MEMORANDUM

To: City Commissioners

From: Paul Kritz, City Attorney

Re: Termination of Restrictive Covenants

Date: January 17, 2013

As the Commission will recall, Coffeyville Resources intended to develop the property west of the refinery/nitrogen fertilizer plant into a railcar storage yard. In connection therewith, the City required the company to execute and record certain restrictive covenants that would have governed the layout of the rail yard and imposed several conditions regarding the yard operations.

As it turned out, Coffeyville Resources shifted the rail yard location to the property north of the proposed site. Therefore, the company has requested termination of the restrictive covenants.

The termination instrument provided by the company is appropriate and includes an acknowledgement that all or substantially all of the property remains zoned "Residential", and any use of the property outside of that zoning classification remains subject to City's zoning procedures.

Neal Barkley, manager of the nitrogen fertilizer plant, plans to attend the meeting on January 22 and will be available to answer any additional questions you may have regarding this request.

RESOLUTION NO. R-13-05

A RESOLUTION TO AUTHORIZE THE EXECUTION OF AN INSTRUMENT ENTITLED "TERMINATION OF DECLARATION OF RESTRICTIVE COVENANT".

BE IT RESOLVED by the Board of Commissioners of the City of Coffeyville, Kansas, that the Mayor and City Clerk be and are hereby authorized and directed to execute an instrument entitled "Termination of Declaration of Restrictive Covenant", relating to certain real property owned by Coffeyville Resources Nitrogen Fertilizers, LLC and Coffeyville Resources Refining & Marketing, LLC, as more specifically described therein.

Adopted this 22nd day of January 2013.

_____
David George, Mayor

ATTEST:

_____
Cindy Price, City Clerk

APPROVED AS TO FORM:

_____
Paul Kritz, City Attorney

TERMINATION OF
DECLARATION OF RESTRICTIVE COVENANT

THIS TERMINATION OF DECLARATION OF RESTRICTIVE COVENANT (this "Termination") is made this ___ day of _____, 2013, by Coffeyville Resources Nitrogen Fertilizers, LLC and Coffeyville Resources Refining & Marketing, LLC (together, "Owner"), and the City of Coffeyville, Kansas ("City").

Owner previously published and declared upon the Property certain covenants and restrictions, as described in the Declaration of Restrictive Covenant dated March 22, 2012 and filed of record in the Register of Deeds of Montgomery County, Kansas in Book 602, Pages 948-955 (the "Declaration"). The Property covered by the Declaration is described as follows:

Lots 1 through 16, Block 2, Sterling Addition to the City of Coffeyville;

Lots 1 through 16, Block 3, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block B, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 5, Block C, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 4, Block D, Upham's Pottery Addition to the City of Coffeyville;

Lots 1 through 8, Block 4, Sterling Addition to the City of Coffeyville;

Lots 1 through 8, Block 11, River View Place Addition to the City of Coffeyville;

Lots 1 through 6, Block 12, River View Place Addition to the City of Coffeyville;

Lots 4 through 6, Block 3, Zeller's Addition to the City of Coffeyville;

Lots 1 through 16, Block 8, River View Place Addition to the City of Coffeyville;

Lots 1 through 16, Block 5, River View Place Addition to the City of Coffeyville;

Lots 1 through 8, Block 2, River View Place Addition to the City of Coffeyville;

Lots 1 through 5, Block 1, River View Place Addition to the City of Coffeyville;

Lots 1 through 12, Hill's Addition to the City of Coffeyville;

Block 4, Montgomery's Addition to the City of Coffeyville;

Lot 5, Block C, Upham's Pottery Addition to the City of Coffeyville, EXCEPT the West 50' thereof; and ALSO beginning at the Southeast corner of said Lot 5,

thence East 150' m/l to the West line of the ROW of the M.K. & T. Railway, thence in a Northeast direction along the West said ROW 300', thence West 150' m/l to the Northeast corner of Lot 1, Block C, Upham's Pottery Addition, thence Southwest parallel to the West line of said ROW 300' to POB; and ALSO beginning at the Southwest corner of Lot 5, Block C, thence South 25', thence East to the West line of said M.K.& T. Railway ROW, thence Northeast along the West line of said ROW to the Southeast corner of 2nd description herein, thence West to the POB, all in Montgomery County, Kansas;

