
SETTLEMENT AGREEMENT

By and Between

METRO FLOOD DIVERSION AUTHORITY

and

RICHLAND-WILKIN JOINT POWERS AUTHORITY

and

BUFFALO-RED RIVER WATERSHED DISTRICT

and

CITY OF WOLVERTON, MINNESOTA

and

CITY OF COMSTOCK, MINNESOTA

Dated as of February 1, 2021

TABLE OF CONTENTS

ARTICLE I. DEFINITIONS AND INTERPRETATION	1
SECTION 1.01 DEFINITIONS.....	1
SECTION 1.02 INTERPRETATION.....	11
ARTICLE II. PURPOSE AND INTENT	11
SECTION 2.01 PURPOSE.....	11
SECTION 2.02 INTENT.....	11
ARTICLE III. DIVERSION AUTHORITY WILL PROCEED WITH PLAN B	11
SECTION 3.01 THE DIVERSION AUTHORITY WILL PROCEED WITH PLAN B.	11
SECTION 3.02 IMPACTS OF CHRISTINE PROJECT AND WOLVERTON PROJECT	12
SECTION 3.03 THE DIVERSION AUTHORITY WILL NOT PROCEED WITH PLAN A.....	12
SECTION 3.04 PLAN B TO BE CONSTRUCTED IN CONFORMANCE WITH THE MDNR PERMIT	12
ARTICLE IV. DISMISSALS AND ENFORCEMENT.....	12
SECTION 4.01 DISMISSAL OF LITIGATION	12
SECTION 4.02 DUTY OF GOOD FAITH DISMISSAL OF LITIGATION	12
SECTION 4.03 NO PREJUDICE TO AGENCY PERMITTING AUTHORITY.....	13
SECTION 4.04 MN CCH DISMISSAL.....	13
SECTION 4.05 MDNR PERMIT CONDITION 22	13
SECTION 4.06 OBLIGATION TO DISCLOSE ALL INTERFERENCE ACTIONS BY THE PARTIES ADVERSE TO THE COMPREHENSIVE PROJECT AND REPRESENTATIONS THERE ARE NONE BEYOND THOSE DISCLOSED.....	13
ARTICLE V. NO ADMISSION	13
SECTION 5.01 NO ADMISSION BY THE PARTIES	13
ARTICLE VI. MUTUAL RELEASES AND COVENANT NOT TO SUE.....	13
SECTION 6.01 MUTUAL RELEASE AND COVENANT NOT TO SUE.....	13
SECTION 6.02 INJUNCTIVE RELIEF PERMITTED.	14
ARTICLE VII. BRRWD PERMIT	14
SECTION 7.01 BRRWD PERMIT.....	14
SECTION 7.02 DIVERSION AUTHORITY COMPLIANCE WITH BRRWD PERMIT.....	14
SECTION 7.03 THIRD PARTY APPEALS OF THE BRRWD PERMIT	14
SECTION 7.04 MINNESOTA CASE AS A DEFENSE TO BRRWD PERMIT	15
ARTICLE VIII. OVERFLOW REACH ELEVATION.....	15
SECTION 8.01 OVERFLOW REACH ELEVATION.....	15
ARTICLE IX. COMPREHENSIVE PROJECT COMPLIANCE REQUIREMENTS	15
SECTION 9.01 COMPREHENSIVE PROJECT COMPLIANCE OBJECTIVE(S).....	15
SECTION 9.02 THE COMPREHENSIVE PROJECT SHALL COMPLY WITH THE TERMS AND CONDITIONS OF THIS SETTLEMENT AGREEMENT.....	16
SECTION 9.03 THE PARTIES SHALL COOPERATE IN GOOD FAITH REGARDING THIS ARTICLE IX ...	16
SECTION 9.04 THE COMPREHENSIVE PROJECT COMPLIES WITH LOCAL REQUIREMENTS.....	16

ARTICLE X. REMEDIES ON DEFAULT	16
SECTION 10.01 INADEQUACY OF DAMAGES ALONE	16
SECTION 10.02 ATTORNEY FEES AS BETWEEN BRRWD AND THE DIVERSION AUTHORITY	16
SECTION 10.03 SECTIONS 10.01 AND 10.02 SUBJECT TO ARTICLE XI OF THIS SETTLEMENT AGREEMENT	17
ARTICLE XI. DISPUTE RESOLUTION.....	17
SECTION 11.01 GENERAL	17
SECTION 11.02 PROCEDURE TO COMMENCE DISPUTE RESOLUTION PROCESS.....	17
SECTION 11.03 TIME TO CORRECT.....	17
SECTION 11.04 OBLIGATION TO MAKE KEY DECISION MAKERS AVAILABLE.....	17
ARTICLE XII. CHANGE OF LAW.....	17
SECTION 12.01 RECOGNITION OF THE POSSIBILITY OF A CHANGE OF LAW	17
SECTION 12.02 PROCEDURE IN THE EVENT OF CHANGE OF LAW	18
SECTION 12.03 NOTICE OF A CHANGE OF LAW	18
SECTION 12.04 INTENT OF THE PARTIES WITH RESPECT TO A CHANGE OF LAW.....	18
SECTION 12.05 A CHANGE OF LAW RESULTING FROM THE ACTIONS OF A PARTY OR THE COUNTIES	18
SECTION 12.06 ARBITRATION IN THE EVENT OF A CHANGE OF LAW	18
SECTION 12.07 CHANGE OF CROPPING CHOICES.....	19
ARTICLE XIII. BRRWD ATTORNEY FEES.....	19
SECTION 13.01 BRRWD REIMBURSEMENT OF ATTORNEY FEES	19
SECTION 13.02 BRRWD ATTORNEY FEES REIMBURSED BY INSURANCE PROVIDER NOT INCLUDED.....	19
SECTION 13.03 RWJPA’S OBLIGATION TO PAY BRRWD’S ATTORNEY FEES CONTINGENT	19
ARTICLE XIV. GEORGETOWN.....	20
SECTION 14.01 PROJECT COOPERATION	20
SECTION 14.02 THE GEORGETOWN PROJECT	20
SECTION 14.03 GEORGETOWN MOU	20
ARTICLE XV. WOLVERTON	20
SECTION 15.01 PROJECT COOPERATION	20
SECTION 15.02 THE WOLVERTON PROJECT.....	20
SECTION 15.03 WOLVERTON MOU	21
ARTICLE XVI. CHRISTINE	21
SECTION 16.01 DUTY TO COOPERATE IN GOOD FAITH – CHRISTINE PROJECT.	21
SECTION 16.02 THE CHRISTINE PROJECT.....	21
SECTION 16.03 CHRISTINE MOU	21
ARTICLE XVII. COMSTOCK	22
SECTION 17.01 DUTY TO COOPERATE IN GOOD FAITH FOR COMSTOCK FLOOD CONTROL PROJECT, LAGOON PROJECT	22
SECTION 17.02 THE COMSTOCK FLOOD CONTROL PROJECT.....	22
SECTION 17.03 THE COMSTOCK LAGOON PROJECT	22
SECTION 17.04 COORDINATION WITH CLAY COUNTY- HIGHWAY 2 PROJECT	22

SECTION 17.05	COMSTOCK MOU	22
ARTICLE XVIII. CEMETERIES		23
SECTION 18.01	CEMETERY PROTECTION PLANS	23
SECTION 18.02	IMPLEMENTATION OF CEMETERY PROTECTION PLANS	23
ARTICLE XIX. POST-OPERATION DEBRIS REMOVAL AND PROPERTY DAMAGE RESTORATION AND CLEAN-UP PLAN		23
SECTION 19.01	POST-OPERATION DEBRIS REMOVAL AND RESTORATION.....	23
SECTION 19.02	POST-OPERATION DEBRIS REMOVAL AND RESTORATION SUB-COMMITTEE	24
ARTICLE XX. CROP DAMAGE.....		24
SECTION 20.01	CROP DAMAGE CAUSED BY THE COMPREHENSIVE PROJECT	24
SECTION 20.02	PARTICIPATION IN FEDERAL CROP INSURANCE AND NOTIFICATION.....	25
ARTICLE XXI. BUSINESS DAMAGE		25
SECTION 21.01	BUSINESS DAMAGE	25
ARTICLE XXII. ACCESS		26
SECTION 22.01	ACCESS.....	26
SECTION 22.02	TOWNSHIP AND COUNTY ROADS	26
SECTION 22.03	POST OPERATION PUBLIC LANDS REPAIR AND CLEAN-UP PLAN	26
ARTICLE XXIII. THIRD PARTY ENFORCEABILITY OF ARTICLES XIX, XX, AND XXI		27
SECTION 23.01	THIRD PARTY ENFORCEABILITY OF ARTICLES XIX, XX, AND XXI	27
ARTICLE XXIV. FLEXIBLE COMPENSATION/MITIGATION		27
SECTION 24.01	FLEXIBLE COMPENSATION/MITIGATION.....	27
ARTICLE XXV. FLOWAGE EASEMENTS AND REAL PROPERTY PURCHASES.....		27
SECTION 25.01	FLOWAGE EASEMENTS AND REAL PROPERTY PURCHASES	27
SECTION 25.02	FLOWAGE EASEMENT AGREEMENT	28
SECTION 25.03	CASH VALUES	28
SECTION 25.04	FLOWAGE EASEMENT INPUT	28
ARTICLE XXVI. ACTIVE FARM OPERATIONS AND BUSINESS RELOCATIONS		28
SECTION 26.01	ACTIVE FARM OPERATIONS AND BUSINESS RELOCATIONS.....	28
ARTICLE XXVII. APPLICABILITY OF ARTICLES XX-XXVI.....		28
SECTION 27.01	APPLICABILITY OF ARTICLES XX THROUGH XXVI	28
ARTICLE XXVIII. ECONOMIC IMPACT RELIEF FUND		29
SECTION 28.01	ECONOMIC IMPACT RELIEF FUND	29
SECTION 28.02	GIFTS OR COMPENSATION.....	30
SECTION 28.03	DISTRIBUTIONS FROM THE RELIEF FUND.....	30
SECTION 28.04	DISTRIBUTION AGREEMENT	30
SECTION 28.05	ADMINISTRATION OF THE RELIEF FUND	31
SECTION 28.06	DIVERSION AUTHORITY OBLIGATIONS.....	31
SECTION 28.07	DIVERSION AUTHORITY PAYMENTS TO THE RICHLAND COUNTY AUDITOR AS FIDUCIARY FOR RELIEF FUND.....	31

SECTION 28.08	PAYMENT OF REMAINING \$40,000,0000.....	31
SECTION 28.09	PRE-FUND.....	32
SECTION 28.10	AUDIT	32
SECTION 28.11	RICHLAND-WILKIN JPA.....	32
SECTION 28.12	INTERFERENCE WITH COMPREHENSIVE PROJECT	32
SECTION 28.13	THIRD-PARTY BENEFICIARY	32
SECTION 28.14	ENFORCEMENT OF THE SETTLEMENT AGREEMENT	33
ARTICLE XXIX. PUBLIC OPPOSITION AND/OR SUPPORT.....		33
SECTION 29.01	PUBLIC OPPOSITION AND/OR SUPPORT	33
ARTICLE XXX. FINAL OPERATING PLAN		34
SECTION 30.01	FINAL OPERATING PLAN	34
SECTION 30.02	CHANGE OF LAW	34
ARTICLE XXXI. RETENTION PROJECTS		34
SECTION 31.01	RETENTION PROJECTS POLICY	34
ARTICLE XXXII. INDIVIDUAL RIGHTS		35
SECTION 32.01	NON-WAIVER OF NON-PARTY OR INDIVIDUAL RIGHTS	35
ARTICLE XXXIII. AFFIRMATIVE COVENANTS OF THE DIVERSION AUTHORITY.....		35
SECTION 33.01	THE DIVERSION AUTHORITY IS A POLITICAL SUBDIVISION.....	35
ARTICLE XXXIV. COOPERATION WITH USACE		35
SECTION 34.01	DUTY TO COOPERATE IN GOOD FAITH WITH USACE	35
ARTICLE XXXV. COOPERATION WITH MDNR.....		36
SECTION 35.01	DUTY TO COOPERATE IN GOOD FAITH WITH THE MDNR	36
ARTICLE XXXVI. COVENANT TO OPERATE COMPREHENSIVE PROJECT		36
SECTION 36.01	COVENANT TO OPERATE COMPREHENSIVE PROJECT	36
ARTICLE XXXVII. CHOICE OF LAW/VENUE		37
SECTION 37.01	CHOICE OF LAW	37
SECTION 37.02	VENUE	37
ARTICLE XXXVIII. ACKNOWLEDGMENT AND AUTHORIZATION.....		37
SECTION 38.01	ACKNOWLEDGMENT	37
SECTION 38.02	AUTHORIZATION TO EXECUTE THIS SETTLEMENT AGREEMENT.....	37
ARTICLE XXXIX. PAYMENTS.....		37
SECTION 39.01	GENERAL	37
SECTION 39.02	PAYMENTS BY THE DIVERSION AUTHORITY	37
SECTION 39.03	PAYMENTS BY THE RWJPA To BRRWD	38
ARTICLE XL. TERMINATION DATE.....		38
SECTION 40.01	TERM.....	38
SECTION 40.02	MANDATORY MEET AND CONFER MEETING	38

ARTICLE XLI. MISCELLANEOUS.....	38
SECTION 41.01 PROHIBITION ON ASSIGNMENT	38
SECTION 41.02 TAX CONSEQUENCES	38
SECTION 41.03 MAINTENANCE OF PROJECTS	38
SECTION 41.04 AMENDMENT	39
SECTION 41.05 ENTIRE AGREEMENT	39
SECTION 41.06 SURVIVAL.....	39
SECTION 41.07 AUTHORIZED REPRESENTATIVES.....	39
SECTION 41.08 NOTICES	39
SECTION 41.09 FORCE MAJEURE	41
SECTION 41.10 COUNTERPARTS AND ELECTRONIC SIGNATURES.....	41
 SIGNATURE PAGES	 S-1 THROUGH S-5
 EXHIBIT A – BRRWD PERMIT CONDITIONS	
EXHIBIT B – RED RIVER BASIN MAP	
EXHIBIT C – MAP OF STAGING AREA	
EXHIBIT D – MAP OF MINNESOTA FRINGE AREA	
EXHIBIT E – CEMETERY LOCATION MAP	
EXHIBIT F – AMORTIZATION SCHEDULE	

SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT (the “Settlement Agreement”) is made and entered into this 1st day of February, 2021 (the “Effective Date”), by and between the Metro Flood Diversion Authority (the “Diversion Authority”), the Richland-Wilkin Joint Powers Authority (the “RWJPA”), the Buffalo-Red River Watershed District (the “BRRWD”), the City of Wolverton, Minnesota (“Wolverton”), and the City of Comstock, Minnesota (“Comstock”) (collectively referred to as the “Parties”).

RECITALS

WHEREAS, the Parties have conducted extensive negotiation regarding a global settlement of all disputes and litigation pertaining to the design, construction, financing, operation, and maintenance of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project, known as “Plan B” or the “Comprehensive Project”; and

WHEREAS, on October 27, 2020, the Parties entered into a Binding Settlement Term Sheet for Settlement of Dispute Regarding Flood Diversion Project (the “Term Sheet”), a binding and fully enforceable settlement agreement to resolve disputes and litigation pertaining to Plan B; and

WHEREAS, the Parties have resolved all claims, actions, disputes, and litigation pertaining to Plan B, have identified various negative impacts to upstream property owners, businesses and political subdivisions created by Plan B, have agreed upon appropriate compensation and remedies, and intend to settle the matters currently in dispute, all subject to the terms and conditions contained in this Settlement Agreement.

NOW THEREFORE, in consideration of the mutual covenants made herein and for other valuable consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

Section 1.01 DEFINITIONS. All capitalized terms used, and not otherwise defined herein, shall have the meanings given to them in this Settlement Agreement and defined in this Section unless a different meaning clearly applies from the context.

“100-year Flood” means the one hundred (100) year flood event (one percent chance exceedance event) using POR Hydrology.

“500-year Flood” means the five hundred (500) year flood event (0.2 percent chance exceedance event) using POR Hydrology.

“Active Farm Operations” or “Agricultural Producer” means a person or persons officially recognized by the United States Department of Agriculture, Farm Service Agency as actively engaged in farming.

“Actual Production History” means a record of an Agricultural Producer’s agricultural crop yields over a multi-year period. Such records are used by the Federal Crop Insurance Corporation to determine “normal” production levels for an Agricultural Producer.

“Alternative Dispute Resolution Board” means an independent quasi-judicial board comprised of three (3) independent review officers, chosen from a list of individuals having real estate, legal, financial, technical, engineering, and appraisal experience established by the Authority pursuant to the requirements of the PRAM as approved by ND OSE and MDNR to administratively hear and review landowner claims relating to damages caused by the Comprehensive Project outside the scope of the flowage easements obtained by the Diversion Authority in connection with the Comprehensive Project. The independent review officers will be chosen and appointed in a manner to assure their independence. No person who uses the Alternative Dispute procedure will be required to waive rights to just compensation under the laws governing eminent domain.

“Barnesville School District” means Minnesota independent school district #146, having an official address of 302 3rd Street Southeast, Barnesville, Minnesota 56514.

“Binding Settlement Term Sheet for Settlement of Dispute Regarding Flood Diversion Project” or **“Term Sheet”** means the Binding Settlement Term Sheet for Settlement of Dispute Regarding Flood Diversion Project dated as of October 27, 2020 and executed by the Parties.

“Boards of Commissioners” means the Boards of Commissioners for Richland County and Wilkin County.

“BRRWD Managers” means the Buffalo-Red River Board of Managers, which is the Governing Body of the BRRWD.

“BRRWD Permit” means BRRWD Permit #19-003, which was approved by BRRWD on October 26, 2020.

“Buffalo-Red River Watershed District” or **“BRRWD”** means the Buffalo-Red River Watershed District, a watershed district in the Red River Basin.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which the offices of the US Government or a state are authorized to be closed or on which commercial banks are authorized or required by law, regulation, or executive order to be closed.

“Business Interruption Insurance” means an insurance coverage that will reimburse a Qualified Business for loss or damage directly caused by the operation of the Comprehensive Project.

“CCJWRD” means the Cass County Joint Water Resource District, a political subdivision of the State of North Dakota, its successors and assigns.

“Change in Cropping Choices” means a material change in the varieties/types of agricultural crops grown by Active Farm Operations within the Staging Area.

“Change of Law” means any revised or new statutes, ordinances, rules, laws, interpretations (including judicial determinations), or regulations which could materially impact the Parties’ ability to implement and comply with the terms of this Settlement Agreement, including, but not limited to, new or revised environmental statutes or regulations, new or revised statutes or regulations concerning flood protection, dams, or work in public waters, new or revised FEMA or USACE regulations, new statutes or laws directly addressing Plan B, new or revised zoning, land use or

management of water use or management ordinances or rules, new or revised property tax statutes or regulations, and new or revised federal crop insurance rules.

“Christine” or “City of Christine” means the City of Christine, a North Dakota political subdivision.

“Christine MOU” means a Memorandum of Understanding by and between the Diversion Authority and Christine as more fully described in Section 16.03 of this Settlement Agreement.

“Christine Project” means a flood control project designed and implemented by the City of Christine as more fully described in Section 16.02 of this Settlement Agreement.

“Clay County” means Clay County, a Minnesota political subdivision.

“Clay County Engineer” means the duly appointed and acting County Engineer for Clay County.

“Compensation/Mitigation Flexibility Plan” means an approach or process other than a buyout that is used to remove Comprehensive Project flood impacts from a specific parcel of real property.

