



August 12, 2019

CHS
KELLY CORNE
803 HWY 212 S
LAUREL, MT 59044

Subject: Memorandum of Agreement
Cenex Pipeline, LLC – 180 Mile Pipeline from Sidney, MT to Minot, ND

Dear Kelly Corne,

Enclosed, please find a complete copy of the Memorandum of Agreement for the Cenex Pipeline project. It's our understanding that your contractor has hired Braun Intertec to conduct the pre assessment for the proposed haul routes. Ward County will look forward to further information as it becomes available.

If you have any questions and/or comments, please feel free to contact me at 701.838.2810.

Sincerely,

Travis Schmit, PE, CFM
Asst. Co. Engineer
Ward County Highway Department

CONFIDENTIAL

Memorandum of Agreement
North Dakota Pipeline Company LLC & Ward County, North
Dakota

THIS AGREEMENT (the "Agreement"), is made by and between Cenex Pipeline LLC ("Cenex"), with an address of 803 Highway 212 South, Laurel ,MT. 59044 and Ward County, North Dakota (the "County"), located in the State of North Dakota, with an address of PO Box 5005, Minot, North Dakota 58702, and the townships located within the County as described in Exhibit A attached hereto and incorporated herein by reference (collectively, the "Townships").

Recitals.

- A. Cenex plans to construct approximately 180-miles of pipeline from Sidney, Montana to Minot, North Dakota to replace a portion of the existing 8-inch pipeline and all throughout. The North Dakota portion of this project includes approximately 150 miles; and for most of the project alignment,
- B. Cenex proposes to follow a different route to minimize the amount of construction in sensitive areas, while avoiding difficult river crossings and other engineering and land-use challenges. The pipeline would have a capacity of approximately 38,000 barrels per day; and
- B. As part of the pipe line construction, Cenex wishes to use certain County and Township roads in order to access a specific site or sites along its pipeline easements and rights- of-way (the "Project"); and
- C. It is mutual desire of the parties to assure that the County and Townships are fully reimbursed for damages to its roads and rights-of-way directly resulting from Cenex's actual use during the pipeline construction; and

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants contained therein, the parties agree as follows:

1. Recitals

The above recitals are true and correct.

2. Bonding

Cenex will be required to submit a bond in the amount of \$2,00,000.00 to Ward County for all the work that must be performed within the County and

Townships right-of-way. Within 15 days of the work being completed, approved, and accepted by the County and Townships, the County and Townships shall release or sign any such documentation in order to affect the release of the bond.

3. Communications

Cenex will notify the County of the primary point of contact along with a secondary backup point of contact. Townships represented and signing, within this agreement will have Ward County Highway Department be the liaison for all concerns from both the County and townships within this agreement.

4. Utility Permits

Cenex shall permit all crossings with the applicable jurisdictional agency. Townships may use the Ward County utility permit applications at their own use. Utilities that cross or run parallel within the County Highway right-of-way shall be permitted with the Ward County Highway Department. All permits shall be done prior to the start of the project and follow the rules and regulations of the utility permit. All fees associated with this permit will be separate from the bonding requirements stated in Section 2 of this Agreement.

5. Haul Roads

Prior to the start of construction, Cenex and its contractors shall mark on a map all the haul roads that are anticipated to be used for this project. Cenex and the applicable jurisdiction agency shall inspect such roads prior to use directly related to the Project. In addition, Cenex must contact the applicable jurisdiction agency, at least ten days prior to the on-site inspection for scheduling purposes. Cenex will be required to sign the Ward County Highway Department Agreement for Use and Restoration of Haul Road ("HRA"). Cenex will be responsible for hiring an independent consultant to produce a report to include the following but not limited to surface type, depth in inches of pavement and aggregate base, cross slope of road, soft areas of gravel road, and condition of the gravel shoulder. This report will be used later to assist with determining the extent of damages caused, if any, by Cenex and its contractors actual use. Cenex and Ward County Highway Department shall work together and in good faith where the possible imposition of road restrictions may delay or otherwise negatively impact the construction and completion of Cenex's project.

Cenex and its contractors must obey all weight restrictions on all the various roadways used through the County. All oversize and overweight permits can be obtained from www.ndenergy.org. Seasonal load restrictions may be imposed in accordance with the law. Load restrictions after rain events may occur from time to time. Upon completion of the project and/or termination of the HRA, Cenex must complete a post-project inspection report consisting of the same items noted in the pre-project inspection report.

