FM AREA DIVERSION PROJECT

Property Owner Information Packet for Cass County Commission

January 19th, 2021

PROPERTY OWNER: Charles Coster Real Estate Trust

LAND AGENT: Scott Stenger with ProSource

OIN: 9736 9737



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<u>Written Correspondence Timeline – Charles Coster Real Estate</u> <u>Trust</u>

OIN 9736 9737	Sent	Received
Offer to Purchase	8/27/2019	9/12/2019
Formal Negotiations and Written Offer of Just Compensation	7/8/2020	7/16/2020
Request for Meeting	9/2/2020	9/5/2020
Notice of Intent to Take Possession of Right-of-Way	10/7/2020	10/12/2020
Request for Approval to Take Possession of Necessary Right-of- Way and Temporary Easement	11/13/2020	11/13/2020
•		
Invitation to Attend Public Meeting	12/9/2020	12/10/2020
Commission Meeting Date	1/19/2021	

CASS COUNTY COMMISSION CHECKLIST — COMPLIANCE WITH N.D. CENT. CODE § 61-16.1-09(2) FARGO-MOORHEAD AREA DIVERSION PROJECT

A. Subject Property Information:

1. Landowner: Barbara J. Coster, as Trustee of the Charles F. Coster Real Estate

Trust under the Declaration of Trust dated September 26, 2009

2. Land Agent: Patrick Roberts

3. Parcel Nos: 53-0000-09075-000, 53-0000-09076-000

4. OIN Nos: 9736, 9737

B. Verification:

- 1. NDCC § 61-16.1-09(2)(b)(1)(a) requires the Cass County Joint Water Resource District ("CCJWRD") to conduct 60 days of informal negotiations.
 - Did CCJWRD verify at least 60 days of informal negotiations with Landowner:
- 2. NDCC § 61-16.1-09(2)(b)(1)(b)[1] requires CCJWRD to send the landowner an appraisal and written offer for just compensation by certified mail or commercial delivery requiring a signed receipt or other evidence of constructive notice.
 - Did CCJWRD verify it sent Landowner an appraisal and written offer for just compensation: _____
 - Did CCJWRD verify service of the appraisal and offer by certified mail or commercial delivery, and that Landowner either signed for them or had constructive notice: _____
- 3. NDCC § 61-16.1-09(2)(b)(1)(b)[2] requires CCJWRD to send Landowner a written request for a meeting by certified mail or commercial delivery requiring a signed receipt [if the parties have not come to an agreement within 15 days of Landowner's receipt of notice of CCJWRD's offer].
 - Did CCJWRD verify it sent Landowner a written request for a meeting by certified mail or commercial delivery, and that Landowner either signed for the notice or had constructive notice:

- 4. NDCC § 61-16.1-09(2)(b)(1)(b)[3] requires CCJWRD to send Landowner a written notice of intent to take possession of the right of way certified mail or commercial delivery requiring a signed receipt [if the parties have not come to an agreement within 30 days of Landowner's receipt or notice of CCJWRD's invitation to a meeting].
 - Did CCJWRD verify it sent a written notice of intent to take possession of right away by certified mail or commercial delivery, and that Landowner either signed for the notice or had constructive notice: _____
- 5. NDCC § 61-16.1-09(2)(b)(2) requires all written communications to Landowner to include contact information for responding to CCJWRD and a description of the required negotiation timeline.
 - Did CCJWRD verify that all written communications to Landowner included contact information for responding to CCJWRD and a description of the required negotiation timeline: ______
- 6. NDCC § 61-16.1-09(2)(b)(3) prohibits a district from including or utilizing any reference to quick take eminent domain during negotiations.
 - Did CCJWRD verify it did not include or utilize any reference to quick take eminent domain during negotiations: _____

If the Commission answers in the affirmative to the above questions,

RECOMMENDED MOTION:

• I move to authorize the Cass County Joint Water Resource District to utilize quick take eminent domain under Section 61-16.1-09(2) of the North Dakota Century Code to take an easement for a right of way regarding OINs 9736 and 9737.

FM Area Diversion Project Property Negotiation Summary

January 8, 2020

OIN	9736 9737
Owner	Charles F. Coster Real Estate Trust
Address	3518 2 nd Street East West Fargo, ND
Property Address	Unassigned, Mapleton Township ND
Represented by:	Attorney Dan Bueide
Property Type	Agriculture
Original Land Agent	Pat Roberts - ProSource
Current Land Agent	Scott Stenger - ProSource

Property Need: Channel Parcel.