“Completion of Comprehensive Project Operation” occurs when the Executive Director of the Diversion Authority or his/her designee has determined that the Comprehensive Project has concluded an operational event in accordance with the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project, MDNR Permit 2018-0819, and applicable federal permits.

“Comprehensive Project” means the LPP Flood Risk Management Features and the Recreation Features as generally described in the Second Supplemental Environmental Assessment dated August 27, 2018 (2018 SEA), and the Engineering Documentation Report, Fargo-Moorhead Metropolitan Area Flood Risk Management Project, ND and MN, Modifications Through February 2019, also known as Plan B.

“Comprehensive Project Operation” occurs when the Executive Director of the Diversion Authority or his/her designee places the Comprehensive Project into operation in accordance with the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project, MDNR Permit 2018-0819, and applicable federal permits.

“Comprehensive Project Property” means all real property, including but not limited to property interests consisting of temporary construction easements, licenses, operating permits, right of way and fee simple interests, controlled and owned by the Diversion Authority, the MCCJPA, and/or the Member Entities.

“Comstock” or “City of Comstock” means the City of Comstock, a Minnesota political subdivision.

“Comstock Flood Control Project” means the flood control project designed and implemented by the City of Comstock as more fully described in Section 17.02 of this Settlement Agreement.

“Comstock Lagoon Project” means a project to develop, construct, and complete a new lagoon sized to handle the current needs and appropriate and reasonable expansion/increase in sanitary sewer flows from the City of Comstock, designed in accordance with accepted civil engineering practices and

Minnesota Pollution Control Agency guidelines and requirements, as more fully described in Section 17.03 of this Settlement Agreement.

“Comstock MOU” means a Memorandum of Understanding by and between the Diversion Authority, the MCCJPA, if needed, and Comstock, as more fully described in Section 17.05 of this Settlement Agreement.

“Comstock Projects” means collectively the Comstock Flood Control Project and the Comstock Lagoon Project.

“Counties” means Richland County, North Dakota, and Wilkin County, Minnesota.

“Distribution Agreement” means an agreement drafted by the RWJPA to provide for monetary distributions from the Relief Fund containing the mandatory conditions set forth in Section 28.04 of this Settlement Agreement.

“Diversion Authority” means the Metro Flood Diversion Authority, a permanent and perpetual North Dakota political subdivision created by the Joint Powers Agreement dated June 1, 2016.

“Diversion Authority Board” means the Governing Body of the Diversion Authority.

“Diversion Authority Director of Engineering” means an employee of the Diversion Authority who serves as director of engineering and is a licensed Professional Engineer in the State of North Dakota.

“Diversion Authority Enforceable Terms” means as defined in Section 28.13 hereof.

“Diversion Channel” or **“Storm Water Diversion Channel and Associated Infrastructure”** or **“SWDCAI”** means the approximately thirty (30) mile, 20,000 cubic feet per second (cfs) diversion channel and associated features and infrastructure, including the outlet, river and drain inlets, road bridges, railroad bridges, aqueducts, and recreational features, to be constructed as part of the Comprehensive Project.

“Diversion Inlet Structure” means the hydraulic control structure to control the flow of water entering the Diversion Channel south of Horace, North Dakota, and as detailed in the document entitled the “FMM Diversion Inlet Control Structure, Red River of the North River Basin, Fargo, ND.”

“Eagle Township” means Eagle Township, Richland County, a political subdivision of the State of North Dakota.

“Economic Impact Relief Fund” or **“Relief Fund”** means a fund created by Section 28.01 of this Settlement Agreement, to be administered by the RWJPA and held by the Richland County Auditor as a fiduciary.

“Effective Date” means February 1, 2021.

“F-M Diversion Rural Impact Mitigation Program” means a program to provide financial assistance in the form of a forgivable loan to help with the relocation and re-establishment of

farmsteads, rural businesses, and rural non-profit organizations that are displaced by the Comprehensive Project as described in Article XXVI of this Settlement Agreement.

“Fargo” or **“City of Fargo”** means the City of Fargo, a political subdivision of the State of North Dakota.

“Fargo-Moorhead Metropolitan Area Flood Risk Management Project” is the name given to the Comprehensive Project by USACE and has the same definition as Comprehensive Project in this Settlement Agreement.

“Federal Cases” means (a) Richland/Wilkin Joint Powers Authority, et al. v. United States Army Corps of Engineers (“USACE”), et al., Civil No. 13-2262 (JRT/LIB), which is venued in the United States District Court for the District of Minnesota, and (b) Richland/Wilkin Joint Powers Authority, et al. v. United States Army Corps of Engineers, et al., Court of Appeals Docket No. 17-3429, which is venued in the United States Court of Appeals for the Eighth Circuit.

“Federal Crop Insurance Corporation” or **“FCIC”** means the government corporation wholly owned by the United States of America whose purpose is to administer federal crop insurance.

“Federal Parties” means USACE and those federal government personnel named in their official capacities as parties to the Federal Cases.

“FEMA” means the Federal Emergency Management Agency.

“FEMA Accredited Flood Protection” means a flood protection system that FEMA has determined can be shown on a FIRM as providing one percent (1%) chance flood or greater level of flood protection. This determination is based on the submittal of data and documentation required by 44 CFR Section 65.10 which must be certified by a Professional Engineer.

“FIRM” means Flood Insurance Rate Map.

“Final Operating Plan” means the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project developed by USACE in coordination with the Diversion Authority and the Diversion Authority’s contractors, and as may be approved or reviewed by state regulators in accordance with North Dakota and Minnesota regulatory procedures, and by the P3 developer responsible for the construction of the Diversion Channel.

“Flowage Easement” means a permanent and perpetual easement across and over real property by which the Diversion Authority and its Member Entities are legally authorized to divert flood water onto and detain water on the property for the operation of the Comprehensive Project.

“Georgetown” or **“City of Georgetown”** means the City of Georgetown, a Minnesota political subdivision.

“Georgetown MOU” means a Memorandum of Understanding by and between the Diversion Authority, the BRRWD, and if necessary, the MCCJPA, as more fully described in Section 14.03 of this Settlement Agreement.

“Georgetown Project” means a project undertaken by BRRWD as more fully described in Section 14.02 of this Settlement Agreement.

“Good Faith” means honesty in fact and observance of reasonable standards of fair dealing that will ensure that the Parties receive the benefits set forth in this Settlement Agreement.

“Governing Body” means the body that performs the legislative and governmental functions of a political subdivision, including but not limited to, a board, council, or commission.

“Holy Cross MOU” means a Memorandum of Understanding by and between the Diversion Authority, Holy Cross Township and, if necessary, the MCCJPA, as more fully described in Section 28.01(d) of this Settlement Agreement.

“Holy Cross Township” means Holy Cross Township, Clay County, a political subdivision of the State of Minnesota.

“Independent School District #846 in Breckenridge, Minnesota” means a Minnesota school district serving the community of Breckenridge, Minnesota.

“Interference Action” means commencing or participating in any and all proceedings adverse to the Comprehensive Project, including but not limited to litigation, lobbying, enacting, or enforcing local ordinances, local legislation, or invoking/using any federal, state, or local administrative activities, remedies, processes, or proceedings to prevent, delay, or encumber the Comprehensive Project from being designed, financed, constructed, operated, or maintained in accordance with the terms and conditions of this Settlement Agreement, the MDNR Permit, ND OSE Permits, and federal permits for the Comprehensive Project.

“JPA” or “Joint Powers Agreement” means the Joint Powers Agreement dated as of June 1, 2016, by and between the Member Entities, as amended from time to time, which created and continued the Diversion Authority.

“Kindred Public School District #2” means a North Dakota state-accredited K-12 school district in Cass County and portions of Richland County, serving the communities of Kindred, Davenport, Leonard, Walcott, Oxbow, and Horace.

“Master Water Control Manual, Fargo-Moorhead Metropolitan Area Flood Risk Management Project” means the document that defines rules and provides guidance for direction, operation, and management of water storage for the Fargo-Moorhead Metropolitan Area Flood Risk Management Project.

“MCCJPA” means the Moorhead-Clay County Joint Powers Authority, a Minnesota joint powers authority created by the City of Moorhead and Clay County through the Minnesota Land Acquisition Joint Powers Agreement, dated July 1, 2019.

“MDNR Permit” means MDNR Dam Safety and Public Waters Work Permit No. 2018-0819, and any amendments thereto.

“Member Entities” means the City of Moorhead, the City of Fargo, Clay County, Cass County, North Dakota, and CCJWRD.

“Metro Flood Diversion Authority” has the same definition as “Diversion Authority.”

“Minnesota” means the State of Minnesota.

“Minnesota Case” means Metro-Flood Diversion Authority v. Buffalo Red-River Watershed District, Court File No. 03-CV-19-1418, which is venued in the Minnesota District Court in Becker County (Minnesota’s Seventh Judicial District).

“Minnesota Contested Case” or **“MN CCH”** means the administrative matter titled In the Matter of the Dam Safety and Public Waters Work Permit No. 2018-0819 for the Fargo-Moorhead Flood Risk Management Project, Clay and Wilkin Counties, Minnesota, and Cass and Richland Counties, North Dakota, OAH Docket No. 65-2002-31615, which is venued in the Minnesota Office of Administrative Hearings.

“Minnesota Fringe Area” as shown in Exhibit D, means those areas within BRRWD’s jurisdiction in which the impact of staging water from the operation of the Comprehensive Project increases the water surface elevation by more than 0.1 of a foot (1.2 inches) but less than 0.5 of a foot (six inches) under the 100-year flood event as generally described in Exhibit D to this Settlement Agreement.

“Minnesota DNR” or **“MDNR”** means the Minnesota Department of Natural Resources.

“Minnesota OAH” means the Minnesota Office of Administrative Hearings.

“Minnesota Plan A Contested Case” means the administrative matter titled, In the Matter of the Dam Safety and Public Waters Work Permit Application No. 2016-0386 for the Fargo-Moorhead Flood Risk Management Project, Clay and Wilkin Counties, Minnesota and Cass and Richland Counties, North Dakota, OAH Docket No. 65-2002-34309, which is venued in the Minnesota Office of Administrative Hearings and is presently stayed.

“Moorhead” or **“City of Moorhead”** means the City of Moorhead, a Minnesota political subdivision and home rule charter city.

“ND OSE” or **“OSE”** means the North Dakota Office of State Engineer.

“ND OSE Permits” means collectively the permit or permits issued by ND OSE for the construction, operation, and maintenance of elements of the Comprehensive Project located in the State of North Dakota.

“Non-Authority Parties” means all Parties to this Settlement Agreement other than the Diversion Authority.

“Non-Federal Sponsor” means the entities providing the non-federal project costs for the Comprehensive Project, which include the City of Fargo, the City of Moorhead, and the Diversion Authority created pursuant to the JPA.

“North Dakota” means the State of North Dakota.

“North Dakota State Auditor” means a North Dakota political office responsible for overseeing the Office of the State Auditor.

“Oxbow” or **“City of Oxbow”** means the City of Oxbow, a North Dakota political subdivision.

“Period of Record Hydrology,” “POR,” or **“POR Hydrology”** means flows for a river or watershed that are based on a hydrological analysis for the defined period of record of available flow measurements for the Comprehensive Project Design and the infrastructure projects contemplated in this Settlement Agreement; the years 1902 through 2009 comprise the period of record.

“Plan A” means the proposed comprehensive flood control project for the Fargo-Moorhead Metropolitan Area that was the subject of MNDR Dam Safety and Public Waters Work Permit Application No. 2016-0386 and the Minnesota Plan A Contested Case.

“Plan B” means the proposed comprehensive flood control project for the Fargo-Moorhead Metropolitan Area that is the subject of the MDNR Permit and the Minnesota Contested Case.

“PMF Flood Event” or **“PMF”** means Probable Maximum Flood.

“Post-Operation Debris Clean-up and Restoration Plan” means the plan described in Article XIX of this Settlement Agreement.

“Post-Operation Debris Clean-up and Restoration Sub-Committee” means a sub-committee of the Land Management Committee authorized by the Diversion Authority Board (as provided in Section 19.02 of this Settlement Agreement) to meet on a regular and as needed basis to develop and implement the Post-Operation Debris Clean-up and Restoration Plan and related plans, policies, and procedures.

“Professional Engineer” means an individual or individuals properly registered in the state where they perform services requiring registration as an engineer, responsible for the certification of a flood protection system.

“Project Partnership Agreement” or **“PPA”** means the Project Partnership Agreement executed by and between the Department of the Army and the City of Fargo, the City of Moorhead, and the Diversion Authority for construction of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project, dated July 11, 2016.

“Property Rights Acquisition and Mitigation Plan” or **“PRAM”** means a comprehensive plan, subject to approval by the ND OSE and MDNR, that documents the property rights acquisition and mitigation policies that will be followed for the Comprehensive Project.

“Qualified Business” means an ongoing business which derives fifty percent (50%) or more of its income from sales/transactions to farmland operated by an Agricultural Producer located within the Staging Area.

“Red River” means the Red River of the North.

“Red River Basin” means the area shown in the map attached hereto as Exhibit B.

“Red River Control Structure” means a feature of the Comprehensive Project which consists of a gated control structure (three 50-foot wide tainter gates) on the Red River that, along with a similar structure on the Wild Rice River, will regulate the amount of water flowing through the Southern Embankment into the Fargo-Moorhead Metropolitan Area during Comprehensive Project Operation, during large flood events.

“Richland #44 School District” means a North Dakota state-accredited K-12 school district in Richland County, serving the communities of Abercrombie, Colfax, Christine, and Galchutt.

“Richland County” means Richland County, a political subdivision and municipal corporation of the State of North Dakota.

“Richland County Auditor” means the chief financial officer, the elections administrator, and the property tax administrator of Richland County, and the executive secretary to the Board of County Commissioners of Richland County.

“Richland County Jobs Development Authority” means the North Dakota jobs development authority whose mission is developing the economy of Richland County, primarily through lending to new and expanding business, supporting business research and development, providing technical assistance and participating in development of needed infrastructure.

“Richland County Water Resource District” means the North Dakota water resource district and political subdivision involved with the establishment, construction, reconstruction, and maintenance of legal drains; establishment and management of benefit assessment districts for the legal drains; and maintenance of natural waterways in Richland County.

“Risk Management Agency” or **“RMA”** means the United States Department of Agriculture, Risk Management Agency, created in 1996 to manage the Federal Crop Insurance Corporation.

“RWJPA” means the Richland-Wilkin Joint Powers Authority.

“Signatory to the Distribution Agreement” or **“Signatory”** means the party or parties to a Distribution Agreement receiving a distribution of monies from the Relief Fund.

“Southern Embankment” or **“SEAI”** means the southern embankment consisting of the Diversion Inlet Structure, Wild Rice Control Structure and Red River Control Structure, associated road raises, an earthen embankment commencing south and east of the City of Horace, proceeding east, and terminating in Minnesota by the Wolverton Creek as generally shown on Exhibit C to this Settlement Agreement.

“Staging Area” means the area upstream of the Southern Embankment, Diversion Inlet Structure, Red River Control Structure and the Wild Rice River Control Structure (both of which are being built as part of Plan B) that will be used to store floodwater when the Comprehensive Project is fully operational. The Staging Area includes an approximately 28,500-acre land management area immediately upstream of the Southern Embankment designed to store floodwaters. The Staging Area includes that area where the Comprehensive Project will increase the 100-year POR or 500-year POR floodwater surface elevation by one foot or more over existing (that is, pre-Comprehensive Project) conditions and as generally illustrated in Exhibit C.

“Substantial Completion of the Comprehensive Project” means the substantial completion of all Comprehensive Project elements to the satisfaction of the Diversion Authority’s Director of Engineering as evidenced by his/her certificate of substantial completion.

“Termination Date” means the date upon which this Settlement Agreement will terminate as set forth in Section 40.01 of this Settlement Agreement.

“USACE” means the United States Army Corps of Engineers.

“Walcott Township” means Walcott Township, Richland County, a political subdivision of the State of North Dakota.

“Wild Rice River” means the river of the same name located in the State of North Dakota.

“Wild Rice River Control Structure” means a feature of the Comprehensive Project which consists of a gated control structure (two 40-foot wide tainter gates) on the Wild Rice River that, along with a similar structure on the Red River, will regulate the amount of water flowing through the Southern Embankment into the Fargo-Moorhead Metropolitan Area during Comprehensive Project operation during large flood events.

“Wilkin County” means Wilkin County, a political subdivision of the State of Minnesota.

“Wilkin County Economic Development Authority” means a Minnesota economic development authority, established under the Minnesota Economic Development Authority Act, whose mission is to encourage economic activity and promote community development within Wilkin County, which will strengthen the tax base, provide employment for its citizens, and raise the standard of living and quality of life.

“Wolverton” or **“City of Wolverton”** means the City of Wolverton, a political subdivision of the State of Minnesota.

“Wolverton Creek Crossing” means a structure located in Minnesota that will be constructed as part of Clay County Road 50. It includes a culvert crossing for Wolverton Creek and is also designed to overflow similar to conditions existing as of the Effective Date during large flood events to limit upstream impacts in Wilkin County and ensure the City of Comstock, Minnesota, is not adversely affected during extreme flood events such as the PMF. The design elevation for the overflow at the Wolverton Creek Crossing is at approximately elevation 923.9.

“Wolverton MOU” means a Memorandum of Understanding by and between the Diversion Authority, the BRRWD, and if necessary, the MCCJPA, as more fully described in Section 15.03 of this Settlement Agreement.

“Wolverton Project” means a project administered by BRRWD for permanent 100-year FEMA Accredited Flood Protection (applying Period of Record Hydrology) for Wolverton as more fully described in Section 15.02 of this Settlement Agreement.

“Wolverton Township” means Wolverton Township, Wilkin County, a political subdivision of the State of Minnesota.

Section 1.02 INTERPRETATION.

(a) The headings of articles and sections are provided for convenience of reference only and will not affect the construction, meaning, or interpretation of this Settlement Agreement. Any and all exhibits to this Settlement Agreement are hereby incorporated by reference. The definition of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine, and neuter forms.

(b) This Settlement Agreement is not to be interpreted or construed against the interests of a Party merely because that Party proposed this Settlement Agreement or some provision of it or because that Party relies on a provision of this Settlement Agreement to protect itself. The Parties acknowledge and agree that this Settlement Agreement has been prepared jointly by the Parties and has been the subject of arm's length and careful negotiation, that each Party has been given the opportunity to independently review this Settlement Agreement with legal counsel, and that each Party has the requisite experience and sophistication to understand, interpret, and agree to the particular language of the provisions of this Settlement Agreement. Accordingly, in the event of an ambiguity in or dispute regarding the interpretation of this Settlement Agreement, this Settlement Agreement will not be interpreted or construed against any Party simply because that Party participated in its drafting or proposed revisions to any draft.

ARTICLE II. PURPOSE AND INTENT

Section 2.01 PURPOSE. The purpose of this Settlement Agreement is to implement and make more specific the Term Sheet.

Section 2.02 INTENT. The express intent of the Parties is to acknowledge the Diversion Authority's need and ability to design, finance, develop, construct, operate, and maintain the Comprehensive Project; to acknowledge and fairly protect and compensate the Non-Diversion Authority Parties and their constituencies and minimize, protect, and compensate upstream individuals, landowners, entities, and political subdivisions from the impacts of the Comprehensive Project; and, to ensure that the Non-Diversion Authority Parties do not engage in Interference Actions. This Settlement Agreement is intended to fully resolve and settle any and all disputes, claims, and/or causes of action arising from or relating to the design, construction, financing, operation, and maintenance of the Comprehensive Project as between and among the Parties.