6. Access/Approach Permits

Prior to installation of an approach on township and/or county highways, Cenex and/or its contractors and/or subcontractors will be required to permit each approach on the Ward County Approach Permit (if County highway) or Township Approach Permit (if township road). After the construction has been completed in each township, the approach removal will be subject to the comments per each approach permit. If a township imposes a fee for permitting the approach, this fee must be paid separate from the bonding requirements outlined in Section 2 of this Agreement.

7. Construction Signs

Sign construction and installation must meet current MUTCD and State specifications. Sign poles shall be "breakaway" design which meets the requirements of Section 7 of the American Association of State Highway and Transportation Officials (AASHTO). All signs installed for more than 30 days from October 1st through April 15th must be post mounted. All signs that are installed from April 16th through September 30th will be allowed to be skid mounted; Cenex will use good faith efforts to keep signs intact and sandbags are fit for purpose. If sandbags are deteriorating and not functioning, the signs will be required to be removed immediately.

8. Erosion Control/Restoration

Cenex shall follow its approved Construction Environmental Program (CEP) in accordance with industry standards and expectations prior to construction of the Project. Cenex shall adhere to all requirements set forth therein. Further the CEP developed by Cenex shall contain a confirmatory provision that, Mulch will be free of noxious weeds as listed in applicable state laws. A copy of each lot of material and/or bail certification will be turned into Ward County Highway Department prior to application.

9. Post-Project Inspection

A post project inspection report will be provided to the County to evaluate the recommended repairs to be made by Cenex and to Cenex for informational and planning purposes. Cenex will commence with Safety-based Repairs as soon as possible after notification from County, Cenex, and/or its contractors/subcontractors becoming aware of the issues that are safety- based. Safety-based Repairs are those intended to restore the road surface and any clear zone related safety concerns for safe travel by emergency vehicles, United States Postal Service, and the traveling public on those roads subject hereto at all times provided that such damages are caused by Cenex, its contractors and/or subcontractors. Cenex will commence with Non-Safety-based Repairs within 15 calendar days of receiving the post inspection report. Consideration will be given for weather, season, other road construction or repair being conducted, in determining when to execute such corrective action(s). Upon completion of the repairs and post inspection report and determination that such repairs restore the road to its pre-construction condition as practicable and based upon Cenex's actual use, Ward County and the respective township will sign a release discharging Cenex of its duties and obligations assumed hereunder.

10. Indemnification

Cenex shall indemnify the County, its Townships, its insurers, successors, and assigns for all reasonable damages, expenses, and costs the County may incur as a result of the damage to the County highways, Township roads, and right-of-way from vehicles and equipment owned by or under the control of Cenex and its subcontractors and agents.

11. Entire Agreement

This Agreement constitutes the entire Agreement between the parties and supersedes all prior written and oral understandings or agreements. Failure of either party to insist on performance on any of the terms and conditions of this Agreement, or to exercise and right or privilege contained in this Agreement, shall not be considered as a waiver of any such terms, conditions, rights, or privileges. This Agreement may be modified only in writing signed by the parties.

12. Severability

In the event that a provision of this Agreement is deemed as a matter of law to be unenforceable or null and void, such unenforceable or void portion of such provision shall be deemed severed from this Agreement, unless removal of the unenforceable provision materially alters the rights or obligations of either party hereunder. Even if there is a material alteration in the remainder of the Agreement, the Agreement shall continue in full force and effect as if such provision was not contained herein, but the parties shall negotiate in good faith a new provision that will, to the extent practicable, restore the benefit of the bargain contained in such provision.

13. North Dakota Law

This Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

14. Other Rights and Remedies

The rights and remedies provided in this Agreement shall be in addition to other rights and remedies available in law or equity.

CENEX PIPELINE, LLC

BY:

Name: Robb Schwend

Title: Project Engineer

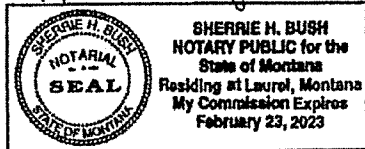
ATTEST:

BY:

Name: [Signature]
Title: Senior Contract Administrator

State of Montana
County of Yellowstone

On this 11th day of July, 2019, Robb Schwend personally appeared before me ^{Exhibit A} and, having signed this document.