Valuation and Negotiation Summary:

Appraisal Value / Date	\$448,000 (\$5,900/acre) April 2019
Counteroffer:	\$1,514,700 Leirness Appraisal / 09.23.2020
	\$1,500,000 for 75.89 acres (\$19,765/acre)
	\$14,700 for the TCE

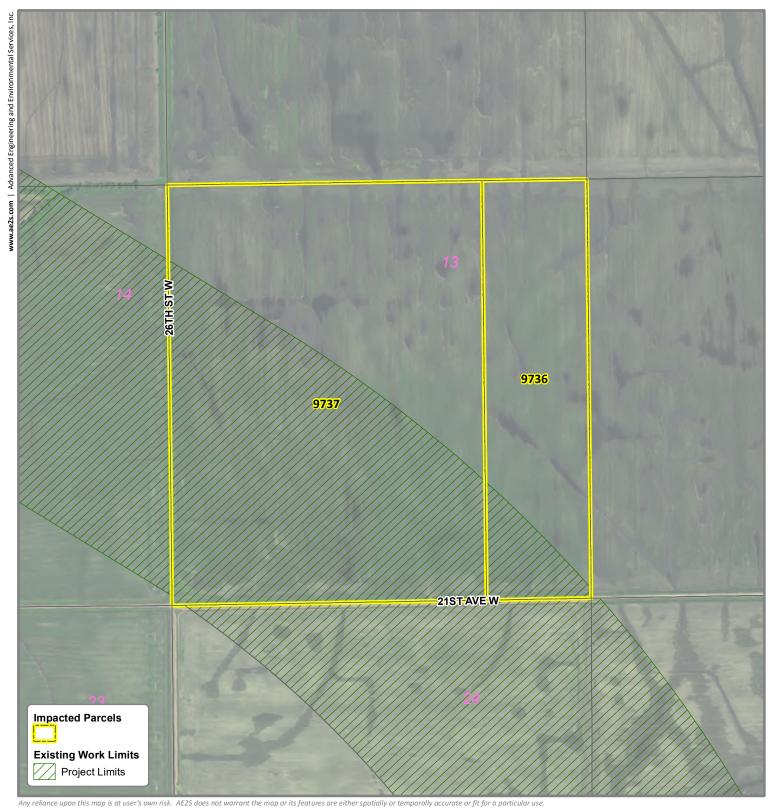
Negotiation Notes

- Land agent was originally Patrick Roberts from ProSource. Scott Stenger is now the land agent.
- OIN 9736 & 9737 are contiguous parcels located in the Township of Mapleton, approximately one mile west of West Fargo. The property is 161.84 acres and borders 21st Avenue Southwest along the south and 26th Street Southwest along the west. the City of West Fargo. No existing municipal sewer.
- 8-21-2019 Conversation with Barbara regarding appraisal and how to get the appraisal and offer letter and other documents to her.
- 8-27-2019 Offer letter and appraisal sent to Barbara in Seattle, WA.
- 9-17-2019 Received copies of signed GIN and offer letter for Charles Coster Real Estate Trust.
- 1-15-2020 Formal offer gets mailed.
- 2-5-2020 Agent received email with introduction to attorney Dan Bueide. Agent calls attorney
 Bueide and Attorney requests a list of other parcels in the area we have made offers on as well
 as the name of an appraiser.
- 2-28-2020 Agent emails a map with the information.
- 4-7-2020 Attorney calls and requests a copy of the initial offer letter. Agent emails letter.
- 4-30-2020 Agent receives an email from attorney advising that Covid has upset their schedules on the matter of the Coster properties. He has completed some preliminary work with an appraiser and will have a call with his clients to confirm they wish to proceed with their own appraisal. Expects to provide a counter-offer in six weeks.

