY, EXCEPT TO THE EXTENT SUCH CLAIMS ARE CAUSED BY THE INDEMNIFIED PARTIES' SOLE NEGLIGENCE OR WILLFUL MISCONDUCT.

The provisions of this Right-of-Way Contract are to be considered a covenant that runs with the land herein described, and the terms, conditions, and provisions hereof shall extend to and be binding upon the heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto. The right-of-way and rights herein granted may be transferred, leased or assigned, from time to time, in whole or in part, and the rights herein granted, or any of them, may be exercised by any or all of the Grantees, their successors and/or assigns, either jointly or separately. In the event of any suit between the parties, this Right-of-Way Contract shall be enforced in accordance with Montana Law, and venue for such a cause of action shall be the State of Montana Thirteenth Judicial District Court for Yellowstone County.

This Right-of-Way Contract may be signed in counterparts with the same effect as if each executing party signed one instrument.

EXECUTED on the dates set forth in the acknowledgments, but effective for all purposes as of the _____ day of _____, 20__ (the "Effective Date").

GRANTOR

CITY OF BILLINGS

Printed Name

Title

GRANTEE

PHILLIPS 66 PIPELINE LLC

Printed Name

Attorney-in-Fact

Title

STATE OF MONTANA

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COUNTY OF YELLOWSTONE

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On this _____ day of _____, 2015, before me _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed as _____, of CITY OF BILLINGS, MONTANA, and acknowledged that he/she, as such _____, being authorized so to do, executed the foregoing instrument as the act of his/her principal for the purposes therein contained, by signing the name of the said CITY OF BILLINGS, MONTANA by himself/herself as _____.

NOTARY PUBLIC

Notary Public in and for _____

County

My commission expires: _____

STATE OF _____

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COUNTY OF _____

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On this _____ day of _____, 2015, before me _____, the undersigned officer, personally appeared _____, known to me (or satisfactorily proven) to be the person whose name is subscribed as Attorney-in-Fact of PHILLIPS 66 PIPELINE LLC, and acknowledged that he/she, as such Attorney-in-Fact, being authorized so to do, executed the foregoing instrument as the act of his/her principal for the purposes therein contained, by signing the name of the said PHILLIPS 66 PIPELINE LLC by himself/herself as Attorney-in-Fact.

NOTARY PUBLIC

Notary Public in and for _____

County

My commission expires: _____