ARTICLE III. DIVERSION AUTHORITY WILL PROCEED WITH PLAN B

Section 3.01 THE DIVERSION AUTHORITY WILL PROCEED WITH PLAN B. Plan B will be implemented and permitted without subsequent and material design, construction, or operational revisions and without materially increasing the Staging Area. The Diversion Authority agrees that it will not make (or seek to have others, including USACE, make) any material changes to the design, construction, or planned operation of Plan B, except to the extent necessary to address a Change of Law or reasonable but unanticipated engineering changes to accomplish the purpose and intent as stated in Article II of this Settlement Agreement, nor will it make any changes to Plan B which are reasonably likely to materially increase the area of the Staging Area. However, the Parties

acknowledge and agree that design of the Comprehensive Project is not fully complete, nor have the operating plans for Plan B been finalized; accordingly, the Parties agree that minor, non-material changes in the alignment of Plan B may be made (provided they are of the scope and nature of changes described as “micro alignment changes”). In addition, appropriate changes to the planned operation of Plan B may be made in order to comply with conditions in the MDNR Permit, ND OSE Permits, and/or applicable USACE requirements, with the policies and procedures of those respective agencies governing the process for any such changes. Provided, however, where changes are proposed that materially impact a Party to this Settlement Agreement, it shall not be a violation of this Settlement Agreement for such Party to participate in consideration of those changes and express their point of view to the extent that the Party does not undertake an Interference Action.

Section 3.02 IMPACTS OF CHRISTINE PROJECT AND WOLVERTON PROJECT. The Parties agree and acknowledge that the construction of the Christine Project and the Wolverton Project may have impacts on the hydraulic flows and modeling associated with the Comprehensive Project. As a result, the Parties agree that modifications to the Comprehensive Project associated with the Christine Project and Wolverton Project are consistent with Sections 3.01 and 3.04 of this Settlement Agreement. The Parties will work in Good Faith to minimize the impacts of the Christine Project and Wolverton Project but acknowledge that the Christine Project and Wolverton Project may have impacts to surrounding real property and the Comprehensive Project that will be considered micro alignment changes.

Section 3.03 THE DIVERSION AUTHORITY WILL NOT PROCEED WITH PLAN A. The Diversion Authority agrees not to construct Plan A or any of the comprehensive flood control project alternatives for the Fargo-Moorhead Metropolitan Area that were studied and rejected by the MDNR during environmental review of the Plan B permit application.

Section 3.04 PLAN B TO BE CONSTRUCTED IN CONFORMANCE WITH THE MDNR PERMIT. The Diversion Authority agrees that Plan B will be constructed pursuant to the terms and conditions of the MDNR Permit, and any amendments to said permit.

ARTICLE IV. DISMISSALS AND ENFORCEMENT

Section 4.01 DISMISSAL OF LITIGATION. Within fourteen (14) days of the execution of this Settlement Agreement or within thirty (30) days of the execution of the Term Sheet, whichever is earlier, the Parties agree to dismiss with prejudice the Federal Cases, the Minnesota Case, the Minnesota Contested Case, and the Minnesota Plan A Contested Case. Failure to commence proceedings to dismiss the above-referenced proceedings immediately upon expiration of either of these time periods shall not waive a Party’s right to seek dismissal.

Section 4.02 DUTY OF GOOD FAITH DISMISSAL OF LITIGATION. The Parties agree to work together in Good Faith to obtain the agreement of the MDNR and, for the Federal Cases, the Federal Parties, and the City of Oxbow, to execute stipulations of dismissal and/or such other documents that are reasonably necessary to obtain dismissals (with prejudice) of the Federal Cases, the Minnesota Case, the Minnesota Contested Case, and the Minnesota Plan A Contested Case. The Parties agree to make reasonable efforts to obtain the consent of the MDNR, the Federal Parties, and the City of Oxbow, and further agree not to make any demands of the MDNR and the Federal Parties in connection with seeking dismissals other than to request that all parties to each litigation jointly seek

to have the matter in question dismissed with prejudice without any award of attorney fees, costs, or other expenses of litigation to any party. If for any reason any party to this Settlement Agreement, the City of Oxbow, the MDNR, or the Federal Parties, are unwilling or unable to execute a stipulation of dismissal, the Diversion Authority may nevertheless enforce the provisions of the Settlement Agreement against any party to secure the dismissals agreed to therein. Nothing in this Settlement Agreement shall be read to require RWJPA to advocate a dismissal by MDNR that would represent an adjudication against MDNR's right or power to regulate water resource development projects impacting the State of Minnesota.

Section 4.03 NO PREJUDICE TO AGENCY PERMITTING AUTHORITY. The Parties acknowledge and agree that the dismissals provided for in Article IV of this Settlement Agreement shall not prejudice or impact the current or future permitting jurisdiction of the MDNR, the ND OSE, or any federal agency having jurisdiction over the Comprehensive Project.

Section 4.04 MN CCH DISMISSAL. The Parties have entered into a separate agreement with MDNR providing that the challenges to the MDNR Permit are withdrawn and the Administrative Law Judge has recommended that the MDNR Permit be issued.

Section 4.05 MDNR PERMIT CONDITION 22. The Parties have recommended to the MDNR that it modify Condition 22 to the MDNR Permit in the manner set forth in the proposed Findings of Fact and Conclusions of Law submitted by the Diversion Authority in the Minnesota Contested Case and anticipate that the MDNR may make this and other minor modifications to the MDNR Permit.

Section 4.06 OBLIGATION TO DISCLOSE ALL INTERFERENCE ACTIONS BY THE PARTIES ADVERSE TO THE COMPREHENSIVE PROJECT AND REPRESENTATIONS THERE ARE NONE BEYOND THOSE DISCLOSED. The Parties affirmatively represent that, other than the Minnesota Case, the Minnesota Contested Case, and the Federal Cases, none of them are parties to any matter pending (or being initiated) in a court, administrative forum, or arbitral forum that seeks to stop, prevent, delay, disrupt, or otherwise challenge the design, planning, construction, development, operation, or maintenance of the Comprehensive Project. Provided, however, a Minnesota MERA action filed in Wilkin County District court was enjoined by the federal court. RWJPA will assure that the action filed in Wilkin County District Court has been appropriately dismissed, and, if not, shall take such further action as is necessary to secure a dismissal, with prejudice, of the matter.

ARTICLE V. NO ADMISSION

Section 5.01 NO ADMISSION BY THE PARTIES. This Settlement Agreement is being entered into solely for the purposes of settlement. By entering into this Settlement Agreement, none of the Parties are admitting to the correctness of any of the positions or contentions of any other Party, nor are any of the Parties making an admission regarding the propriety, efficacy, or desirability of Plan B.

ARTICLE VI. MUTUAL RELEASES AND COVENANT NOT TO SUE

Section 6.01 MUTUAL RELEASE AND COVENANT NOT TO SUE. The Parties and the Counties hereby mutually release each other from (a) all claims that have been made to date regarding the

Comprehensive Project and (b) all claims of any kind and nature, whether legal, equitable, statutory, regulatory, or having some other source, current or arising in the future, presently known or unknown, that could stop or materially interfere with the design, construction, development, financing, operation, or maintenance of Plan B in accordance with the MDNR permit (as amended from time to time in accordance with MDNR permitting procedures), OSE permits (as amended from time to time in accordance with OSE procedures), any federal permits, and this Settlement Agreement. The Parties and the Counties further covenant and agree not to institute, participate in, or support any administrative proceeding, suit, or action, at law, in equity, or having a basis in statutory or regulatory provisions, seeking to stop or materially interfere with the design, construction, development, financing, planning, operation, or maintenance of the Comprehensive Project, provided that the Diversion Authority is in substantial compliance with the MDNR Permit as amended from time to time, in accordance with MDNR permitting procedures, ND OSE permits, federal permits, and this Settlement Agreement.

Section 6.02 INJUNCTIVE RELIEF PERMITTED. The Parties specifically agree that damages alone are not an adequate remedy for any breach of the covenant not to sue set forth in this Article VI and that injunctive relief, including anti-suit injunctions, shall be available as a remedy, in addition to damages, for any such violation.

ARTICLE VII. BRRWD PERMIT

Section 7.01 BRRWD PERMIT. The Parties agree and acknowledge that BRRWD issued the BRRWD Permit on October 26, 2020, at a regularly scheduled meeting of the BRRWD Managers and that the terms and conditions of the Term Sheet were incorporated by reference into the BRRWD Permit. The Parties intend that this Settlement Agreement will conform to the Term Sheet and no further action from BRRWD with respect to granting or amending the BRRWD Permit to include this Settlement Agreement is required.

Section 7.02 DIVERSION AUTHORITY COMPLIANCE WITH BRRWD PERMIT. The Diversion Authority agrees to comply with the conditions of the BRRWD Permit and to carry out its design, development, construction, operation, and maintenance of the Comprehensive Project in accordance with the terms of the BRRWD Permit.

Section 7.03 THIRD PARTY APPEALS OF THE BRRWD PERMIT. The BRRWD agrees that if the BRRWD Permit is appealed or otherwise challenged in any judicial or administrative forum, it shall defend the BRRWD Permit and the propriety of the issuance of said permit using competent counsel of its own choosing. The Diversion Authority agrees that in the event the issuance of the BRRWD Permit is appealed or otherwise challenged in any judicial or administrative forum, the Diversion Authority will hold the BRRWD harmless by reimbursing the BRRWD for any and all costs, expenses, or disbursements (including reasonable attorney fees and expenses) incurred in the defense of such appeal or challenge. If the BRRWD seeks reimbursement in connection with a defense of the BRRWD Permit, it shall submit detailed invoices to the Diversion Authority on a monthly basis and keep the Diversion Authority reasonably apprised of the progress of the matter. The Diversion Authority and BRRWD agree to enter into a Common Interest and Joint Defense Agreement in connection with the BRRWD's defense to any challenge or appeal of the BRRWD Permit and to cooperate in defending the BRRWD Permit and the propriety of its issuance. If the Diversion Authority seeks to intervene in any judicial or administrative matter in which a challenge or appeal of the BRRWD Permit is being considered, the BRRWD agrees to support such

intervention, and the Parties agree that the Diversion Authority will be responsible for the costs of any such intervention.

Section 7.04 MINNESOTA CASE AS A DEFENSE TO BRRWD PERMIT. In any appeal or challenge to the BRRWD Permit, the BRRWD agrees that, notwithstanding dismissal of the Minnesota Case, the BRRWD and/or Diversion Authority may raise any or all of the facts and arguments asserted in the Minnesota Case as justification for the BRRWD's issuance of the BRRWD Permit. This includes but is not limited to, the argument that issuance of the BRRWD Permit was not arbitrary and capricious because, in addition to the facts before the BRRWD supporting the issuance of the BRRWD Permit at the time it granted the Permit, there also existed a material risk that the Diversion Authority would have prevailed in the Minnesota Case based on the record evidence and arguments submitted by the Diversion Authority in the Minnesota Case, and that issuance of the BRRWD Permit including the incorporated terms and conditions of the Term Sheet was a more favorable result for the BRRWD and its constituents than might have been the case if the Minnesota Case had been allowed to proceed to judgment.

ARTICLE VIII. OVERFLOW REACH ELEVATION

Section 8.01 OVERFLOW REACH ELEVATION. The overflow reach for Plan B, which is part of the Southern Embankment reach SE-1, is located in North Dakota and serves a PMF resiliency function. It is designed to overtop during the PMF should there be blockages in the gates for the Red River Control Structure, Wild Rice River Control Structure, or other blockages. Southern Embankment reach SE-5, which is located in Minnesota and includes the Wolverton Creek Crossing, is designed to overflow to limit upstream impacts in Wilkin County and ensure that Comstock is not adversely affected during extreme flood events such as the PMF. The Parties acknowledge that due to the natural grade of the Red River Valley, the Southern Embankment reach SE-5 overflow and Wolverton Creek Crossing is approximately three (3) inches higher than the Southern Embankment reach SE-1 overflow reach. As a result, the overflow elevation is approximately the same level for both the ND OSE Permit and the MDNR Permit, and there are grade, soil, hydraulic and engineering reasons that the Southern Embankment may have slight variations in its elevation. The Diversion Authority covenants that such variations are consistent with the MDNR Permit, ND OSE Permits and federal permits as amended from time to time and does not result in disparate treatment as between the State of Minnesota and the State of North Dakota.

ARTICLE IX. COMPREHENSIVE PROJECT COMPLIANCE REQUIREMENTS

Section 9.01 COMPREHENSIVE PROJECT COMPLIANCE OBJECTIVE(S). The Parties agree and acknowledge that the Comprehensive Project is a flood control project with the purpose of providing flood protection for the City of Fargo, City of Moorhead and surrounding communities included within the Fargo-Moorhead Metropolitan Area from flooding associated with the spring melt of heavy snowpack and/or a moderate snowpack and heavy spring rains in the Red River Basin south of the City of Fargo and the City of Moorhead. The Parties acknowledge that if there are claims regarding an alleged breach of Section 9.02 of this Settlement Agreement by the Diversion Authority, the Non-Authority Parties will provide the Diversion Authority with advanced written notice of such claims, pursuant to and in accordance Section 41.09 and Article XII of this Settlement Agreement and, if known and possible, in advance of anticipated Comprehensive Project Operation following a winter

with a significant snow pack and/or a moderate snow pack and heavy spring rains in the Red River Basin south of the City of Fargo and the City of Moorhead.

Section 9.02 THE COMPREHENSIVE PROJECT SHALL COMPLY WITH THE TERMS AND CONDITIONS OF THIS SETTLEMENT AGREEMENT. The Diversion Authority agrees that the Comprehensive Project shall not be placed into Comprehensive Project Operation unless the Diversion Authority is in compliance with (a) federal, MDNR, ND OSE, and BRRWD permit conditions, as amended from time to time, and (b) the terms of this Settlement Agreement.

Section 9.03 THE PARTIES SHALL COOPERATE IN GOOD FAITH REGARDING THIS ARTICLE IX. In the event of a Change of Law event which impacts Comprehensive Project Operation, the Diversion Authority shall invoke the procedure set forth in Article XII of this Settlement Agreement. The Parties to this Settlement Agreement shall cooperate in Good Faith regarding Change of Law Events, which impact any federal, MDNR, ND OSE, or BRRWD permit conditions, so as to carry out the intent of this Settlement Agreement.

Section 9.04 THE COMPREHENSIVE PROJECT COMPLIES WITH LOCAL REQUIREMENTS. The Parties agree and acknowledge that the Comprehensive Project, as described or expressly referenced in the MDNR Permit, complies with all local laws and ordinances of the Parties and of the Counties. The persons signing this Settlement Agreement for the RWJPA specifically represent that they have been authorized to make the acknowledgment set forth in the preceding sentence with respect to each of the Counties.

ARTICLE X. REMEDIES ON DEFAULT

Section 10.01 INADEQUACY OF DAMAGES ALONE. The Parties agree that, except for the rights of third-party beneficiaries set forth in Article XXIII, the remedy of damages at law is an inadequate remedy for a breach of this Settlement Agreement. Accordingly, the Parties agree that in addition to such other remedies as may be available, including damages, the remedy of injunctive relief shall be available in the event of an actual or threatened breach of this Settlement Agreement. Damages and injunctive relief are to be understood as both being proper remedies for breaches of this Settlement Agreement and not as exclusive alternatives. No bond shall be required for any Party to obtain an injunction against the actual or threatened breach of this Settlement Agreement by another Party.

Section 10.02 ATTORNEY FEES AS BETWEEN BRRWD AND THE DIVERSION AUTHORITY. In the event of a dispute between BRRWD and the Diversion Authority with regard to a claimed breach (or breaches) of this Settlement Agreement that is resolved through litigation, the prevailing party shall be entitled to recover its costs, expenses, and reasonable attorney fees. The recovery of costs, expenses, and fees provided for in this Section 10.02 is in addition to such remedies as may be available, including actual damages and injunctive relief. The Parties agree and acknowledge that this Section 10.02 only applies to disputes between BRRWD and the Diversion Authority and does not apply to disputes with third parties or Parties other than BRRWD and the Diversion Authority. However, if both BRRWD and the Diversion Authority are adverse to one another in a dispute that also involves other persons, entities, or Parties, the prevailing party as between BRRWD and the Diversion Authority may recover that portion of its costs, expenses, and attorney fees as may be fairly attributed to BRRWD or the Diversion Authority, as the case may be.

Section 10.03 SECTIONS 10.01 AND 10.02 SUBJECT TO ARTICLE XI OF THIS SETTLEMENT AGREEMENT. The provisions of this Article X are subject to the dispute resolution requirements set forth in Article XI of this Settlement Agreement.

ARTICLE XI. DISPUTE RESOLUTION

Section 11.01 GENERAL. The Parties shall use reasonable and Good Faith efforts to promptly resolve any disputes pursuant to this Article XI.

Section 11.02 PROCEDURE TO COMMENCE DISPUTE RESOLUTION PROCESS. The Parties agree that in the event of an alleged breach of any of the terms of this Settlement Agreement, the Party (or Parties) making such allegation shall, except as provided in Section 41.09 (Notices) of this Settlement Agreement, provide thirty (30) days written notice to the other Party or Parties of the alleged breach. The written notice shall contain a reasonable description of the underlying facts and an explanation why the Party or Parties providing the notice believe those facts constitute a breach. Following transmittal of the notice, the Party or Parties alleged to have caused the breach shall be given a reasonable time (as provided for in Section 11.03 of this Settlement Agreement) except as set forth below, and not less than ten (10) days to correct or remedy the alleged breach, to meet and confer with the other Party or Parties, and/or to participate in mediation with the other Party or Parties (if such other Party or Parties agree) prior to initiating any litigation, arbitration, or any administrative proceeding, unless the alleged breach has the potential to cause immediate and irreparable harm, in which case the party alleging the irreparable harm may initiate litigation to seek a temporary restraining order and/or preliminary injunction prior to complying with the provisions of this Section 11.02 while, at the same time, following the procedures set forth in Sections 11.01, 11.02, and 41.09 (Notices) of this Settlement Agreement as applicable.

Section 11.03 TIME TO CORRECT. The reasonableness of the time afforded to the Party or Parties alleged to have breached this Settlement Agreement pursuant to Section 11.02 of this Settlement Agreement to cure the alleged breach and engage in dispute resolution processes shall be determined by considering the circumstances, including the potential harm, injury, or damages that are or may result from the alleged breach and the extent to which such harm, injury, or damages has the potential to worsen with the passage of time.

Section 11.04 OBLIGATION TO MAKE KEY DECISION MAKERS AVAILABLE. All Parties agree to make themselves and key decision makers reasonably available to meet and confer with the other Parties in the event of an alleged breach, on a schedule that is commensurate with the immediacy and severity of the alleged breach.

ARTICLE XII. CHANGE OF LAW

Section 12.01 RECOGNITION OF THE POSSIBILITY OF A CHANGE OF LAW. The Parties acknowledge and agree that the Comprehensive Project may be subject to various legal requirements and standards including federal statutes, FEMA and USACE rules, North Dakota statutes and rules, Minnesota statutes and rules, local governmental ordinances and regulations, and federal and state permitting standards and conditions. The Parties also agree and acknowledge that the Comprehensive Project will be constructed over a period exceeding five (5) years and operated and maintained for an

indefinite period. Given the number of potential legal requirements and the lengthy period of time during which this Settlement Agreement will be in effect, the Parties understand and acknowledge the possibility that there could be a Change of Law, and further understand and acknowledge that any such Changes of Law, to the extent it is deemed valid, should not operate to interfere with, contradict or contravene the commitments and undertakings set forth in Sections 3.01, 3.02, 3.03, and 3.04 of this Settlement Agreement

Section 12.02 PROCEDURE IN THE EVENT OF CHANGE OF LAW. If a Change of Law occurs, the Party alleging a Change of Law shall give notice in accordance with the Section 12.03 of this Settlement Agreement to the other Parties and the Parties agree to meet and confer to determine whether an amendment to this Settlement Agreement is necessary to address the Change of Law. In meeting and conferring and determining whether to amend the Settlement Agreement, the Parties agree to act in Good Faith, in a cooperative manner, and in a manner that is consistent with the intent of the Parties as set forth in this Settlement Agreement.

