
**JOINT MOTION OF DLD LID
AND LMKP LID
BOARDS OF DIRECTORS**

WHEREAS, the members of the LMKP LID and the DLD LID are suffering from extremely high water levels on Little McDonald, Kerbs, Paul, and Devils Lakes (collectively referred to as the “Affected Lakes”); and

WHEREAS, the high water on the Affected Lakes has caused millions of dollars of damage to homes, businesses, cabins, and beaches; and

WHEREAS, the property owners surrounding the Affected Lakes are in need of immediate action to alleviate the negative effects of the high-water levels and prevent additional damage to their properties; and

WHEREAS, the LMKP LID and the DLD LID have developed a project consisting of a pumping and outlet filter system that would reduce the level of the Affected Lakes to their original high water levels and ultimately discharge excess water to the Otter Tail River by underground pipe (the “Project”); and

WHEREAS, the Project will have three (3) main legs: (1) the leg from Little McDonald, Kerbs, and Paul Lakes to the Tie In Location (the “LMKP LID Leg”); (2) the leg from Devils Lake to the Tie In Location (the “DLD LID Leg”); and (3) the common leg, which will be utilized by both the LMKP LID and the DLD LID, will include construction of the Project from the Otter Tail River to the Tie In Location between the LMKP LID Leg and the DLD LID Leg (the “Common Leg”); and

WHEREAS, the Boards of Directors of both the LMKP LID and the DLD LID are committed to cooperating in their efforts to achieve comprehensive and permanent flood protection for their members; and

WHEREAS, the State of Minnesota and the County have entered into a grant contract (the “State of Minnesota Contract”) in the maximum amount of ten million dollars (\$10,000,000) to reimburse the costs of comprehensive and permanent flood protection for the members of the LMKP LID and the DLD LID (the “State of Minnesota Grant”); and

WHEREAS, the State of Minnesota Grant is to be administered through the Commissioner of Natural Resources, and the County will act as the conduit between the Commissioner of Natural Resources and the Lake Improvement Districts; and

WHEREAS, the LMKP LID, the DLD LID, and the County all have a vested interest in completing the Project as soon as possible:

NOW THEREFORE IT IS HEREBY RESOLVED, that the Boards of Directors of the DLD LID and the LMKP LID do hereby agree to the following general terms for the sharing of costs and responsibilities for the completion of the Project:


1. Houston Engineering will have responsibility for all engineering work, including the design, final engineering plans, and construction oversight for the DLD leg and the Common leg of the Project, including the tap in connection. Moore engineering will have responsibility for all engineering work, including the design, final engineering plans, and construction oversight on the LMKP leg of the Project. It is expectation of both LIDs that Houston and Moore work cooperatively to avoid any duplication of work and to ensure complete transparency in design and construction of the Project.
2. *With respect to bondable expenses*, The DLD LID shall contribute a maximum of 2.6 million dollars to the completion of the Project, including any and all change orders required to complete the Project. The LMKP LID shall contribute all remaining dollars necessary for the completion of the Project, provided that, if after all bids are received, the projected Project cost exceeds 11.4 million dollars, the LMKP LID will have the option of downsizing the LMKP portion of the Project including the Common Leg of the Project, or simply covering any additional costs, associated with the construction of the Project. If, after all bids are received, the projected Project cost exceeds 12 million dollars, both LIDs will work cooperatively to downsize all Legs of the Project and rebid.
3. The DLD LID shall pay all nonbondable expenses associated with the DLD LID Leg of the Project, and 20% of all nonbondable expenses associated with the Common Leg of the Project.
The LMKP LID shall pay all nonbondable expenses associated with the LMKP LID Leg of the Project, and 80% of all nonbondable expenses associated with the Common Leg of the Project. If the Project is downsized pursuant to Paragraph 2 above, the pro rata contributions of each LID will be adjusted accordingly.
4. The DLD LID shall contribute 4,000 dollars to a Joint Maintenance Fund for the Common Leg. The LMKP LID will contribute 16,000 dollars to a Joint Maintenance Fund for the Common Leg. One-half of these sums will be contributed within 1 year of the completion of testing on the completed Project, with the remaining one-half of these sums payable in three equal installments over the following 3 years. If it is necessary to add additional sums in the future to this Fund, both LIDS agree to work cooperatively to develop a contribution plan based on usage.
5. Both LIDs agree to execute any additional Agreements necessary to implement the terms contained herein and complete construction of the Project, provided that such Agreements do not alter the essence of the terms enumerated in Paragraphs 1 through 4 above.

IN WITNESS WHEREOF, the LMKP LID and the DLD LID, caused this Agreement to be executed.

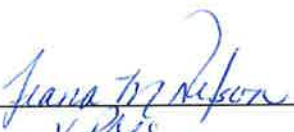
Signature Page for the DLD LID

The Governing Body of the DLD LID approved this Motion on the 21 of December, 2016.

DEVILS AND LITTLE DEVILS LAKE
IMPROVEMENT DISTRICT

By: 
Its: President

ATTEST:

By: 
Its: V. Pres

Signature Page for the LMKP LID

The Governing Body of the LMKP LID approved this Motion on the 21 of December, 2016.

LITTLE McDONALD, KERBS, AND
PAUL LAKES IMPROVEMENT
DISTRICT

By: Roger A. Tetzlaff
Its: President

ATTEST:

By: James Nigg
Its: Vice-President