Block E, Upham's Pottery Addition;

Tract A, Commencing at a point 315.25' West of the West line of the Southern Kansas Railroad, now A.T.& Santa Fe Railroad, thence South 112', thence East 50', thence North 112', thence West 50' the same being the West most Lot in a tract of land described as follows: Commencing on the West line of the Atchison, Topeka and Santa Fe Railroad, formerly the Southern Kansas Railroad property, 1257.5' North of the North line of highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34, R 16, thence West 315.25', thence South 112', thence East 289.25' to the West line of ROW, North along rail line to POB, Montgomery County, Kansas;

Tract B, A tract of land located in a portion of the East ½ of the Northwest ¼ of S 36, T 34S, R 16, East of the 6th P.M., Montgomery County, Kansas said tract being more particularly described as follows: Commencing at the Southeast corner of Lot 1, Block D, Upham's Pottery Addition, City of Coffeyville, thence North 90°00'00"East along the North line of Lot 1, Block E, said Upham's Pottery Addition a distance of 50' to the POB, thence continuing North 90°00'00"East along said North line a distance of 50', thence North 0°27'30"West a distance of 126.14', thence South 90°00'00"West a distance of 50', thence South 00°27'30"East a distance of 126.14' to the POB, Montgomery County, Kansas; <u>and</u>

Tract C, Beginning at a point 165.25' West of a point on the West line of the A.T. & S.F. Railroad ROW, 1257.7' North of the North line of the highway along the South side of the East ½ of the Northwest ¼ of S 36, T 34S, R 16 East of the 6th P.M., running thence South 112', thence West 50', thence North 112', thence East 50' to the POB, All in Montgomery County, Kansas,

(collectively, the "Property").

The proposed development underlying the Declaration is no longer being considered on the Property, and Owner and City desire to terminate the Declaration and release the Property from the terms and conditions provided in the Declaration.

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which is hereby acknowledged, Owner and City hereby agree as follows:

1. Termination and Release: Owner and City hereby terminate the Declaration in its entirety and release the Property from all covenants, restrictions, limitations and obligations provided in the Declaration. Owner is authorized to record this Termination.

2. Acknowledgement: Owner hereby acknowledges that all or substantially all of the Property remains zoned "Residential" and any use of the Property outside of its zoning classification remains subject to City's zoning procedures.

3. Further Assurances: Owner and City hereby agree to take such additional actions and to execute and deliver such additional agreements and documents to the extent reasonably necessary to carry out the intent of this Termination.

[signature pages follow]

IN WITNESS WHEREOF, Owner and City have executed this Termination on the date first above written.

OWNER:

Coffeyville Resources Nitrogen Fertilizers, LLC

By: _____
Name: _____
Title: _____

Attest:

_____
Secretary

ACKNOWLEDGEMENT

STATE OF _____
_____ COUNTY, ss.

BE IT REMEMBERED that on this _____ day of _____ 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ _____, who are personally known to me to be the same persons who executed the within instrument of writing on behalf of Coffeyville Resources Nitrogen Fertilizers, LLC, and such persons duly acknowledged the execution of the same to be the act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Notary Public

My commission expires:

_____

OWNER:

Coffeyville Resources Refining & Marketing, LLC

By: _____
Name: _____
Title: _____

Attest:

_____
Secretary

ACKNOWLEDGEMENT

STATE OF _____
_____ COUNTY, ss.

BE IT REMEMBERED that on this _____ day of _____ 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ _____, who are personally known to me to be the same persons who executed the within instrument of writing on behalf of Coffeyville Resources Refining & Marketing, LLC, and such persons duly acknowledged the execution of the same to be the act and deed of said company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Notary Public

My commission expires:

_____

OWNER:

City of Coffeyville, Kansas

By: _____
Name: _____
Title: _____

Attest:

_____
Secretary

ACKNOWLEDGEMENT

STATE OF _____
_____ COUNTY, ss.

BE IT REMEMBERED that on this _____ day of _____ 2013, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came _____ _____, who are personally known to me to be the same persons who executed the within instrument of writing on behalf of the City of Coffeyville, Kansas, and such persons duly acknowledged the execution of the same to be the act and deed of said city.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

_____
Notary Public

My commission expires:

_____