Section 12.03 NOTICE OF A CHANGE OF LAW. If a Change of Law occurs or is reasonably anticipated to occur, any Party may notify the other Parties and include in such notification: (i) an opinion as to its likely effects, and (ii) any proposed changes to the Settlement Agreement required by the Change of Law to affect the intent of the terms and conditions of this Settlement Agreement. All Parties agree to refrain from advocating for a Change of Law that requires a material change in the Comprehensive Project or its operation that would undermine this Settlement Agreement.

Section 12.04 INTENT OF THE PARTIES WITH RESPECT TO A CHANGE OF LAW. In considering Changes of Law and determining whether to amend this Settlement Agreement, it is the intent of the Parties to ensure that the purpose and intent of this Settlement Agreement shall remain in full force and effect to the maximum extent possible, notwithstanding any Change of Law. The Parties further intend that amendments to this Settlement Agreement made in response to a Change of Law shall preserve, to the maximum extent possible, the purpose and intent of this Settlement Agreement and its material terms and conditions and will not interfere with the design, construction, financing, development, operation, and maintenance of Plan B.

Section 12.05 A CHANGE OF LAW RESULTING FROM THE ACTIONS OF A PARTY OR THE COUNTIES. Notwithstanding the foregoing Sections 12.01, 12.02, and 12.03 of this Settlement Agreement, if one or both of the Counties, a Party to this Settlement Agreement, a member of the RWJPA, the Diversion Authority, or one of its Member Entities adopts a Change of Law that would materially and adversely impact the design, financing, development, construction, design, operation, or maintenance of the Comprehensive Project, or that materially and adversely inhibits the ability to minimize, protect, and compensate upstream individuals, landowners, entities, and political subdivisions from the Comprehensive Project as set forth in and pursuant to this Settlement Agreement, the Diversion Authority and/or the Non-Authority Parties are not required to comply with the dispute resolution provisions in Article XI of this Settlement Agreement or to meet and confer with regard to possible amendment of this Settlement Agreement, and may immediately seek injunctive relief, damages, and any available statutory, legal, regulatory, or equitable remedies, none of which are waived, without regard for the dispute resolution requirements set forth in Article XI.

Section 12.06 ARBITRATION IN THE EVENT OF A CHANGE OF LAW. In the event that the Parties meet and confer pursuant to the preceding Section 12.02 but are unable to agree on an amendment to this Settlement Agreement, one or more Parties may, but are not required to, initiate arbitration proceedings pursuant to this Section 12.06. Arbitration pursuant to this Section shall be

the exclusive forum for resolving disputes as to whether this Settlement Agreement shall be amended in response to a Change of Law and, if so, the substance and form that such an amendment should take. However, this Section 12.06 shall not apply to any other disputes arising out of or related to this Settlement Agreement. The arbitration shall be conducted and decided by one arbitrator who is a retired judge or a lawyer with at least ten (10) years of experience, and who is mutually agreeable to the Parties. If the Parties cannot agree on an arbitrator, any Party may petition the court pursuant to the arbitration statutes of the state where the Change of Law is implemented for the appointment of an arbitrator. To aid the arbitrator, the arbitrator shall have the authority to hire experts and special masters such as engineers. The arbitration shall be conducted pursuant to the Commercial Arbitration Rules promulgated by the American Arbitration Association. The arbitration shall not be administered by the American Arbitration Association. Judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

Section 12.07 CHANGE OF CROPPING CHOICES. In the event that a Change in Cropping Choices renders the crop insurance program provided for in Section 20.01 of this Settlement Agreement obsolete, impracticable, or otherwise in need of revision to accomplish its goals, the Parties agree to meet and confer to determine whether amendment to the crop insurance program and/or this Settlement Agreement is necessary. In meeting and conferring and determining whether to amend this Settlement Agreement and/or the crop insurance program, the Parties agree to act in Good Faith, in a cooperative manner, and in a manner that it is consistent with an intent of providing crop insurance that accomplishes the same substantive goals as the plan established pursuant to Section 20.01 of this Settlement Agreement.

ARTICLE XIII. BRRWD ATTORNEY FEES

Section 13.01 BRRWD REIMBURSEMENT OF ATTORNEY FEES. The Diversion Authority agrees to pay up to Two Hundred Fifty Thousand Dollars (\$250,000) to cover the BRRWD's unreimbursed out-of-pocket attorney fees in the Minnesota Case and the Minnesota Contested Case. If the BRRWD's out-of-pocket attorney fees in the Minnesota Case and the Minnesota Contested Case exceed Two Hundred Fifty Thousand Dollars (\$250,000), the RWJPA agrees to reimburse the BRRWD up to an additional Two Hundred Fifty Thousand dollars (\$250,000) in such fees. Not later than ten (10) Business Days after entry of the last of the judgments dismissing the Federal Cases, the Minnesota Case, and the Minnesota Contested Case, the BRRWD shall provide to the RWJPA and the Diversion Authority notarized affidavits from the lead counsels in the Minnesota Case and the Minnesota Contested Case setting forth the total amounts of the BRRWD's out-of-pocket fees for each matter and any amounts reimbursed by insurers or which have been submitted for reimbursement to insurers.

Section 13.02 BRRWD ATTORNEY FEES REIMBURSED BY INSURANCE PROVIDER NOT INCLUDED. BRRWD's attorney fees covered by reimbursements from BRRWD's insurance carrier shall not be considered to be out-of-pocket attorney fees and will not be reimbursed pursuant to Section 13.01 of this Settlement Agreement.

Section 13.03 RWJPA'S OBLIGATION TO PAY BRRWD'S ATTORNEY FEES CONTINGENT. The RWJPA's reimbursement obligations pursuant to Section 13.01 of this Settlement Agreement shall be due ten (10) days after the RWJPA receives the initial payment from the Diversion Authority as set forth in Section 28.07 of this Settlement Agreement.

ARTICLE XIV. GEORGETOWN

Section 14.01 PROJECT COOPERATION. The Diversion Authority and BRRWD will cooperate and work in Good Faith to implement the Georgetown Project, which is further described in Section 14.02 of this Settlement Agreement. The Diversion Authority and BRRWD recognize and acknowledge that the Georgetown Project must be designed, permitted, and constructed and that cooperation between the Diversion Authority and BRRWD is essential to completing the Georgetown Project.

Section 14.02 THE GEORGETOWN PROJECT. The Diversion Authority will provide reasonable and adequate initial and annual funds to BRRWD to design, construct, operate, and maintain a project to construct 100-year FEMA Accredited Flood Protection (based upon the Period of Record Hydrology) protection for Georgetown to close gaps in Georgetown's permanent flood protection and to protect Georgetown against any adverse flood impact(s) of the Comprehensive Project. The Georgetown Project will include appropriate in-town lift stations needed for flood control raises to existing transportation levee crossings and include already existing flood control elements such as existing levees. Prior to commencement of the Georgetown Project, BRRWD and the Diversion Authority will reasonably and mutually agree as to the Georgetown Project scope, budget, and timing. BRRWD agrees that it will administer and complete the Georgetown Project.

Section 14.03 GEORGETOWN MOU. BRRWD and the Diversion Authority agree to cooperate in Good Faith to develop a Memorandum of Understanding, specifically setting forth the construction, operation, and maintenance related to the Georgetown Project and the procedures for the initial and annual funding, reviews, reimbursements, timeline for completion of the Georgetown Project and coordination with Minnesota state agencies. BRRWD and the Diversion Authority will confer at least once every six (6) months, starting from the Effective Date, to discuss the status of the commencement of drafting the Georgetown MOU. The Georgetown MOU will set forth the timeline for design, construction, and operation of the Georgetown Project along with the timing of reimbursements/payments to BRRWD from the Diversion Authority.

ARTICLE XV. WOLVERTON

Section 15.01 PROJECT COOPERATION. The Diversion Authority and BRRWD will cooperate and work in Good Faith to implement the Wolverton Project, which is further described in Section 15.02 of this Settlement Agreement. The Diversion Authority and BRRWD recognize and acknowledge that the Wolverton Project must be designed, permitted, and constructed and that cooperation between the Diversion Authority and BRRWD is essential to completing the Wolverton Project.

Section 15.02 THE WOLVERTON PROJECT. The Diversion Authority will provide reasonable and adequate initial and annual funds to BRRWD to design, construct, operate and maintain a project for 100-year FEMA Accredited Flood Protection (based upon the Period of Record Hydrology) as set forth in BRRWD's already proposed flood protection project and protect against any adverse flood impact(s) of the Comprehensive Project to Wolverton (the "Wolverton Project"). The Wolverton Project is planned to include flood protection for an area to include up to one square mile measured from Wolverton's current city limits as of the Effective Date, taking into account the proximity of the Red River and making reasonable provisions to protect or replace its current lift station based on

engineering feasibility and protect the city cemetery. The Parties recognize and agree that the Wolverton city cemetery is physically close to the Red River and may require additional mitigation to allow for the construction of a flood control project to protect the Wolverton city cemetery. The Wolverton Project will include appropriate in-town lift stations needed for flood control and provide levees or flood walls that are one (1) foot above the 500-year flood elevation. Prior to commencement of the Wolverton Project, BRRWD and the Diversion Authority will reasonably and mutually agree as to the Wolverton Project scope, budget, and timing. BRRWD agrees that it will administer and complete the Wolverton Project.

Section 15.03 WOLVERTON MOU. The Wolverton MOU will provide for the initial and annual funding for the design, construction, operation, and maintenance of the Wolverton Project by the Diversion Authority. The Wolverton MOU will set forth the timeline for design, construction, and operation of the Wolverton Project along with the timing of reimbursements and payments to BRRWD from the Diversion Authority. BRRWD and the Diversion Authority agree to cooperate in Good Faith to develop a Memorandum of Understanding specifically setting forth the construction, operation, and maintenance related to the Wolverton Project and the procedures for the initial and annual funding, reviews, reimbursements, timeline for completion of the Wolverton Project and coordination with Minnesota state agencies. BRRWD and the Diversion Authority will confer at least once every six (6) months, starting from the Effective Date, to discuss the status of the commencement of drafting the Wolverton MOU until Substantial Completion of the Comprehensive Project.

ARTICLE XVI. CHRISTINE

Section 16.01 DUTY TO COOPERATE IN GOOD FAITH – CHRISTINE PROJECT. The Diversion Authority and Christine will cooperate and work in Good Faith to implement the Christine Project, which is further described in Section 16.02 of this Settlement Agreement. The Diversion Authority and Christine recognize and acknowledge that the Christine Project must be designed, permitted, and constructed and that cooperation between the Diversion Authority and Christine is essential to completing the Christine Project.

Section 16.02 THE CHRISTINE PROJECT. The Diversion Authority will provide reasonable and adequate initial and annual funds to Christine to design, construct, operate, and maintain a flood control project in Christine, to protect against any adverse flood impact(s) of the Comprehensive Project to Christine. The Christine Project will include appropriate in-town lift stations needed for flood control and provide 100-year FEMA Accredited Flood Protection (based upon the Period of Record Hydrology) and provide levees that are one (1) foot above the 500-year flood elevation. The Christine Project must be planned to include flood protection for a minimum of an area to include at least one (1) square mile radius measured from Christine's current city limits as of the Effective Date. Prior to commencement of the Christine Project, Christine and the Diversion Authority will reasonably and mutually agree as to the Christine Project scope, budget, and timing. Christine will administer and complete the Christine Project.

Section 16.03 CHRISTINE MOU. Christine and the Diversion Authority agree to cooperate in Good Faith to develop a Memorandum of Understanding, specifically setting forth the construction, operation, and maintenance related to the Christine Project and the procedures for reviews, reimbursements, and coordination with North Dakota state agencies. Christine and the Diversion Authority will confer at least once every six (6) months, starting from the Effective Date, to discuss

the status of the commencement of drafting the Christine MOU until Substantial Completion of the Comprehensive Project.

ARTICLE XVII. COMSTOCK

Section 17.01 DUTY TO COOPERATE IN GOOD FAITH FOR COMSTOCK FLOOD CONTROL PROJECT, LAGOON PROJECT. The Diversion Authority and Comstock will cooperate and work in Good Faith to implement the Comstock Flood Control Project, as determined in Section 17.02 of this Settlement Agreement, and Comstock Lagoon Project, which is further described in Section 17.03 of this Settlement Agreement. The Diversion Authority and Comstock recognize and acknowledge that the Comstock Flood Control Project and Comstock Lagoon Project must be designed, permitted, and constructed and that cooperation between the Diversion Authority and Comstock is essential to completing the Comstock Flood Control Project and Comstock Lagoon Project.

Section 17.02 THE COMSTOCK FLOOD CONTROL PROJECT. The Diversion Authority will provide reasonable and adequate initial and annual funds to Comstock to design, construct, operate, and maintain a flood control project in Comstock to protect against any adverse flood impacts of and caused by the Comprehensive Project to Comstock within a reasonable area to the west of Comstock to Highway 75 and within a reasonable area to the east of Comstock (the “Comstock Flood Control Project”). The Diversion Authority and Comstock will work in Good Faith to meet and determine if there are any adverse physical, environmental, water related, flood insurance impacts or non-monetary impacts to Comstock caused by the Comprehensive Project.

Section 17.03 THE COMSTOCK LAGOON PROJECT. The Diversion Authority will provide funds to Comstock to develop, construct, complete, and finalize the construction of a new lagoon (the “Comstock Lagoon Project”).

Section 17.04 COORDINATION WITH CLAY COUNTY- HIGHWAY 2 PROJECT. The Diversion Authority will also coordinate with Clay County to provide additional funds to assist in the repair or replacement of Clay County Highway 2 within Comstock city limits, as they exist on the Effective Date. The Diversion Authority will coordinate with the Clay County Engineer to determine if the Highway 2 Project can be constructed using storm sewers rather than rural section ditches.

Section 17.05 COMSTOCK MOU. Prior to commencement of the Comstock Flood Control Project, the Comstock Lagoon Project, and the Highway 2 Project, Comstock and the Diversion Authority agree to cooperate in Good Faith to reasonably and mutually agree as to the projects’ scopes, budgets, and timing. Comstock will administer and complete the Comstock Flood Control Project and the Comstock Lagoon Project. Clay County is anticipated to administer the Highway 2 Project. Comstock and the Diversion Authority agree to cooperate in Good Faith to develop a Memorandum of Understanding, specifically setting forth the construction, operation, maintenance, and the timeline to complete the Comstock Flood Control Project and the design and construction of the Comstock Lagoon Project, and the procedures for the initial and annual funding, reviews, reimbursements, and coordination with Minnesota state agencies. Comstock and the Diversion Authority will confer at least once every six (6) months, starting from the Effective Date, to discuss the status of the commencement of drafting the Comstock MOU until Substantial Completion of the Comprehensive Project.

ARTICLE XVIII. CEMETERIES

Section 18.01 CEMETERY PROTECTION PLANS. The Diversion Authority will provide reasonably sufficient initial and annual funds to affected cemeteries within the Staging Area as set forth in Exhibit E to this Settlement Agreement (including any later discovered cemeteries in the Staging Area) to develop and construct reasonable cemetery protection plans, which may include, but are not limited to, ring dikes/levees, fencing, maintenance requirements, and/or an internal water management and discharge system inside the ring dikes/levees, surrounding the cemetery to eliminate and prevent any impact, including erosion, of the Comprehensive Project to said cemeteries. Said plans shall also include payment by the Diversion Authority for debris removal and other damages caused by the operation of the Comprehensive Project and the Diversion Authority will ensure that access will be maintained to the cemeteries when the Comprehensive Project is not operating (such as during construction of the Comprehensive Project).

Section 18.02 IMPLEMENTATION OF CEMETERY PROTECTION PLANS. The Diversion Authority agrees to cooperate in Good Faith with the individual cemetery boards to develop the scope, budget, and timing of the cemetery protection plan. If a cemetery board decides to implement a cemetery protection plan, the cemetery board shall notify the Diversion Authority in accordance with Section 41.09 (Notices) of this Settlement Agreement. Each cemetery will approve and administer their individual cemetery protection plan. In the event the initial cemetery protection plan developed by the Diversion Authority and cemetery involved is inadequate to address adverse impacts arising from the operation of the Comprehensive Project, the Diversion Authority and the cemetery involved will cooperate in Good Faith and develop modifications/ amendments to the initial cemetery protection plan. If there are costs associated with the modifications/amendments, the Diversion Authority shall fund such costs. The RWJPA will assist the Diversion Authority in coordinating with the leadership/management/cemetery board of each of the impacted cemeteries. The Diversion Authority covenants to complete the cemetery mitigation project(s)/mitigation before Comprehensive Project Operation, unless a cemetery board refuses to agree to a mitigation project or makes unreasonable regarding mitigation. The Parties recognize that any cemetery that is listed on the National Register of Historic Places may need to comply with Section 106 of the National Historical Preservation Act and 36 CFR 800, which may place some limitations on what the cemetery boards are able to incorporate into their protection plans. The Diversion Authority shall provide an update regarding the status of the cemetery plan to the Parties every six (6) months commencing on the Effective Date of this Settlement Agreement until Substantial Completion of the Comprehensive Project.

ARTICLE XIX. POST-OPERATION DEBRIS REMOVAL AND PROPERTY DAMAGE RESTORATION AND CLEAN-UP PLAN

Section 19.01 POST-OPERATION DEBRIS REMOVAL AND RESTORATION. The Diversion Authority will implement and fund a Debris Removal and Property Damage Restoration and Clean-up Plan to provide for the clean-up of debris and restoration of property arising out of the operation of the Comprehensive Project. The Debris Removal and Property Damage Clean-up Plan shall provide that debris shall be removed by the Diversion Authority, and non-structural property damage shall be repaired, remedied, and restored at its cost, within ten (10) days of the Completion of Comprehensive Project Operation, upon notification by property owners that floodwaters have receded from affected properties and permission from property owners to the Diversion Authority to

enter their land, as long as local conditions permit such removal. If debris or non-structural property damage is not removed or repaired/remedied and restored within ten (10) days of notification that floodwaters have receded, the landowner or tenant may arrange for such removal to the side of a township or county road/highway and submit the costs of removal to the Diversion Authority for reimbursement. The Diversion Authority will make available a list of pre-qualified contractors who are available to perform the work. The Post Operation Debris Clean-up and Restoration Plan will include a provision that allows landowners and/or tenants to repair/remedy/restore damaged non-structural property and/or remove the debris and receive reasonable compensation for such activities before or after said ten (10) day period. The Parties recognize that the amount of debris that will need to be removed will depend upon specific conditions, including prior years' crops, size, and duration of operations in the Staging Area and other factors. As such, the Parties recognize that, over time, having an adaptive program for debris removal will be beneficial to landowners and the Parties.