- 5-20-2020 Agent emails attorney and requests confirmation of proceeding with their own appraisal.
- 5-22-2020 Agent receives a reply that they are indeed moving ahead with their own appraisal.
- 5-29-2020 Agent emails attorney with the Appraisal Services Statement of Work PDF.
- 6-19-2020 Agent email attorney and requests feedback on whether Barbara had received the formal offer. Requested an address for delivery.
- 6-26-2020 Agent receives a reply for attorney with three items. 1. Appraiser thinks he will be done July 10th. 2. Gave me a new address. 3. Barbara would consider some surplus land in exchange for compensation.
- 8-11-2020 Agent emails attorney checking in on progress of appraisal and any forthcoming counter-offer. Also sends along a map with locations and acres of land purchased by the Diversion.
- 8-14-20200 Agent receives an email from Barbara stating she has not received the appraisal yet and provides an updated address.
- 9-2-2020 Notice of intent reviewed for sending.
- 9-30-2020 Agent received an email from Attorney Dan Bueide that will serve as their counter-offer. Information to support the counter-offer includes an appraisal from Al Leirness.
- 10-2020 Appraisal has been reviewed internally and provided as supporting documentation to the Coster's counter-offer.

Page 5 of 32

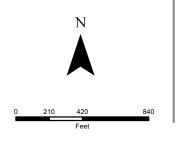
01/19/2021



All parcel acreages and legal descriptions shown hereon are based on County GIS data. Final acreages and legal descriptions to be determined by boundary survey.

Coordinate System: NAD 1983 StatePlane North Dakota South FIPS 3302 Feet | Produced by: hrecords - AE2S, Inc. |

C:\Data\Projects\GIS Projects\GIS Projects\FM Area Diversion\Projects\Land Acquisition\Project Work Package\!Project Wide\Individual Property Maps - General Inquiry\IndividualLayout8x10v105notdatadriven.mxd





Charles F. Coster Real Estate Trust Et. Al.

OINs: 9736 9737

Parcel ID's: 53-0000-09076-000, 53-0000-09075-000

Cass County, ND

FM AREA DIVERSION
Man Date: 8/12/2020

Map Date: 8/12/2020 Page 6 of 32



01/19/2021



August 27, 2019

Delivered Via Certified US Mail

Charles F. Coster Real Estate Trust C/O Barbara J. Coster Hertog & Coster, PLLC 1900 W. Nickerson St., Ste. 217 Seattle, WA 98119

RE: Offer to Purchase

Fargo-Moorhead Area Flood Diversion Project

Property Address: Unassigned, Mapleton Township ND

Property ID(s): 9736 & 9737 PID(s): 53-0000-09076-000 & 53-0000-09075-000

Dear Charles F. Coster Real Estate Trust:

Cass County Joint Water Resource District (CCJWRD) will be acquiring your properties located at Unassigned Address, Mapleton Township ND for the proposed construction of the Fargo-Moorhead Metropolitan Area Flood Risk Management Project for the purpose of diversion of flood water from the Red River and its tributaries around Fargo-Moorhead. CCJWRD has hired ProSource Technologies LLC as the consultant to aid in the acquisition of your property.

CCJWRD hereby makes an approved offer to all interested parties who may have an interest in the real estate rights to be acquired the sum of \$463,500.00. This offer is based on an independent appraisal by Compass Land Consultants, Inc.

You will have reasonable time to consider this offer. You are not required to move for at least 90 days after you have signed the purchase agreement. This offer to purchase is not considered final until the CCJWRD Board officially accepts the purchase agreement.

If you accept the offer, the parcels will be acquired by direct purchase, and you will be paid upon satisfactory evidence of marketable title. If you do not accept the offer, CCJWRD wishes to continue negotiating with you regarding purchase of your property. Ultimately, the properties may be acquired in an eminent domain proceeding if we cannot agree to the terms of the purchase within a reasonable time.

Your signature on page two (2) of this document is the only verification that this "Offer to Purchase" has been given to you. You also acknowledge that you have received the "Relocation Assistance" brochure, and a copy of the "Appraisal Report." Your signature does not affect your right to have the final amount determined through eminent domain proceedings in the event the direct purchase/negotiation method of acquisition is unsuccessful.

Page 2 Charles F. Coster Real Estate Trust Offer to Purchase Letter

Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) provides for 1)
The relocation advisory services; 2) payment for your moving expenses; and 3) replacement
housing payment. You may be reimbursed or paid for your actual reasonable moving costs and
related moving expenses. A notice of relocation eligibility letter will be provided to you that will
further explain these services. The URA is a non-negotiable federal assistance program that
provides funding for the above services.

I HEREBY ACKNOWLEDGE RECEIPT OF THE OFFER LETTER, THE GUIDE BOOK, AND COPY OF THE APPRAISAL REPORT.