WARD COUNTY, NORTH DAKOTA

BY: Dana S. Larsen
Name: Dana G. Larsen, P.E.
Title: Ward County Engineer

ATTEST:

BY: [Signature]
Name: Travis Schmitz
Title: Asst. Co. Engineer

SHEALY TOWNSHIP

BY: [Signature]
Name: Danny Malcom
Title: Supervisor

ATTEST:

BY: [Signature]
Name: Roger Fulkerson
Title: Supervisor

TOLGEN TOWNSHIP

BY: [Signature]
Name: Brock Klein
Title: Tolgen Board Member

ATTEST:

BY: [Signature]
Name: Zach Long
Title: Co-worker

ROLLING GREEN TOWNSHIP

BY: [Signature]
Name: Raymond Kapp
Title: Bo. Chairman

ATTEST:

BY: [Signature]
Name: Tom Nierand
Title: Supervisor

BY: BURT TOWNSHIP
[Signature]
Name: Shannon Hanson
Title: Chairman

ATTEST:
BY: [Signature]
Name: Annika Hanson
Title: Township Clerk

BY: BURLINGTON TOWNSHIP
[Signature]
Name: Andy Fijnt
Title: President

ATTEST:
BY: Burlington Township
Name: Andy Fijnt
Title: President

[Signature]

Exhibit A
Townships in Ward County

- Shealy Township
 - Tolgen Township
 - Rolling Green Township
 - Burt Township
 - Burlington Township
-

Annual Performance Bond

Bond No. K15400845

KNOW ALL MEN BY THESE PRESENTS, that we, Cenex Pipeline, LLC, as Principal, (hereinafter called the "Principal"), and WESTCHESTER FIRE INSURANCE COMPANY, (hereinafter called the "Surety"), are held firmly bound unto Ward County, North Dakota as Obligee, (hereinafter called the "Obligee"), in the maximum penal sum of Two Million and no/100 Dollars, (\$2,000,000.00), good and lawful money of the United States of America, for the payment of which, well and truly to be made, we bind ourselves, our heirs, administrators, executors, successors, assigns, jointly and severally, firmly by these presents.

WHEREAS, the above bound Principal has entered into a certain written contract with the above mentioned Obligee described as: Ward County, North Dakota dated 07/11/2019, contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at length herein.

WHEREAS, the Obligee has agreed to accept a bond guaranteeing the performance of said contract for a period of only one year.

NOW, THEREFORE, the condition of this obligation is such that, if the Principal shall indemnify the Obligee for any and all loss that the Obligee may sustain by reason of the Principal's failure to comply with the terms and conditions of said Contract, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, HOWEVER, that:

1. The term of this bond is for the period commencing 07/23/2019 and expiring on 07/23/2020, unless released by the Obligee prior thereto. However, the term of this bond may be renewed for an additional one-year period(s) by the issuance of a Continuation Certificate by the Surety.
2. This bond may be canceled at any time upon thirty (30) days advance written notice from the Surety to the Obligee.
3. Neither nonrenewal by the Surety nor failure of the Principal to provide the Obligee with a replacement bond shall constitute default under this bond.
4. In the event the Principal shall be declared by the Obligee to be in default under the Contract, the Obligee shall provide the Surety with a written statement setting forth the particular facts of said default no later than thirty (30) days from the date of said default, which notice shall be sent to the Surety by registered mail to the address in stated in Section 6 below.
5. The Surety will have the right and opportunity, at its option, and in its sole discretion, to: a.) cure the default; b.) assume the remainder of the Contract and to perform or sublet same; c.) or to tender to the Obligee funds sufficient to pay the cost of completion less the balance of the Contract price up to an amount not to exceed the penal sum of the bond. In no event shall Surety be liable for fines, penalties, liquidated damages or forfeitures assessed against the Principal.
6. The Obligee's acceptance of this bond and reliance upon it as security constitutes its acknowledgement and agreement as to the terms under which it is offered and issued by the Surety.
7. All notices, demands and correspondence with respect to this bond shall be in writing and addressed to:

The Surety at: 436 Walnut Street WA10F, Philadelphia, PA 19106

The Principal at: 803 Highway 212 South, Laurel, MT 59044

The Obligee at: PO Box 5005, Minot, ND 58702

SIGNED, SEALED AND DATED this 23rd day of July, 2019.