Section 19.02 POST-OPERATION DEBRIS REMOVAL AND RESTORATION SUB-COMMITTEE. The Diversion Authority will create and support a Debris Removal and Restoration Sub-Committee to adaptively manage debris clean up and non-structural property damage repair, remediation, and/or restoration. The RWJPA agrees to secure two (2) full-time Agricultural Producers from the Staging Area to be voting members of a Debris Removal and Property Damage Sub-Committee to assist in further clarifying and refining the Debris Removal and Restoration Program over time. The Diversion Authority shall provide an update regarding the status of the Post-Operation Debris Clean-up and Restoration Plan to the Parties every six (6) months commencing on the Effective Date of this Settlement Agreement until termination of the Comprehensive Project.

ARTICLE XX. CROP DAMAGE

Section 20.01 CROP DAMAGE CAUSED BY THE COMPREHENSIVE PROJECT. Beginning no later than March 1 in the first year of Substantial Completion of the Comprehensive Project (estimated 2027) and continuing through the Termination Date, the Diversion Authority will implement and fund, at no cost to landowners/producers, a program that will compensate producers for actual crop losses caused by the Comprehensive Project Operation during the normal crop growing season and the program will provide prevent plant insurance coverage. The Diversion Authority shall provide an update regarding the status of the growing season crop insurance and prevent plan insurance programs to the Parties every six (6) months commencing on the Effective Date of this Settlement Agreement. These programs will include the following requirements:

- (a) The growing season supplemental crop loss program will reimburse one hundred percent (100%) of any crop loss proximately caused by Comprehensive Project Operation, i.e., to ensure that producers are reimbursed for crop loss up to said producer's proven yield as established through crop insurance or governmental filings. The growing season supplemental crop loss program will include a rebuttable presumption that if growing crops in the Staging Area are damaged by floodwaters and the Comprehensive Project Operation has occurred, that the crop damages were due to Comprehensive Project Operation. The Parties contemplate that a crop insurance rider will be designed, and the rider will be paid for by the Diversion Authority at no cost to landowners/producers.
- (b) The prevent plant crop insurance program will be funded by the Diversion Authority for producers located within the Staging Area.

- (c) The growing season supplemental crop loss program and prevent plant crop insurance program contemplated in this Section 20 shall contain the following provisions:
 - (i) If an agricultural crop is grown for the non-GMO (Genetically Modified Organism) or certified organic marketplace and the premium for production of the non-GMO or certified organic crop is lost because of staging water in the Staging Area, contamination or other reasons due to Comprehensive Project Operation, the growing season supplemental crop loss program and prevent plant crop insurance program provided by the Diversion Authority must provide compensation for the lost premium based upon Actual Production History yield for the non-GMO or certified organic crop.
 - (ii) The growing season supplemental crop loss program and the prevent plant crop insurance program provided by the Diversion Authority must provide that if Comprehensive Project Operation causes farmland within the Staging Area to be contaminated and such contamination causes the farmland to no longer qualify in the non-GMO or certified organic marketplace, the landowner or tenant involved shall be compensated for all crop loss caused by such failure.
- (d) The growing season supplemental crop loss program and prevent plant crop insurance program provided by the Diversion Authority must provide that a producer's Actual Production History yield is not adversely affected by a reduced yield caused by the Comprehensive Project Operation, the crop insurance program shall include a provision/rider that the Risk Management Agency shall not include yields in their calculation for any year in which the Comprehensive Project operates.

Section 20.02 PARTICIPATION IN FEDERAL CROP INSURANCE AND NOTIFICATION. The Parties agree and acknowledge that any Agricultural Producer desiring to participate in the growing season supplemental crop loss program and the prevent plant crop insurance program contemplated in Section 20.01, must (i) participate in the federal crop insurance program, (ii) have growing agricultural crops within the Staging Area, and (iii) notify the Diversion Authority either directly or by signing up for the prevent plant crop insurance and/or supplemental crop loss program that he/she is raising agricultural crops in the Staging Area and desires to participate in the programs.

ARTICLE XXI. BUSINESS DAMAGE

Section 21.01 BUSINESS DAMAGE. Beginning no later than March 1 in the first year of Substantial Completion of the Comprehensive Project (estimated 2027) and continuing through the Termination Date, the Diversion Authority will implement and fund a program at no cost to a Qualified Business, that provides Business Interruption Insurance, which will reimburse businesses within the Staging Area for business loss or damage directly caused by Comprehensive Project Operation. The Parties do not intend that this program would be available to an equipment dealer, car dealership, or other like business for damages to movable property including but not limited to equipment and vehicles. As of the Effective Date, the Parties agree there are three (3) businesses which meet the definition of a Qualified Business. Those businesses are: (i) Dakota Ag Cooperative in Kindred, North Dakota, (ii) C-W Valley Co-op in Comstock, Minnesota, and (iii) Heartland Seed. If additional businesses desire to participate in the business damage program, they must provide

written notification to the Diversion Authority for review and consideration to determine if the business meets the definition of a Qualified Business. The Diversion Authority shall provide an update regarding the status of the business damage program to the Parties every six (6) months commencing on the Effective Date of this Settlement Agreement until Substantial Completion of the Comprehensive Project.

ARTICLE XXII. ACCESS

Section 22.01 ACCESS. The Diversion Authority will guarantee reasonable, timely, and if necessary for safety reasons, emergency access to fields flooded in the Staging Area. If washouts or other damage to township and county roads occurs because of Comprehensive Project Operation, the township and/or county roads will be repaired by the township or county having jurisdiction over the road in a manner approved by the township or county. The Diversion Authority will reimburse the township or county for the road repair costs.

Section 22.02 TOWNSHIP AND COUNTY ROADS. When the Comprehensive Project is not operating, during construction or thereafter, the Diversion Authority shall take reasonable precautions and actions to ensure that township and county roads are not damaged, blocked, or detoured by Comprehensive Project construction, operations, and/or maintenance any more than reasonably necessary so as to allow farmers to access their fields with minimal interruption or delay – i.e., detours shall be implemented so as to provide minimal delay or alternative routes, and road lifts or side roads shall be constructed as opposed to providing long detour routes. All costs for temporary closures and road openings shall be paid by the Diversion Authority, either through actual construction and cost payment by the Diversion Authority or by reimbursement to the townships and counties as set forth in Section 22.01 of this Settlement Agreement.

Section 22.03 POST OPERATION PUBLIC LANDS REPAIR AND CLEAN-UP PLAN. The Diversion Authority will develop and implement a Post Operation Public Lands Repair and Clean-up Plan, which is specific to repair and clean-up of public lands in the Staging Area from operation of the Comprehensive Project. The Post Operation Public Lands Repair and Clean-up Plan will allow local government entities (townships, water boards, etc.) to contract for the repair and clean-up work on the public lands, and then submit for reimbursement to the Diversion Authority. In general, the Post Operation Public Lands Repair and Clean-up Plan will include the following elements:

- (a) The Post Operation Public Lands Repair and Clean-up Plan will pattern the approach that FEMA uses for post-disaster damage assessment and reimbursements.
- (b) Public lands include township and county roads, drainage ditches, cemeteries, and parks.
- (c) The Diversion Authority will define the boundary of the Staging Area cleanup area based on the actual flood event.
- (d) The Diversion Authority will distribute an annual newsletter that will include information related to post-operation mitigation programs.
- (e) The Diversion Authority will notify public entities of eligible areas and request that the public entity identify any damage that may have been caused by the Comprehensive Project Operation, including debris removal.
- (f) The Diversion Authority will send a representative to meet with the public entities to verify damage on a site-by-site basis.

- (g) The public entities shall solicit quotes (in conformance with procurement, legal, and regulatory requirements) for the repairs or clean-up work at each site and submit the quotes for each site to the Diversion Authority for review.
- (h) The Diversion Authority shall review the quotes for reasonableness, and either approve, request additional details, or deny the quote.
- (i) The Diversion Authority will confirm the work was completed in accordance with the quote, and then reimburse the public entity.
- (j) The Diversion Authority will also consider reimbursement of emergency repairs that may be needed in advance of following this process.
- (k) The Diversion Authority will establish a reasonable deadline for submission of damage claims.

ARTICLE XXIII.

THIRD PARTY ENFORCEABILITY OF ARTICLES XIX, XX, AND XXI

Section 23.01 THIRD PARTY ENFORCEABILITY OF ARTICLES XIX, XX, AND XXI. The Parties agree that this Settlement Agreement provides the ability for third parties to enforce Articles XIX, XX, and XXI of this Settlement Agreement; provided, however, that the Diversion Authority and the Diversion Authority's Insurance Provider must be provided reasonable, written notice of an alleged breach by the Diversion Authority, and the Diversion Authority and the Diversion Authority's insurance provider must be given a reasonable opportunity and time to correct such alleged breach and the opportunity to meet and confer with the person(s) or organizations claiming there is breach prior to any initiation of any litigation, arbitration, or administrative proceedings. Third parties shall not have the right to enforce any other terms of this Settlement Agreement except for Articles XIX (Post-Operation Debris Removal and Restoration), XX (Crop Damage), and XXI (Business Damage).

ARTICLE XXIV.

FLEXIBLE COMPENSATION/MITIGATION

Section 24.01 FLEXIBLE COMPENSATION/MITIGATION. Subject to MDNR, ND OSE, and applicable federal requirements, if requested by a landowner as an alternative to an acquisition of property rights, the Diversion Authority will fund and approve flexible compensation/mitigation efforts within the Staging Area to compensate landowners for or prevent water damage to their properties. Compensation/mitigation of structures upstream of the Southern Embankment shall be completed in accordance with the federal and state statutes, regulations, and constitutional requirements (depending upon the location of the property), and the Diversion Authority, with the landowner's agreement, consents to use the Compensation/Mitigation Flexibility Plan, to be more fully developed by the Parties to the extent it is permitted to do so under applicable state and federal permit requirements. The Diversion Authority shall work in Good Faith with the other Parties to this Settlement Agreement to secure agreement from the MDNR for the use of the Compensation/Mitigation Flexibility Plan; however, the Parties acknowledge that such approval is not certain and agree that it shall not be considered a condition precedent to the enforcement of this Settlement Agreement.

ARTICLE XXV.

FLOWAGE EASEMENTS AND REAL PROPERTY PURCHASES

Section 25.01 FLOWAGE EASEMENTS AND REAL PROPERTY PURCHASES. The Diversion Authority will continue to purchase real property, including Flowage Easements and fee simple

interests, and will continue with acquisitions and mitigation for individual landowners. These costs and mitigation dollars are separate and distinct from the Relief Fund provided for in Article XXVIII.

Section 25.02 FLOWAGE EASEMENT AGREEMENT. The general terms of the Flowage Easement Agreement must be mutually agreed between the landowner and the entity acquiring the Flowage Easement, except that nothing herein shall allow terms prohibited by applicable law or prohibit the Diversion Authority or its Member Entities from using eminent domain if an agreement cannot be reached with the landowner.

Section 25.03 CASH VALUES. All cash values for farm purchases must be based on the property's highest and best use as determined in accordance with federal and state statutory and constitutional requirements and eminent domain law.

Section 25.04 FLOWAGE EASEMENT INPUT. The Diversion Authority will provide the RWJPA, BRRWD, MDNR, ND OSE, and USACE with a draft of the general form of the Flowage Easement proposed to be applicable in their respective jurisdictions for their review and input. The Diversion Authority will consider the input of the RWJPA, BRRWD, MDNR, ND OSE, and USACE with respect to the general form of the Flowage Easement and engage in a Good Faith dialogue with the RWJPA, BRRWD, MDNR, ND OSE, and USACE regarding whether its input can be incorporated into the form of the Flowage Easement while complying with (i) applicable state law, (ii) regulatory agency requirements, (iii) MDNR Permit requirements, (iv) ND OSE Permit requirements, and (v) USACE land acquisition requirements.

ARTICLE XXVI.

ACTIVE FARM OPERATIONS AND BUSINESS RELOCATIONS

Section 26.01 ACTIVE FARM OPERATIONS AND BUSINESS RELOCATIONS. Active Farm Operations and business relocations displaced by the Comprehensive Project must be rebuilt with similar productive and operational capacity as the original sites. To supplement any relocation benefits for which the recipient may be eligible, the Diversion Authority will create and fund a Rural Impact Mitigation Program to provide a forgivable loan program in addition to funds received as part of property rights acquisitions, to assist in the relocation and replacement of displaced Active Farm Operations and rural businesses. The purpose of the program is to create a forgivable loan that allows the recipient to rebuild and continue in business with modern facilities, and, so long as the recipient or the recipient's heirs, successors, and assigns stay in operation for a period of ten (10) years, the loan will be fully forgivable. In accordance with the Rural Impact Mitigation Program rules, if the recipient or the recipient's heirs, successors, or assigns do not stay in operation for the full ten (10) year period, the loan shall be forgiven proportionately for the amount of time the operation was in business. The program shall be administered in accordance with the forgivable loan administration process developed by the Diversion Authority for the Rural Impact Mitigation Program. All utilities and transportation access must be equal to or exceed the existing location, taking into account the existing locations, prior transportation access, and utility length and scope.

ARTICLE XXVII.

APPLICABILITY OF ARTICLES XX-XXVI

Section 27.01 APPLICABILITY OF ARTICLES XX THROUGH XXVI. Subject to the exceptions set forth herein, the provisions in Articles XX through XXVI of this Settlement Agreement shall be applicable to any land within the Staging Area. In the event a property located outside of the Staging

Area is damaged by Comprehensive Project Operation, the Diversion Authority will pay that landowner its actual damages as determined either by the Alternative Dispute Resolution Board, or as determined through the state's statutory eminent domain procedure at the landowner's option. The property owner may opt-in to Articles XX through XXVI of this Settlement Agreement at the same time that he, she, or it enters into a Flowage Easement with the Diversion Authority, which Flowage Easement shall provide reasonable compensation to the property owner in a similar manner as is paid to all property owners who have previously executed Flowage Easements and in compliance with applicable law. The Parties intend that the benefits of the above-described mitigation arise out of impacts from the Comprehensive Project Operation and as a result, securing a Flowage Easement is a reasonable condition precedent for properties to benefit from the provisions set forth in Articles XX through XXVI of this Settlement Agreement.

ARTICLE XXVIII. ECONOMIC IMPACT RELIEF FUND

Section 28.01 ECONOMIC IMPACT RELIEF FUND. An Economic Impact Relief Fund will be created and administered by the RWJPA. The monies held within the Relief Fund shall be to be used by the RWJPA, generally, for the following items:

- (a) to reimburse Richland County, Wilkin County, and BRRWD for legal fees incurred related to the proposed diversion through the Effective Date and to be used to pay for future legal and administrative fees incurred by the RWJPA and Richland County related exclusively to the administration/implementation of this Settlement Agreement;
- (b) for Richland County and Wilkin County to be used for public infrastructure;
- (c) for economic assistance and infrastructure to be used by various political subdivisions within Richland County and Wilkin County, including, but not limited to, the BRRWD, the Richland County Water Resource District, Christine, Wolverton, Comstock, Kindred Public School District #2, Richland #44 School District, Barnesville School District, Independent School District #846 in Breckenridge, MN, Richland County Jobs Development Authority, Wilkin County Economic Development Authority, Walcott Township, Eagle Township, and Wolverton Township, and Holy Cross Township in Clay County. Nothing in this Settlement Agreement prevents the RWJPA from distributing funds to political subdivisions other than those enumerated in this Subsection; and further, nothing in this Settlement Agreement obligates the RWJPA to distribute funds to the political subdivisions enumerated in this Subsection.
- (d) The Parties agree and acknowledge that the Diversion Authority is currently in discussions with Holy Cross Township to develop a Memorandum of Understanding, which is intended to provide mutually agreeable terms with respect to Holy Cross Township flood protection and implementation of the Comprehensive Project. Upon execution by the Diversion Authority and Holy Cross Township of the Holy Cross MOU, Holy Cross Township shall automatically be deleted from Section 28(c) without any further action by the Parties, and further, the Diversion Authority will notify the Parties to this Settlement Agreement regarding execution of the Holy Cross MOU and

that this Settlement Agreement has been automatically modified to delete Holy Cross Township from being listed in Section 28(c).

Section 28.02 GIFTS OR COMPENSATION. The RWJPA shall not distribute any portion of the Relief Fund as gifts or compensation to private individuals, businesses, or corporate entities. As stated in Section 28.01(c) of this Settlement Agreement, distributions shall be to political subdivisions to be used exclusively for public purposes including economic assistance and infrastructure purposes. To the extent that distribution of assistance exclusively for public purposes creates benefits that may flow down to individuals, businesses, or corporate entities as a result of said economic assistance and infrastructure, it is not a violation of this Section 28.02.

Section 28.03 DISTRIBUTIONS FROM THE RELIEF FUND. It is anticipated that RWJPA will function as a North Dakota-Minnesota Joint Powers Authority. Distributions from the Relief Fund shall be made in accordance with the law of the state to which distributions are made.

Section 28.04 DISTRIBUTION AGREEMENT.

- (a) The RWJPA shall require every Signatory receiving funds/monies from the Relief Fund, as a precondition to receiving any direct monetary distribution, loan, or grant from the Relief Fund, to execute a Distribution Agreement, which includes the following mandatory terms and conditions:
 - (i) a provision requiring that the Signatory not take any Interference Action to stop or materially interfere with the design, construction, financing, operation, or maintenance of the Comprehensive Project,
 - (ii) a provision requiring that if the Signatory does take such Interference Action then it must repay the distribution from the Relief Fund to the RWJPA, plus liquidated damages of ten percent (10%) interest (“Liquidated Damages”) on such monies to compensate for the impacts of such an Interference Action which are inherently difficult to quantify (“Clawback Clause”), and
 - (iii) a provision granting the Diversion Authority the status of Third-Party Beneficiary under the Distribution Agreement with the right to enforce Interference Action provisions of the Distribution Agreement.
- (b) The RWJPA further agrees to not distribute any portion of the Relief Fund to persons, entities, units of local government, or organizations who are taking any Interference Action to stop or materially interfere with the design, construction, financing, operation, or maintenance of the Comprehensive Project,
- (c) Upon receipt of notice of an Interference Action by the Diversion Authority, RWJPA shall cease distribution to the applicable Signatory until and unless satisfactory compliance with the terms and conditions of the Distribution Agreement has been established.
- (d) The RWJPA shall include the above required Section 28.04(a) (i) through (iii) language in the Distribution Agreement after the Diversion Authority provides

language to the RWJPA that is consistent with this Settlement Agreement to implement and enforce this Section 28.04.

- (e) Prior to distributing any monies from the Relief Fund, the RWJPA shall provide the Diversion Authority with a copy of its Distribution Agreement for distributions from the Relief Fund. The failure of the RWJPA to include items 28.04(a) (i) through (iii) set forth in this Section with any distribution of monies from the Relief Fund shall be deemed a breach of this Settlement Agreement. The RWJPA will provide the Diversion Authority with fully executed copies of all Distribution Agreements within thirty (30) days of the date that such Distribution Agreement is executed.

Section 28.05 ADMINISTRATION OF THE RELIEF FUND. The Relief Fund will be administered by the RWJPA and held in a designated account by the Richland County Auditor as fiscal agent for the RWJPA. The Richland County Auditor will act as a fiduciary when handling monies contained within the Relief Fund. The RWJPA will coordinate with the various political subdivisions impacted by the Comprehensive Project, as set forth above. The RWJPA will provide a copy of the proposed Distribution Agreement to a Signatory at least seven (7) calendar days before distributing money from the Relief Fund to the Signatory pursuant to said Distribution Agreement. The North Dakota State Auditor shall have the right to audit the use of funds as with any other North Dakota public entity.

Section 28.06 DIVERSION AUTHORITY OBLIGATIONS. The costs associated with any obligation of the Diversion Authority set forth in this Settlement Agreement, other than those arising under Article XXVIII of this Settlement Agreement, including but not limited to land acquisition, Flowage Easements, individual mitigation efforts, cemeteries, Georgetown, Christine, Comstock, and Wolverton flood reduction/mitigation projects, crop insurance, business interruption insurance, debris removal, and road repair, will be independently funded by the Diversion Authority and will not be funded through the Relief Fund.

Section 28.07 DIVERSION AUTHORITY PAYMENTS TO THE RICHLAND COUNTY AUDITOR AS FIDUCIARY FOR RELIEF FUND. Payments of Seventy-five Million Dollars (\$75,000,000) will be provided by the Diversion Authority to the Relief Fund held by the Richland County Auditor in its capacity as fiscal agent for the RWJPA, with an initial payment of Thirty-five Million Dollars (\$35,000,000) to be made not later than ten (10) days after the latter of the following events: (1) issuance of a permit by BRRWD for the Plan B project as provided for above, (2) entry of Judgment of Dismissal with Prejudice (or the reasonable equivalent thereof if such a judgment is not available in a Minnesota administrative matter) in the MN CCH and the issuance of the MDNR Permit, (3) entry of Judgment of Dismissal with Prejudice in the Federal Case, and (4) entry of judgment of dismissal with prejudice in the pending appeal to the Eighth Circuit Court of Appeals. The remaining balance of \$40,000,000 shall be paid as set forth in Section 28.08 of this Settlement Agreement.

Section 28.08 PAYMENT OF REMAINING \$40,000,000. The balance of Forty Million Dollars (\$40,000,000) will be paid as follows: (a) interest at the rate of two percent (2%) per annum shall accrue from December 31, 2020; (b) no actual payments shall be made until the first payment as set forth in subsection (c) is due, but in that interim between December 31, 2020, and the first payment date, interest does accrue at the 2% rate; and (c) thirty-three (33) equal annual payments sufficient to pay past accrued interest and all remaining principal and interest as it accrues shall be made with the first payment being made on the date of Substantial Completion of the Comprehensive Project or December 31, 2031, whichever event occurs first. By way of illustration, on the assumption that Substantial Completion occurs on December 31, 2027, interest would accrue, payments would be

made, and payments would be applied against principal and interest as set forth in Exhibit F to this Settlement Agreement.

Section 28.09 PRE-FUND. The Diversion Authority may decide to pre-fund all or part of its obligations under this Settlement Agreement at any time upon six (6) months' written notice to the RWJPA given in accordance with Section 41.09 of this Settlement Agreement. The prefunding amount will be the remaining principal balance and any accrued interest as yet unpaid.

Section 28.10 AUDIT. The State of North Dakota will have the authority to audit the Relief Fund and to request reports as to how the funds have been spent. None of the Relief Fund shall ever be returned to the Diversion Authority.

Section 28.11 RICHLAND-WILKIN JPA. In the event the RWJPA ever ceases to exist, the RWJPA will identify another North Dakota political subdivision to administer the Relief Fund and obtain approval from the North Dakota State Auditor, if necessary. Any new entity chosen to administer the Relief fund must have the authority to distribute funds in both Minnesota and North Dakota.

Section 28.12 INTERFERENCE WITH COMPREHENSIVE PROJECT. The Diversion Authority's payments to the Relief Fund are contingent on the RWJPA, Wolverton, Comstock, Richland County, and/or Wilkin County not taking any Interference Action to stop or materially interfere with the design, construction, financing, operation, or maintenance of the Comprehensive Project. If the RWJPA, Wolverton, Comstock, Wilkin County, or Richland County take any Interference Action to stop or materially interfere with the design, construction, financing, operation, or maintenance of the Comprehensive Project, the Diversion Authority may invoke the Dispute Mechanism Process set forth in Article XI of this Settlement Agreement. If a voluntary resolution of the dispute does not occur and the Parties proceed to litigation, any payments to the Relief Fund otherwise required to be made after a formal complaint in any court of competent jurisdiction has been served upon the RWJPA, shall be deposited into an escrow fund held by a third party or court, and any further distribution of the funds will be as determined according to the results of the proceeding commenced by the Diversion Authority. Specifically, if the court determines that the RWJPA, Wolverton, Comstock, Wilkin County, or Richland County has breached its obligations under this Section, the Diversion Authority is entitled to reclaim any escrowed funds and its obligation to make future payments to the Relief Fund is terminated. If the court determines that the party is not in breach, all escrowed funds shall be paid to the RWJPA and future direct payments to the RWJPA shall continue in accordance with the terms and conditions of this Settlement Agreement.

Section 28.13 THIRD-PARTY BENEFICIARY.

- (a) The Parties agree that the Diversion Authority shall be designated as a Third-Party Beneficiary under the Distribution Agreement(s) and shall have the direct right to enforce those terms and conditions of the Distribution Agreement(s) identified in Section 28.04 as the Interference Action Clause and the Clawback Clause and any related provisions (collectively, the "Diversion Authority Enforceable Terms") as though it were a party to the Distribution Agreement(s), and shall be entitled to exercise all of the RWJPA's rights and remedies under the Distribution Agreement(s) with respect to the Diversion Authority Enforceable Terms as though it were the RWJPA. In any action to enforce the Distribution Agreement(s), the Parties agree that the principal funds advanced from the Relief Fund to the Signatory that are recovered

from the Signatory would be refunded to the RWJPA and the Diversion Authority shall be entitled to amounts referenced in Section 28.04 as Liquidated Damages to offset against any Diversion Authority costs associated with enforcing the Distribution Agreement(s).

- (b) The RWJPA, Wolverton, Comstock, Wilkin County, and/or Richland County agree to cooperate in Good Faith with the Diversion Authority and not to interfere in any action by the Diversion Authority to enforce the terms and conditions of the Distribution Agreement(s) pursuant to this Section and Section 28.04.
- (c) The Diversion Authority shall reimburse the RWJPA for all reasonable attorney fees incurred by the RWJPA with respect to its cooperation with the Diversion Authority relating exclusively to the Diversion Authority's enforcement of the Diversion Authority Enforceable Terms in a court having personal and subject matter jurisdiction over the matter.
- (d) The Diversion Authority shall have no obligation to reimburse the RWJPA for enforcement actions under the Distribution Agreement(s) unrelated to the Diversion Authority Enforceable Terms. Nothing in this Section 28.13 requires the RWJPA to file a legal action in a court having personal and subject matter jurisdiction to enforce the Diversion Authority Enforceable Terms.
- (e) At all times, the RWJPA and the Diversion Authority agree to act in Good Faith to administratively enforce the Distribution Agreements' terms relating to the Diversion Authority Enforceable Terms, and the RWJPA has the discretion to enforce terms and conditions of the Distribution Agreement(s) unrelated to the Diversion Authority Enforceable Terms as it deems appropriate and necessary to enforce its rights and is solely responsible for the costs of enforcing terms and conditions of the Distribution Agreement(s) unrelated to the Diversion Authority Enforceable Terms.
- (f) It is anticipated and intended that the RWJPA's "agreement to act in Good Faith to administratively enforce" as set forth above will likely require the RWJPA to send a notice of default to a Signatory of a Distribution Agreement when it has reasonable grounds to do so, in accordance with the procedures to be set forth in the Distribution Agreement(s).

Section 28.14 ENFORCEMENT OF THE SETTLEMENT AGREEMENT. Notwithstanding anything to the contrary and subject to the dispute mechanism provision set forth in this Settlement Agreement, the RWJPA, Comstock, and Wolverton are not precluded from enforcing the terms and conditions of this Settlement Agreement, which such enforcement shall not be deemed an Interference Action as defined herein. In addition, to the extent that non-parties Wilkin County and Richland County possess enforceable rights under this Settlement Agreement, actions to enforce such rights shall not be deemed to be an Interference Action as defined herein.

ARTICLE XXIX. PUBLIC OPPOSITION AND/OR SUPPORT

Section 29.01 PUBLIC OPPOSITION AND/OR SUPPORT. Although they may choose to take a supporting position for certain Diversion Authority activities after the Settlement Agreement is

executed, the Non-Authority Parties will neither oppose nor support the Comprehensive Project in the media or at any state or political subdivision level. The Parties understand that the Parties have no control over supporting or opposing positions being taken by members of the public. The RWJPA will shut down and cease operation of the RWJPA editorial team and will not allow its name to be used to oppose the Comprehensive Project.

Section 29.02 NO OBLIGATION REGARDING THE GENERAL PUBLIC. The Parties agree and acknowledge that they do not have control over the statements that may be made or the positions that may be taken by members of the general public.

Section 29.03 THE RWJPA EDITORIAL TEAM TO CEASE OPERATIONS. The RWJPA has obtained the agreement of its editorial team to close and completely cease the operations of the editorial team and will assure compliance with that agreement, which includes, but is not limited to, the website “FMDam.org” and the Facebook pages “FMDam.org” and “FM. Diversion” and its writing, editing, promotion of, and placement of news articles, editorials, and letters to the editor. The RWJPA shall ensure that the editorial team removes all materials from said locations whether electronic or in print form. The RWJPA further agrees that it will not allow its name and identity to be used to oppose the Comprehensive Project, nor will it facilitate, cooperate in, or encourage the founding of any new organizations seeking to oppose the Comprehensive Project.

ARTICLE XXX. FINAL OPERATING PLAN

Section 30.01 FINAL OPERATING PLAN. Whenever the Master Water Control Manual, Fargo-Moorhead Metropolitan Area Flood Risk Management Project changes in any respect, those changes shall be provided in writing to the RWJPA and BRRWD within ten (10) Business Days after the changes are adopted by the Diversion Authority Board. Further, after the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project is adopted as a final document, said document shall be provided to the RWJPA and BRRWD within ten (10) Business Days after it has been adopted.

Section 30.02 CHANGE OF LAW. Subject to the Change of Law clause, if changes in the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project cause material increases in the elevation of the Staging Area/Inundation Levels or materially lengthen the duration of the water detention, the Diversion Authority shall be responsible for supplemental compensation and mitigation for affected land, landowners, and businesses, as determined by the then-in-affect Property Rights Acquisition and Mitigation Plan (“PRAM”), provided that PRAM amendment will not detract from the Diversion Authority’s obligations in this Settlement Agreement.

ARTICLE XXXI. RETENTION PROJECTS

Section 31.01 RETENTION PROJECTS POLICY. The Diversion Authority will continue its policy of encouraging the development of retention projects in the Red River Basin.

Section 31.02 RETENTION PROJECT COST SHARE. The Diversion Authority will provide reasonable funds to political subdivisions to cost share upstream retention projects when (i) such project(s) lower and/or reduce the frequency of the water in the Staging Area, (ii) a sponsoring political subdivision is willing to undertake the upstream retention project, and (iii) the sponsoring

political subdivision is able to secure the appropriate real property interests (fee simple, easement, or other necessary rights) and the share of the funding contemplated in this Section 31.02

ARTICLE XXXII. INDIVIDUAL RIGHTS

Section 32.01 NON-WAIVER OF NON-PARTY OR INDIVIDUAL RIGHTS. Nothing in this Settlement Agreement shall be construed as superseding, giving up, or waiving whatever rights property owners who are (a) living persons or (b) non-Party entities not related to or controlled by any Parties may have to compensation as a result of impacts to or occupation of real property resulting from the construction the Comprehensive Project Operation, including, but not limited to, relief available under the Alternative Dispute Resolution Board, due process, equal protection, or the takings clauses of the statutes and/or constitutions of Minnesota, North Dakota, or United States Constitution and related federal statutes.

ARTICLE XXXIII. AFFIRMATIVE COVENANTS OF THE DIVERSION AUTHORITY

Section 33.01 THE DIVERSION AUTHORITY IS A POLITICAL SUBDIVISION. The Diversion Authority is a permanent and perpetual North Dakota political subdivision, as created by the Joint Powers Agreement dated June 1, 2016. Pursuant to and in accordance with section 7.01 of the Joint Powers Agreement the Diversion Authority has all of the necessary duties and powers of a North Dakota political subdivision, including, but not limited to, entering into this Settlement Agreement and purchasing the insurance products set forth in Articles XX and XXI of this Settlement Agreement.

Section 33.02 THE DIVERSION AUTHORITY IS A NON-FEDERAL SPONSOR UNDER THE PPA. The Diversion Authority, the City of Fargo, and the City of Moorhead are Non-Federal Sponsors of the Comprehensive Project as set forth in the Project Partnership Agreement (“PPA”) with the United States Department of Army.

Section 33.03 OBLIGATION TO COMPLY WITH TERMS AND CONDITIONS OF PPA. Pursuant to Article XIII (Operations and Maintenance) and Section 19.03 (Distribution of Funds and Property) of the Joint Powers Agreement and the obligations set forth in the Project Partnership Agreement, in the event the Diversion Authority should ever dissolve any and all obligations to third parties including the Department of the Army will continue in full force and effect and the Comprehensive Project Property and any project obligations, liabilities and funds and all the rights and obligations contained in this Settlement Agreement shall be transferred to and become the obligation of the City of Fargo and the City of Moorhead as the other Non-Federal Sponsors.

ARTICLE XXXIV. COOPERATION WITH USACE

Section 34.01 DUTY TO COOPERATE IN GOOD FAITH WITH USACE. The Parties recognize and acknowledge that USACE is not a party to this Settlement Agreement. This Settlement Agreement does not require the consent or acquiescence of USACE to be fully effective and binding and the Parties agree that they are not seeking and do not require the approval of USACE to its terms. Additionally, no Party has represented that it speaks for USACE or has the authority to bind USACE, nor has any Party relied on any such representation. No Party shall be liable for any actions or decisions of USACE. The Parties agree to cooperate in Good Faith to ensure that the actions carried

out pursuant to this Settlement Agreement do not violate any applicable USACE requirements. The Parties agree that if, notwithstanding the foregoing, any Party claims that some action or decision by USACE has resulted in a Change of Law or an alleged breach of this Settlement Agreement, the Party making such an allegation shall notify the other Parties in writing and provide a reasonable opportunity for consultation with USACE to attempt to mitigate, resolve, or cure the alleged breach. In the event the terms of Article XII of this Settlement Agreement (Change of Law) shall be applicable, i.e., in the event of a Change of Law, the Parties shall work collaboratively to ensure that the substance and the intent of this Settlement Agreement is implemented and continues in full force and effect via an amendment to this Settlement Agreement.

ARTICLE XXXV. COOPERATION WITH MDNR

Section 35.01 DUTY TO COOPERATE IN GOOD FAITH WITH THE MDNR. The Parties recognize and acknowledge that MDNR is not a party to this Settlement Agreement. This Settlement Agreement does not require the consent or acquiescence of MDNR to be fully effective and binding and the Parties agree that they are not seeking and do not require the approval of MDNR to its terms. Additionally, no Party has represented that it speaks for MDNR or has the authority to bind MDNR, nor has any Party relied on any such representation. No Party shall be liable for any actions or decisions of MDNR. The Parties agree to cooperate in Good Faith to ensure that the actions carried out pursuant to this Settlement Agreement do not violate any applicable MDNR requirements. The Parties agree that if, notwithstanding the foregoing, any Party claims that some action or decision by MDNR has resulted in a Change of Law or an alleged breach of the terms of this Settlement Agreement, the Party making such an allegation shall notify the other Parties in writing and provide a reasonable opportunity for consultation with MDNR to attempt to mitigate, resolve, or cure the alleged breach. In the event the terms of Article XII (Change of Law) shall be applicable, i.e., in the event of a Change of Law, the Parties shall work collaboratively to ensure that the substance and the intent of this Settlement Agreement is implemented and continues in full force and effect via an amendment to this Settlement Agreement.

ARTICLE XXXVI. COVENANT TO OPERATE COMPREHENSIVE PROJECT

Section 36.01 COVENANT TO OPERATE COMPREHENSIVE PROJECT. The Diversion Authority affirmatively covenants that pursuant to and in accordance with the Project Partnership Agreement between the Department of the Army, the City of Fargo, the City of Moorhead, and the Metro Flood Diversion Authority for the Construction of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project, dated July 11, 2016¹ and as amended on March 19, 2019 (the “PPA”), along with the Joint Powers Agreement² creating the Diversion Authority, the Diversion Authority affirmatively covenants that it is the political subdivision responsible for Comprehensive Project Operation in accordance with the Master Water Control Manual, Fargo-Moorhead Metro Area Flood Risk Management Project, MDNR Permit 2018-0819, and applicable federal permits.

¹Article II, section I of the PPA provides that “[t]he Non-Federal sponsors, at no cost to the Government [USACE], shall operate, maintain, repair, rehabilitate, and replace the Project in a manner compatible with the authorized purposes of the Project in accordance with the applicable Federal laws and the OMRR&R Manuals, and any subsequent modification thereto.”

²Article XIII of the Joint Powers Agreement grants the Diversion Authority the rights, obligations, and responsibility of operating the Comprehensive Project.

**ARTICLE XXXVII.
CHOICE OF LAW/VENUE**

Section 37.01 CHOICE OF LAW. This Settlement Agreement shall be interpreted and construed in accordance with and be governed by the laws of the State of North Dakota. However, this Section 37.01 is to be interpreted to only apply to this Settlement Agreement itself, and the Parties do not intend that North Dakota law should apply to interpretations of Federal or Minnesota statutes, regulations, or permit conditions. Issues that are not governed by this Section 37.01 include, but are not limited to, the construction and application of state and local permitting standards in Minnesota, administration of RWJPA distributions within Minnesota, constitutional and statutory requirements in Minnesota with regard to eminent domain, and Federal FEMA and USACE requirements and regulations.

Section 37.02 VENUE. The Parties hereby designate the district court of the State of North Dakota in Cass County (within the East Central Judicial District) as the proper and exclusive venue for any suit or action directly arising out of this Settlement Agreement not subject to arbitration, except that the Parties may, if appropriate, seek injunctive relief against political subdivisions of the State of Minnesota in the district courts of the State of Minnesota. The Parties agree to be bound by any decision issued by the East Central Judicial District Court without the requirement of any order or judgment being transcribed or otherwise transferred to any other court. The foregoing shall not waive any rights to appeal. The Parties further agree that the East Central Judicial District court shall have all the powers necessary to enforce its decision, including the power of contempt over all Parties.

**ARTICLE XXXVIII.
ACKNOWLEDGMENT AND AUTHORIZATION**

Section 38.01 ACKNOWLEDGMENT. Each of the Parties affirms and acknowledges that it has fully read, appreciates, and understands the words, terms, conditions, and provisions of this Agreement and is fully satisfied with the same. Each Party affirms and acknowledges that it has been, or has had the opportunity to be, represented by legal counsel of its choice.

Section 38.02 AUTHORIZATION TO EXECUTE THIS SETTLEMENT AGREEMENT. The representatives of the Parties signing this Settlement Agreement each represent that they have been duly authorized by the governing body of their respective entity to execute this Settlement Agreement on its behalf.

**ARTICLE XXXIX.
PAYMENTS**

Section 39.01 GENERAL. The Parties will work in Good Faith to coordinate and make the payments contemplated in Sections 13.01 and 28.07 of this Settlement Agreement. On or before the Effective Date of this Agreement, RWJPA and BRRWD will provide the Diversion Authority with wire instructions for the account(s) to which the payments Sections 13.01 and 28.07 of this Settlement Agreement are to be deposited.

Section 39.02 PAYMENTS BY THE DIVERSION AUTHORITY. The Diversion Authority will wire the payments contemplated to BRRWD and the RWJPA in accordance with Sections 13.01 and 28.07 of this Settlement Agreement. This obligation is contingent upon the conditions precedent set forth in Sections 13.01 and 28.07 of this Settlement Agreement being satisfied. Upon receipt of the

payments BRRWD and RWJPA will provide proof of receipt of funds within forty-eight (48) hours of receiving the wire transfer.