Principal: Cenex Pipeline, LLC

By: 

Title: Greg Brown, VP of Pipelines and Terminals

Surety: WESTCHESTER FIRE INSURANCE COMPANY

By: 

Jeanne M. Buchan, Attorney-In-Fact

Power of Attorney

Westchester Fire Insurance Company

Know all men by these presents: That WESTCHESTER FIRE INSURANCE COMPANY, a corporation of the Commonwealth of Pennsylvania pursuant to the following Resolution, adopted by the Board of Directors of the said Company on December 11, 2006, to wit:

"RESOLVED, that the following authorizations relate to the execution, for and on behalf of the Company, of bonds, undertakings, recognizances, contracts and other written commitments of the Company entered into the ordinary course of business (each a "Written Commitment"):

- (1) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise.
- (2) Each duly appointed attorney-in-fact of the Company is hereby authorized to execute any Written Commitment for and on behalf of the Company, under the seal of the Company or otherwise, to the extent that such action is authorized by the grant of powers provided for in such persons written appointment as such attorney-in-fact.
- (3) Each of the Chairman, the President and the Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to appoint in writing any person the attorney-in-fact of the Company with full power and authority to execute, for and on behalf of the Company, under the seal of the Company or otherwise, such Written Commitments of the Company as may be specified in such written appointment, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (4) Each of the Chairman, the President and Vice Presidents of the Company is hereby authorized, for and on behalf of the Company, to delegate in writing any other officer of the Company the authority to execute, for and on behalf of the Company, under the Company's seal or otherwise, such Written Commitments of the Company as are specified in such written delegation, which specification may be by general type or class of Written Commitments or by specification of one or more particular Written Commitments.
- (5) The signature of any officer or other person executing any Written Commitment or appointment or delegation pursuant to this Resolution, and the seal of the Company, may be affixed by facsimile on such Written Commitment or written appointment or delegation.

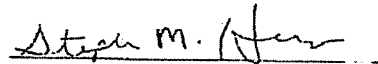
FURTHER RESOLVED, that the foregoing Resolution shall not be deemed to be an exclusive statement of the powers and authority of officers, employees and other persons to act for and on behalf of the Company, and such Resolution shall not limit or otherwise affect the exercise of any such power or authority otherwise validly granted or vested.

Does hereby nominate, constitute and appoint Cheryl R. Colson, Cynthia D. Haslam, Debra Buckner, Elaine Lewis, Jeanne M. Buchan, Justin McQuain, Katherine M. Roth, Kevin McQuain, Malia Mann, Rosalyn D. Hassell, Scott D. Chapman, Tamala F. Goode, Timothy J. Maley, Misty Witt, all of the City of Houston, Texas, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof in penalties not exceeding (\$ 5,000,000.00) and the execution of such writings in pursuance of these presents shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office,

IN WITNESS WHEREOF, the said Stephen M. Haney, Vice-President, has hereunto subscribed his name and affixed the Corporate seal of the said WESTCHESTER FIRE INSURANCE COMPANY this 2nd day of January, 2018.

WESTCHESTER FIRE INSURANCE COMPANY

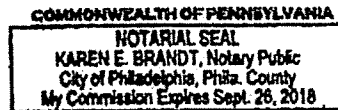



Stephen M. Haney, Vice President

COMMONWEALTH OF PENNSYLVANIA
COUNTY OF PHILADELPHIA ss.

On this 2nd day of January, AD. 2018, before me, a Notary Public of the Commonwealth of Pennsylvania in and for the County of Philadelphia came Stephen M. Haney, Vice-President of the WESTCHESTER FIRE INSURANCE COMPANY to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same, and that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia the day and year first above written.

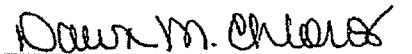



Notary Public

I, the undersigned Assistant Secretary of the WESTCHESTER FIRE INSURANCE COMPANY, do hereby certify that the original POWER OF ATTORNEY, of which the foregoing is a substantially true and correct copy, is in full force and effect.

In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the Corporation, this 23 day of July, 2019




Dawn M. Chloros, Assistant Secretary

THIS POWER OF ATTORNEY MAY NOT BE USED TO EXECUTE ANY BOND WITH AN INCEPTION DATE AFTER January 2, 2020.