Section 39.03 PAYMENTS BY THE RWJPA TO BRRWD. The RWJPA will wire the payments contemplated to BRRWD in accordance with Section 13.01 of this Settlement Agreement. This obligation is contingent upon the conditions precedent set forth in Section 13.01 of this Settlement Agreement being satisfied.

ARTICLE XL. TERMINATION DATE

Section 40.01 TERM. The term of this Settlement Agreement shall begin on the Effective Date and shall terminate six (6) years after the last payment to the Relief Fund has been made by the Diversion Authority as provided in Section 28.08 of this Settlement Agreement, or when the Comprehensive Project permanently discontinues operations, or December 31, 2083, whichever date shall occur last.

Section 40.02 MANDATORY MEET AND CONFER MEETING. By or before December 31, 2078, the Parties' designated representatives shall meet and confer to determine if any amendments or termination of this Settlement Agreement should occur. Any amendments or termination shall be done by mutual agreement of the Parties.

ARTICLE XLI. MISCELLANEOUS

Section 41.01 PROHIBITION ON ASSIGNMENT. No Party to this Settlement Agreement may transfer or assign this Settlement Agreement or any of the Party's rights or obligations unless it obtains the express written consent of all the Parties. Provided, however, the Parties recognize that RWJPA may be required to reorganize under state laws in order to fully perform its functions herein and agree to assent to a reasonable reorganization. In the event the RWJPA must reorganize, it shall provide the Diversion Authority, Wolverton, Comstock, and BRRWD with thirty (30) days written notice of the proposed reorganization and draft copies of the reorganization documents so that the Diversion Authority, Wolverton, Comstock, and BRRWD may provide comments to the proposed reorganization. The Parties agree and acknowledge that RWJPA is currently drafting an amendment to its organizational structure to allow it to administer the Relief Fund. Any attempted transfer or assignment made in violation of this Section 41.01 shall be void as a matter of law.

Section 41.02 TAX CONSEQUENCES. The Parties agree and acknowledge that the receipt of certain benefits and funds pursuant to this Settlement Agreement may have an impact on taxes that are due and owing by the recipient. Recipients are responsible for apprising themselves of potential tax consequences before receiving any benefit or funds described herein, and the Diversion Authority assumes no liability, and shall not be responsible, for resulting negative tax implications.

Section 41.03 MAINTENANCE OF PROJECTS. Except for providing initial and annual funding for design, construction and maintenance of the Georgetown Project, Comstock Projects, Christine Project, and Wolverton Projects, the Diversion Authority will not be responsible for the operation and maintenance of the Georgetown Project, Comstock Projects, Christine Project, and Wolverton Projects

Section 41.04 AMENDMENT. This Settlement Agreement may only be amended in a written instrument executed by all of the Parties or as provided for in Section 12.05 of this Settlement Agreement.

Section 41.05 ENTIRE AGREEMENT. This Settlement Agreement constitutes the entire agreement between the Parties on the subject matter of this Settlement Agreement and supersedes any preceding agreement between the Parties on the subject matter of this Settlement Agreement. In particular, this Settlement Agreement fully supersedes and replaces the Term Sheet.

Section 41.06 SURVIVAL. The indemnifications, limitations, releases, obligations, and all other provisions, which by their inherent character should survive expiration or earlier termination of this Settlement Agreement, will survive the expiration or earlier termination of this Settlement Agreement.

Section 41.07 AUTHORIZED REPRESENTATIVES.

- (a) The Parties hereby designate the following individuals as their initial representatives, respectively, to administer this Settlement Agreement on their behalf:
 - (i) Diversion Authority Representative: Its Executive Director
 - (ii) RWJPA Representative: Its Chairperson
 - (iii) BRRWD Representative: Its: Chairperson
 - (iv) Comstock Representative: Its: Mayor
 - (v) Wolverton Representative: Its: Mayor
- (b) The representatives will be reasonably available to each other during the term of this Settlement Agreement and will have the authority to issue instructions and other communications on behalf of the Party or Parties, respectively, and will be the recipients of notices and other written communications from the other Parties pursuant to this Settlement Agreement, except as otherwise provided in this Settlement Agreement. Such representatives, however, will not have the authority to make decisions or give instructions binding upon the Diversion Authority, RWJPA, BRRWD, Comstock, and Wolverton, except to the extent expressly authorized by the Diversion Authority, RWJPA, BRRWD, Comstock, and Wolverton, as the case may be, in writing.
- (c) In the event the Diversion Authority, RWJPA, BRRWD, Comstock, or Wolverton designates a different representative, it will give the other Party written notice of the identity of and contact information for the new representative.

Section 41.08 NOTICES.

- (a) All notices under this Settlement Agreement shall be in writing and: (1) delivered personally; or (2) sent by certified mail, return receipt requested; or (3) sent by a

recognized overnight mail or courier services, with delivery receipt requested; or (4) sent by email communication followed by a hard copy, to the following addresses.

- (b) All notices to the Diversion Authority shall be marked as regarding this Settlement Agreement and shall be delivered to the following address or as otherwise directed by the Diversion Authority Representative:

Attn: Executive Director
Metro Flood Diversion Authority
207 4th St N, Suite A
Fargo, ND 58102

- (c) All notices to the RWJPA shall be marked as regarding this Settlement Agreement and shall be delivered to the following address or as otherwise directed by the RWJPA Representative:

Attn: Chairperson
Richland-Wilkin JPA
418 2nd Ave. N
Wahpeton, ND 58075

- (d) All notices to BRRWD shall be marked as regarding this Settlement Agreement and shall be delivered to the following address or as otherwise directed by the BRRWD Representative:

Attn: Chairperson
Buffalo Red-River Watershed District
P.O. Box 341
Barnesville, MN 56514

- (e) All notices to Wolverton shall be marked as regarding this Settlement Agreement and shall be delivered to the following address or as otherwise directed by the Wolverton Representative:

Attn: Mayor
City of Wolverton
301 US Hwy 75
Wolverton, MN 56594

- (f) All notices to Comstock shall be marked as regarding this Settlement Agreement and shall be delivered to the following address or as otherwise directed by the Comstock Representative:

Attn: Mayor
City of Comstock
P.O. Box 39
Comstock, MN 56525

- (g) Notices shall be deemed received when actually received in the office of the addressee (or by the addressee if personally delivered) or when delivery is refused, as shown on the receipt of the U.S. Postal Service, private courier, or other person making the

delivery. Notwithstanding the foregoing, notices sent by facsimile after 4:00 p.m. Central time and all other notices received after 5:00 p.m. shall be deemed received on the first calendar day following delivery.

Section 41.09 FORCE MAJEURE. In no event shall a Party be liable for any failure or delay in performance of its obligations hereunder resulting from an event beyond its reasonable control, including but not limited to, acts of God or of the public enemy, fire, floods, embargoes, war, acts of war (whether war is declared or not), terrorism, insurrections, riots, civil commotions, strikes, lockouts or other labor disturbances, sabotage, vandalism, epidemic or pandemic, or adverse and extreme weather conditions not reasonably anticipated; provided, however, that the Party so affected must (a) provide prompt written notice to the other Parties regarding the impacts on the performance of its obligations and the causes thereof, and (b) make Good Faith efforts to mitigate the impacts on its performance and resume performance as soon as it practicable under the circumstances. The Parties specifically exclude the impacts from Changes of Law from this Section 41.10; instead, any such impacts are to be governed by Article XII.

Section 41.10 COUNTERPARTS AND ELECTRONIC SIGNATURES. This Settlement Agreement may be executed in five or more counterparts, each of which together shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

(Signatures appear on the following pages.)

IN WITNESS WHEREOF, the Parties caused this Settlement Agreement to be executed.

Signature Page for the Metro Flood Diversion Authority

The Governing Body of the Metro Flood Diversion Authority approved this Settlement Agreement on the 25th of February, 2021.

Authority:

Metro Flood Diversion Authority

Michelle "Shelly" Carlson
Michelle (Shelly) A. Carlson, Chair

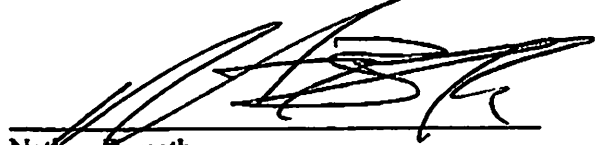
Joel Paulsen
Joel Paulsen, Executive Director

Signature Page for the Richland-Wilkin Joint Powers Authority

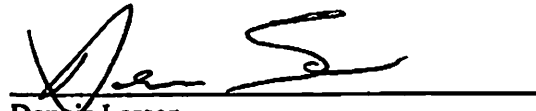
The Governing Body of the Richland-Wilkin Joint Powers Agreement approved this Settlement Agreement on the 16 of February, 2021.

RWJPA:

Richland-Wilkin Joint Powers Authority

A handwritten signature in black ink, appearing to read 'Nathan Berseth', written over a horizontal line.

**Nathan Berseth,
Richland County Commissioner**

A handwritten signature in black ink, appearing to read 'Dennis Larson', written over a horizontal line.



**Dennis Larson,
Wilkin County Commissioner**

Signature Page for the City of Comstock

The Governing Body of the City of Comstock approved this Settlement Agreement on the 18 of February, 2021.

COMSTOCK:

The City of Comstock, MN


~~Tom Askegaard, Mayor~~ Darin Eisinger PS

Pamela Gust, Clerk
Guest PS
12

Signature Page for the City of Wolverton

The Governing Body of the City of Wolverton approved this Settlement Agreement on the 24 of February, 2021.

WOLVERTON:

The City of Wolverton, MN

Nancy Olthoff, Mayor
Nancy Olthoff, Mayor

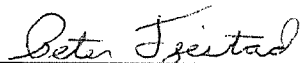
Jessi Kappes, Clerk
Jessi Kappes, Clerk

Signature Page for the Buffalo-Red River Watershed District


The Governing Body of the Buffalo-Red River Watershed District approved this Settlement Agreement on the 16 of February, 2021.

BRRWD:

Buffalo-Red River Watershed District



Peter Fjestad, President



Catherine Affield, Vice President

EXHIBIT A

A Buffalo-Red River Watershed District (BRRWD) Permit is granted and will remain valid subject to the Binding Settlement Term Sheet, Settlement Agreement, and the following conditions:

1. **ADDITIONAL FLOOD MITIGATION:** With impacts expected to flood levels at Wolverton and Georgetown, the Permittee shall provide the BRRWD with funding for permanent 100-year FEMA Accredited Flood Protection (period of Record Hydrology) protection for the City of Georgetown and the City of Wolverton. Flood protection for the Cities of Georgetown and Wolverton will be designed and constructed by the BRRWD and may, subject to Permittee providing proof of sufficient funding, commence prior to acquisition of all flowage easements for the proposed maximum flood pool and to acquisition of property rights for dam construction. Notwithstanding the foregoing, Permittee shall ensure that it immediately begins the process of engaging personally with all landowners in negotiations for flowage easement and property rights. The BRRWD will seek reasonable funding assistance options for the Georgetown and Wolverton flood mitigation projects. Maintenance and operation of the flood protection for the Cities of Georgetown and Wolverton to be paid for by the Permittee.
2. **SITE ACCESS:** The Permittee shall grant access to the Minnesota portions of the project site at all reasonable times during and after construction to BRRWD authorized representatives and the Board of Managers for inspection of the work authorized hereunder.
3. **PROPERTY RIGHTS:** Minnesota property rights shall be acquired, or option agreements shall be signed for all property necessary for construction and operation of the Project in Minnesota prior to the commencement of construction in Minnesota. Permittee shall, to the extent it has not already done so, immediately begin the process of engaging personally with all landowners in negotiations for such rights. Property rights shall include fee simple absolute acquisition of all property of the Project footprint (Plan B eastern tieback could be by easement). Construction of the Red River Control Structure, In-Town projects, and road improvements within the BRRWD's jurisdiction can proceed when all property rights necessary for their individual construction are acquired.

All lands with residential or farmstead structures that will be impacted by Project operation will be acquired in fee simple absolute, unless the:

- a. landowner prefers a mutually agreeable alternative, and
- b. other regulatory authorities (such as Army Corps, FEMA, and Department of Natural Resources). BRRWD will permit the alternative (assumed to be no more restrictive than current statewide floodplain regulations), and
- c. the alternative is cost effective (costs less than full fee simple absolute purchase).

Mitigation for structures upstream of the Southern embankment within the Fringe Area of the Staging Area shall be acquired in accordance with the Minnesota Constitution

regarding landowner compensation provided that the Permittee will coordinate in good faith with willing landowners to voluntarily remove project impacts from structures, farmsteads, rural residences, and business structures through the use of ring levees, structure elevation, or other methods acceptable under the Minnesota Constitution, applicable federal and state requirements, and the MDNR Permit to secure necessary property rights for the operation of the Comprehensive Project. For purposes of this Permit the term “Fringe Area” means those areas within BRRWD’s permit jurisdiction in which the impact of staging water from the operation of the Comprehensive Project increases the water surface elevation by more than .10 of a foot (1.2 inches) but less than .50 of a foot (six inches).

For all other property impacted when the dam is operated at maximum capacity that is not acquired in fee simple absolute, flowage easements are required. The demolition and/or cleanup of bought-out structures, construction associated with relocation, elevating, floodproofing, or ring diking of farmstead or rural residences, and construction associated with landowner preferred alternatives may commence prior to acquisition of all flowage easements.

4. SUBMITTALS: All submittals required by the Minnesota Department of Natural Resources Permit No. 2018-0819 conditions shall also be provided concurrently to the BRRWD.

5. WOLVERTON CREEK CROSSING: The Permittee shall coordinate the final design of the Wolverton Creek Structure with the BRRWD to ensure compatibility with the Wolverton Creek Restoration Project. The BRRWD recommends the Wolverton Creek Structure and Plan B Eastern Tieback levee be moved to the County line. No construction of the Wolverton Creek Structure is allowed by this permit until written approval of the final design is obtained from the BRRWD staff.

6. OPERATION, MAINTENANCE, MONITORING. AND INSPECTION PLAN: Any changes to the Operation and Maintenance Plan require prior written approval of the BRRWD staff.

7. CONSTRUCTION PHASE APPROVAL: Written approval must be obtained from the BRRWD staff prior to the start of construction of any components of the dam in Minnesota. Permittee shall submit to the BRRWD detailed plans and specifications at least 120 days prior to construction. The intention of the plan review and approval is to ensure consistency with the original project design and ensure local drainage accommodations and erosion control are adequate.

8. PROJECT MAINTENANCE: The Permittee may, at its cost, maintain the project in Minnesota without a permit from the BRRWD, as long as the maintenance restores the system to its original constructed configuration. Permittee shall ensure that all flood related debris and damage caused by operation of the Project, including that on property belonging to private citizens is cleaned and remediated in a timely manner at the cost of the Permittee.

The Permittee shall notify the BRRWD of any modification in excess of \$100,000 in estimated construction cost.

9. APPLICABLE FEDERAL, STATE, OR LOCAL REGULATIONS: This permit does not release the permittee from any rules, regulations, requirements ordinances, or standards of any applicable federal, state, or local agencies. This includes all Department of Natural Resources Project Permit No. 2018-0819 requirements.

10. COMPLETION DATE: Construction work authorized under this permit shall be completed on or before December 31, 2027. The Permittee may request an extension of the time to complete the project by submitting a written request six (6) months prior to permit expiration, stating the reason(s) therefor to the BRRWD. Any extension of time made and granted by the BRRWD shall be made in writing.

EXHIBIT B

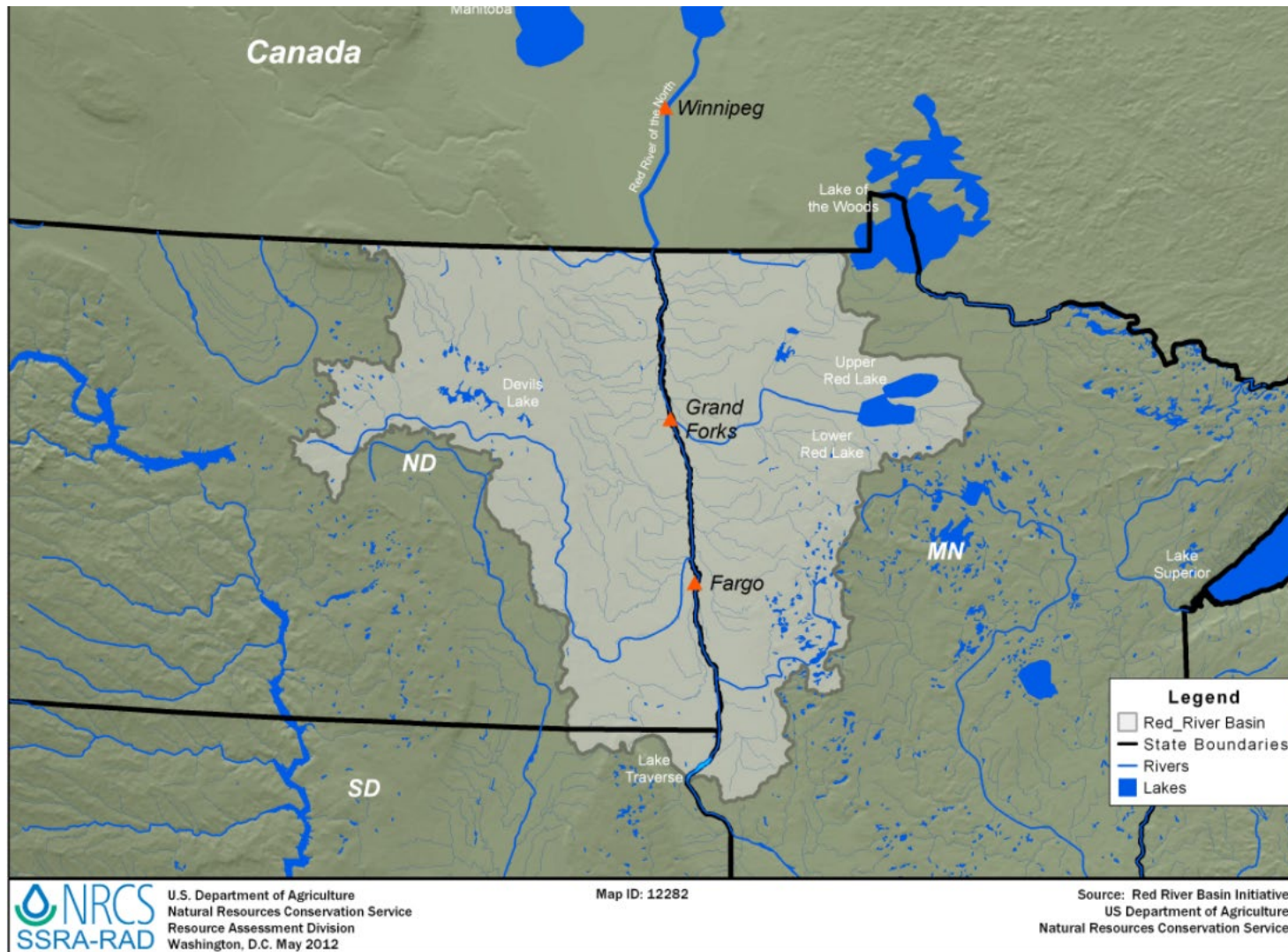


EXHIBIT C

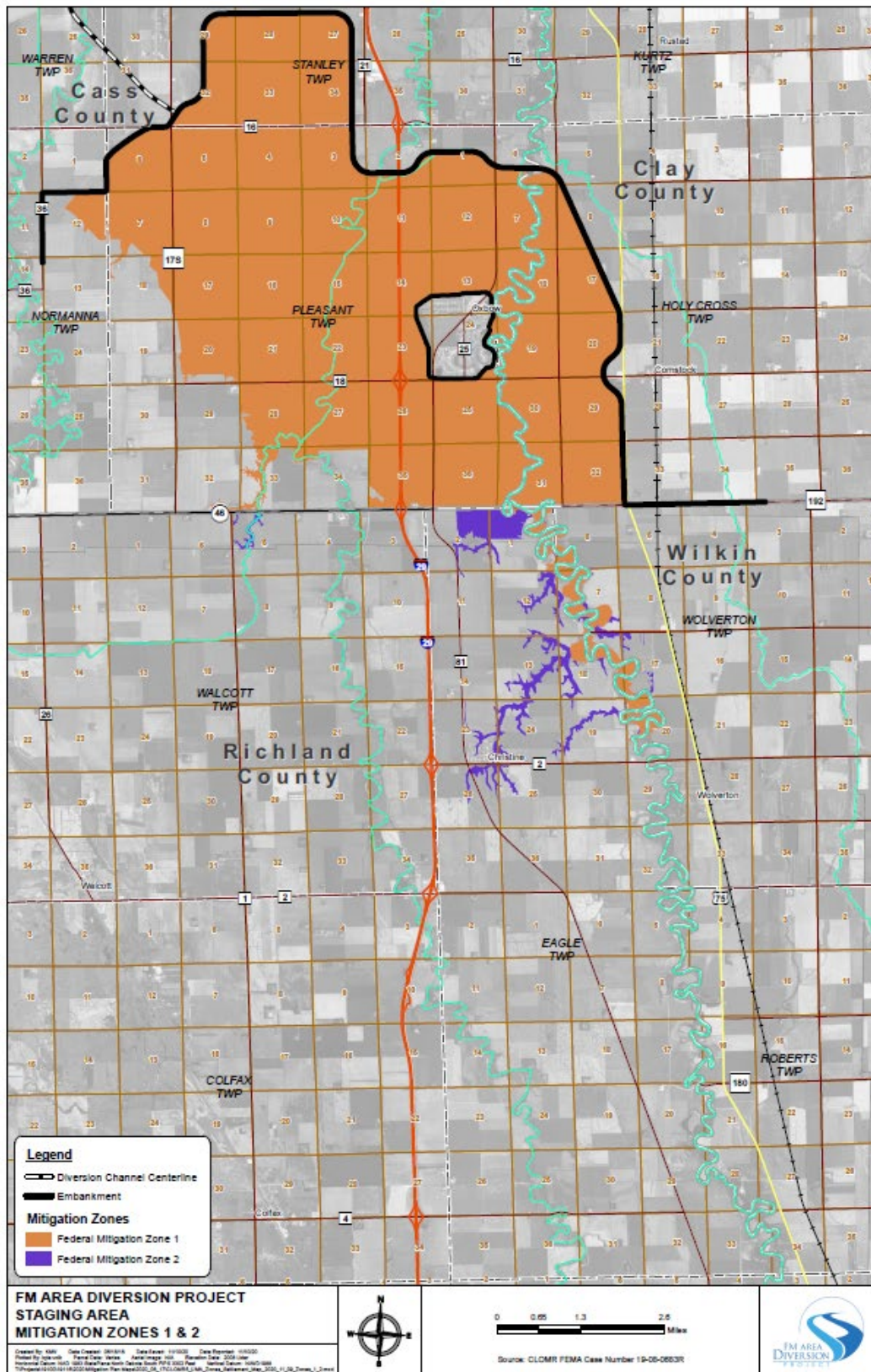


EXHIBIT D

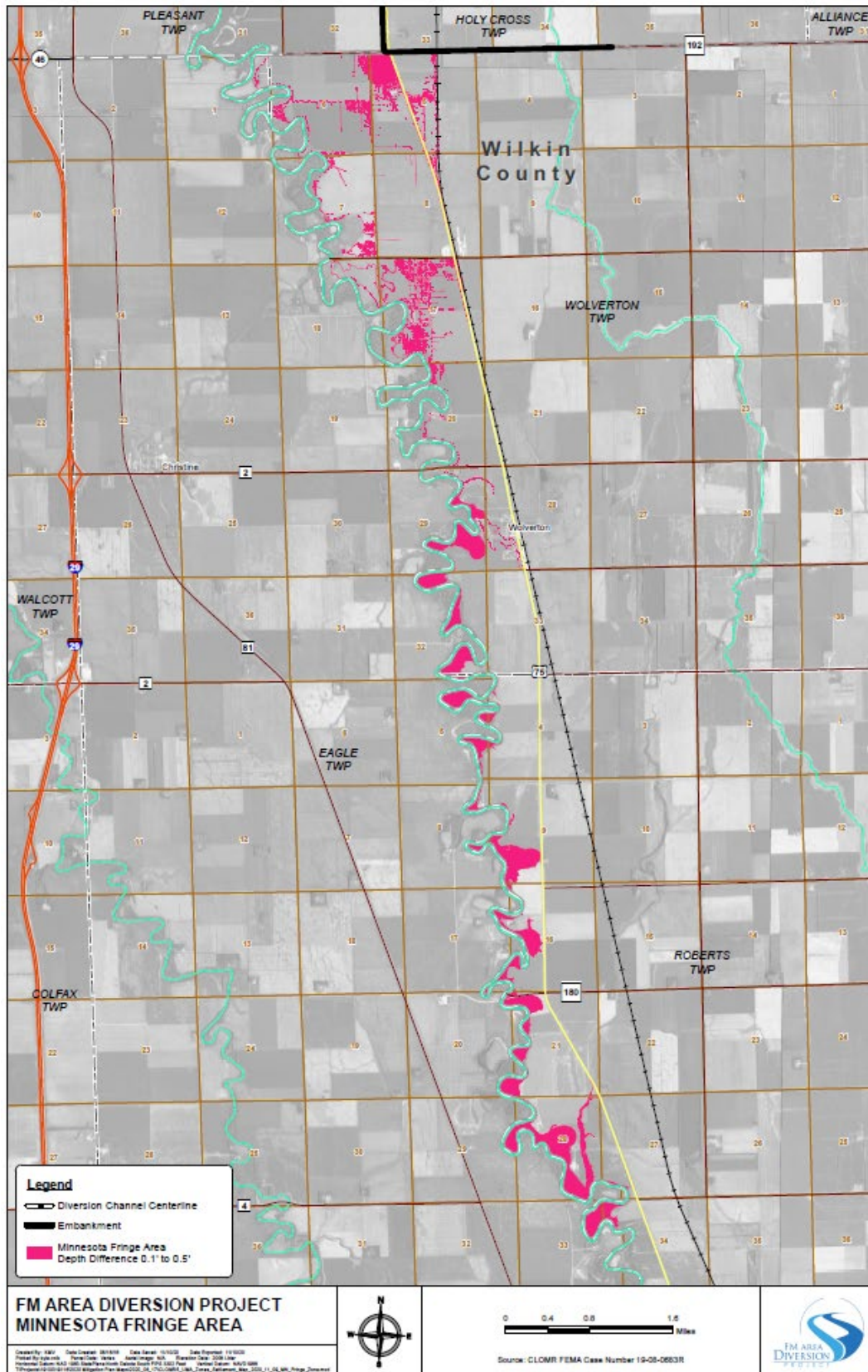
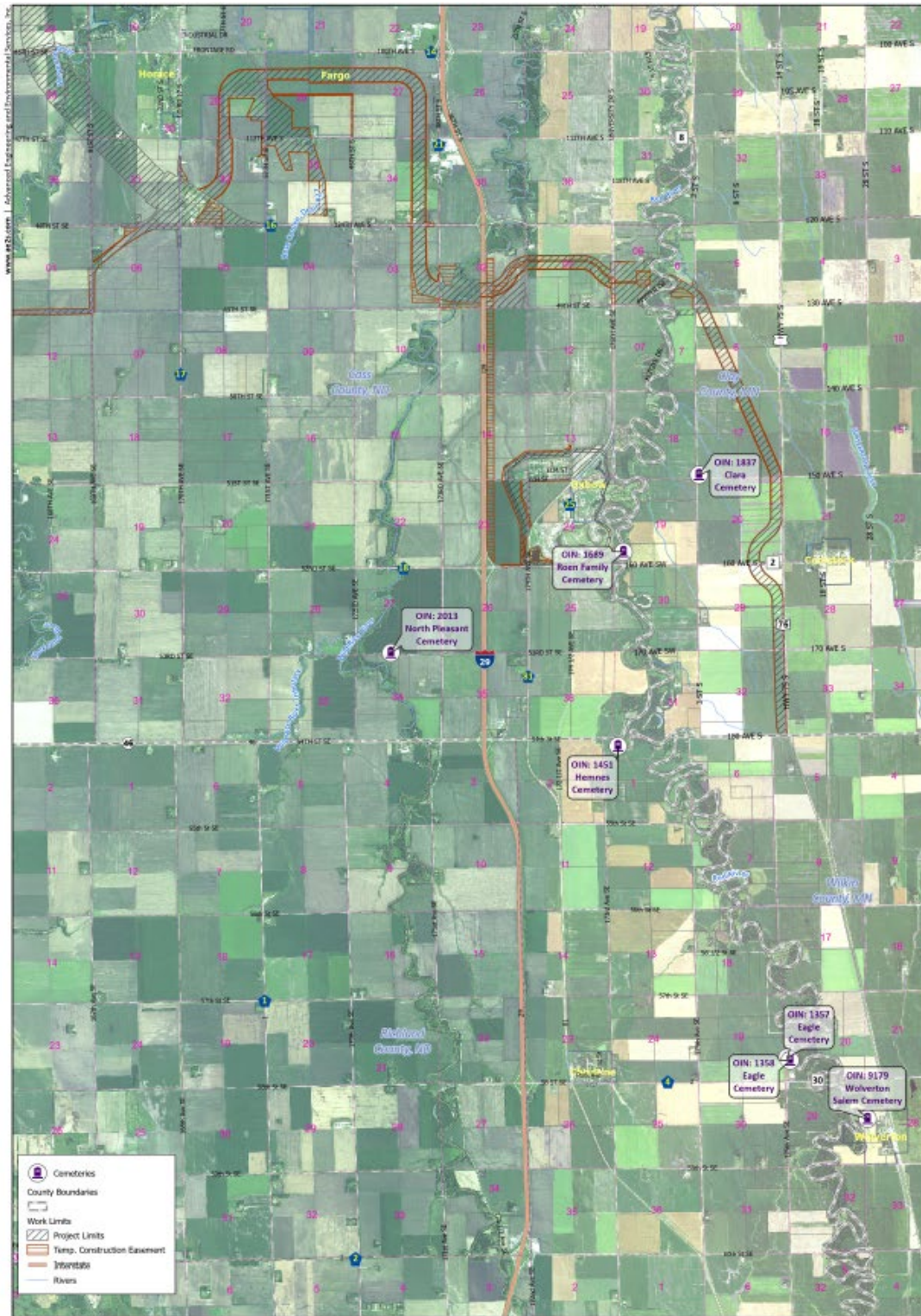


EXHIBIT E



Produced by: chadler@chadler.com, A225, Inc. | C:\Users\chadler\Documents\FM Area Diversion\JRM_A225\000000.aprx | UTM83 Coordinates

Upstream Mitigation Area
Impacted Cemeteries

FM AREA DIVERSION PROJECT
Map Date: 11/11/2020



EXHIBIT F

1/11/2021 1:11 PM Page 1

201124 Relief Fund Payments

Rate Period: Exact Days

Nominal Annual Rate: 2.000%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	12/31/2020	40,000,000.00	1		
2 Payment	12/31/2027	1,857,299.97	33	Annual	12/31/2059

AMORTIZATION SCHEDULE - U.S. Rule (no compounding)

Date	Payment	Interest Accrued	Interest Paid	Principal Paid	----- Interest	Balance Due Principal	----- Total
Loan 12/31/2020		0.00	0.00	0.00	0.00	40,000,000.00	40,000,000.00
2020 Totals	0.00	0.00	0.00	0.00			
1 12/31/2027	1,857,299.97	5,602,191.78	1,857,299.97	0.00	3,744,891.81	40,000,000.00	43,744,891.81
2027 Totals	1,857,299.97	5,602,191.78	1,857,299.97	0.00			
2 12/31/2028	1,857,299.97	802,191.78	1,857,299.97	0.00	2,689,783.62	40,000,000.00	42,689,783.62
2028 Totals	1,857,299.97	802,191.78	1,857,299.97	0.00			
3 12/31/2029	1,857,299.97	800,000.00	1,857,299.97	0.00	1,632,483.65	40,000,000.00	41,632,483.65
2029 Totals	1,857,299.97	800,000.00	1,857,299.97	0.00			
4 12/31/2030	1,857,299.97	800,000.00	1,857,299.97	0.00	575,183.68	40,000,000.00	40,575,183.68
2030 Totals	1,857,299.97	800,000.00	1,857,299.97	0.00			
5 12/31/2031	1,857,299.97	800,000.00	1,375,183.68	482,116.29	0.00	39,517,883.71	39,517,883.71
2031 Totals	1,857,299.97	800,000.00	1,375,183.68	482,116.29			
6 12/31/2032	1,857,299.97	792,523.04	792,523.04	1,064,776.93	0.00	38,453,106.78	38,453,106.78
2032 Totals	1,857,299.97	792,523.04	792,523.04	1,064,776.93			
7 12/31/2033	1,857,299.97	769,062.14	769,062.14	1,088,237.83	0.00	37,364,868.95	37,364,868.95
2033 Totals	1,857,299.97	769,062.14	769,062.14	1,088,237.83			
8 12/31/2034	1,857,299.97	747,297.38	747,297.38	1,110,002.59	0.00	36,254,866.36	36,254,866.36
2034 Totals	1,857,299.97	747,297.38	747,297.38	1,110,002.59			
9 12/31/2035	1,857,299.97	725,097.33	725,097.33	1,132,202.64	0.00	35,122,663.72	35,122,663.72
2035 Totals	1,857,299.97	725,097.33	725,097.33	1,132,202.64			
10 12/31/2036	1,857,299.97	704,377.80	704,377.80	1,152,922.17	0.00	33,969,741.55	33,969,741.55

2036 Totals	1,857,299.97	704,377.80	704,377.80	1,152,922.17			
11 12/31/2037	1,857,299.97	679,394.83	679,394.83	1,177,905.14	0.00	32,791,836.41	32,791,836.41
2037 Totals	1,857,299.97	679,394.83	679,394.83	1,177,905.14			
12 12/31/2038	1,857,299.97	655,836.73	655,836.73	1,201,463.24	0.00	31,590,373.17	31,590,373.17
2038 Totals	1,857,299.97	655,836.73	655,836.73	1,201,463.24			
13 12/31/2039	1,857,299.97	631,807.46	631,807.46	1,225,492.51	0.00	30,364,880.66	30,364,880.66
2039 Totals	1,857,299.97	631,807.46	631,807.46	1,225,492.51			
14 12/31/2040	1,857,299.97	608,961.44	608,961.44	1,248,338.53	0.00	29,116,542.13	29,116,542.13
2040 Totals	1,857,299.97	608,961.44	608,961.44	1,248,338.53			
15 12/31/2041	1,857,299.97	582,330.84	582,330.84	1,274,969.13	0.00	27,841,573.00	27,841,573.00
2041 Totals	1,857,299.97	582,330.84	582,330.84	1,274,969.13			
16 12/31/2042	1,857,299.97	556,831.46	556,831.46	1,300,468.51	0.00	26,541,104.49	26,541,104.49
2042 Totals	1,857,299.97	556,831.46	556,831.46	1,300,468.51			
17 12/31/2043	1,857,299.97	530,822.09	530,822.09	1,326,477.88	0.00	25,214,626.61	25,214,626.61
2043 Totals	1,857,299.97	530,822.09	530,822.09	1,326,477.88			
18 12/31/2044	1,857,299.97	505,674.16	505,674.16	1,351,625.81	0.00	23,863,000.80	23,863,000.80
2044 Totals	1,857,299.97	505,674.16	505,674.16	1,351,625.81			
19 12/31/2045	1,857,299.97	477,260.02	477,260.02	1,380,039.95	0.00	22,482,960.85	22,482,960.85
2045 Totals	1,857,299.97	477,260.02	477,260.02	1,380,039.95			
20 12/31/2046	1,857,299.97	449,659.22	449,659.22	1,407,640.75	0.00	21,075,320.10	21,075,320.10
2046 Totals	1,857,299.97	449,659.22	449,659.22	1,407,640.75			
21 12/31/2047	1,857,299.97	421,506.40	421,506.40	1,435,793.57	0.00	19,639,526.53	19,639,526.53
2047 Totals	1,857,299.97	421,506.40	421,506.40	1,435,793.57			
22 12/31/2048	1,857,299.97	393,866.67	393,866.67	1,463,433.30	0.00	18,176,093.23	18,176,093.23
2048 Totals	1,857,299.97	393,866.67	393,866.67	1,463,433.30			
23 12/31/2049	1,857,299.97	363,521.86	363,521.86	1,493,778.11	0.00	16,682,315.12	16,682,315.12
2049 Totals	1,857,299.97	363,521.86	363,521.86	1,493,778.11			
24 12/31/2050	1,857,299.97	333,646.30	333,646.30	1,523,653.67	0.00	15,158,661.45	15,158,661.45
2050 Totals	1,857,299.97	333,646.30	333,646.30	1,523,653.67			
25 12/31/2051	1,857,299.97	303,173.23	303,173.23	1,554,126.74	0.00	13,604,534.71	13,604,534.71
2051 Totals	1,857,299.97	303,173.23	303,173.23	1,554,126.74			
26 12/31/2052	1,857,299.97	272,836.15	272,836.15	1,584,463.82	0.00	12,020,070.89	12,020,070.89
2052 Totals	1,857,299.97	272,836.15	272,836.15	1,584,463.82			

27 12/31/2053	1,857,299.97	240,401.42	240,401.42	1,616,898.55	0.00	10,403,172.34	10,403,172.34
2053 Totals	1,857,299.97	240,401.42	240,401.42	1,616,898.55			
28 12/31/2054	1,857,299.97	208,063.45	208,063.45	1,649,236.52	0.00	8,753,935.82	8,753,935.82
2054 Totals	1,857,299.97	208,063.45	208,063.45	1,649,236.52			
29 12/31/2055	1,857,299.97	175,078.72	175,078.72	1,682,221.25	0.00	7,071,714.57	7,071,714.57
2055 Totals	1,857,299.97	175,078.72	175,078.72	1,682,221.25			
30 12/31/2056	1,857,299.97	141,821.78	141,821.78	1,715,478.19	0.00	5,356,236.38	5,356,236.38
2056 Totals	1,857,299.97	141,821.78	141,821.78	1,715,478.19			
31 12/31/2057	1,857,299.97	107,124.73	107,124.73	1,750,175.24	0.00	3,606,061.14	3,606,061.14
2057 Totals	1,857,299.97	107,124.73	107,124.73	1,750,175.24			
32 12/31/2058	1,857,299.97	72,121.22	72,121.22	1,785,178.75	0.00	1,820,882.39	1,820,882.39
2058 Totals	1,857,299.97	72,121.22	72,121.22	1,785,178.75			
33 12/31/2059	1,857,299.97	36,417.58	36,417.58	1,820,882.39	0.00	0.00	0.00
2059 Totals	1,857,299.97	36,417.58	36,417.58	1,820,882.39			
Grand Totals	61,290,899.01	21,290,899.01	21,290,899.01	40,000,000.00			

Last interest amount decreased by 0.07 due to rounding.