Barhan Hester as Truster Name of the Charles F Coster Real estate Trust	9-12.2019 Date	
Name	Date	

OIN(s): 9736 & 9737 Project Parcel Number



VIA CERTIFIED MAIL AND UPS DELIVERY

July 8, 2020

Cass County Joint Water Resource District

Barbara J. Coster, Trustee Charles F. Coster Real Estate Trust 2814 W Hayes Street Seattle, WA 98199 Certified No. 7020 0090 0000 7648 4151

Greetings:

Dan Jacobson Chairman West Fargo, North Dakota

Rodger Olson Manager Leonard, North Dakota

Ken Lougheed Manager Gardner, North Dakota

Jacob Gust Manager Fargo, North Dakota

Keith Weston Manager Fargo, North Dakota RE: Cass County Joint Water Resource District

Fargo-Moorhead Area Diversion Project

Formal Negotiations and Written Offer of Just Compensation

OINs: 9736, 9737

Parcel Nos.: 53-0000-09076-000, 53-0000-09075-000

The Cass County Joint Water Resource District (the "District") is in the process of acquiring property interests necessary for the Fargo-Moorhead Area Diversion Project (the "Project"), and the District has been in discussions with you regarding right of way the District must acquire from you to accommodate the Project. The District directed me to provide you this letter as the District's formal offer to purchase right of way from you. More specifically, to accommodate the Project, the District must acquire right of way from you over property located in Cass County and identified as Parcel Identification Numbers 53-0000-09076-000 and 53-0000-09075-000. The legal description of the property to be acquired is:

That part of the Southwest Quarter (SW¼) of Section 13, Township 139 North, Range 50 West of the 5th Principal Meridian, Cass County, North Dakota, being further described as follows:

Beginning at the Southwest Corner of Section 13; thence N02°40'13"W on the west line of said SW¼ a distance of 2186.70 feet; thence S60°37'11"E a distance of 839.96 feet;

thence 2564.59 feet on the arc of a tangential curve, concave to the southwest, having a radius of 8600.00 feet, a central angle of $17^{\circ}05'10''$, and long chord length of 2555.10 feet bearing S52°04'36"E to the east line of said SW½; thence S02°36'39"E on said east line a distance of 63.37 feet to the Southeast Corner of said SW½; thence S87°00'20"W on the south line of said SW½ a distance of 2652.10 feet to the Point of Beginning.

Said parcel contains 75.89 acres, more or less, and is subject to all prior easements, reservations, restrictions, and conveyances of record.

Carol Harbeke Lewis Secretary-Treasurer

1201 Main Avenue West West Fargo, ND 58078-1301

701-298-2381 FAX 701-298-2397 wrd@casscountynd.gov casscountynd.gov Barbara J. Coster July 8, 2020 Page 2

Enclosed is an appraisal regarding the value of the right of way the District must acquire from you, as determined by a licensed North Dakota appraiser. As you can see from the appraisal, the appraiser indicated the value of the right of way the District must acquire from you is \$448,000.00. The District approved the appraisal and this letter is the District's offer to you in the amount of \$448,000.00 as just compensation to purchase right of way from you for the Project. If you are willing to accept the District's offer, please sign the enclosed *Purchase Agreement* and return it to the District in the enclosed self-addressed, stamped envelope.

You are encouraged to maintain contact with the land agent assigned to your property. Pat Roberts of ProSource Technologies, LLC can be reached at (763) 786-1445 or proberts@prosourcetech.com. Pat is your point of contact for getting answers to any questions you have about the Project and acquisition of right of way from you for the Project.

For your information, North Dakota law requires the District to provide you with a description of the District's negotiation timeline regarding your right of way. If you do not accept the District's offer of just compensation and do not return a signed purchase agreement within fifteen (15) days, the District will send you a written request to discuss the Project and required right of way to be acquired at an upcoming Cass County Joint Water Resource District meeting. Ultimately, the District must conclude all negotiations and complete all acquisitions by Fall 2020.

We look forward to reaching a mutually acceptable agreement to resolve this matter. Thank you for your consideration.

Sincerely,

CASS COUNTY JOINT WATER RESOURCE DISTRICT

Carol Harbeke Lewis Secretary-Treasurer

1201 Main Avenue West

West Fargo, ND 58078 (701) 298-2381

Lewisc@casscountynd.gov

Enclosures

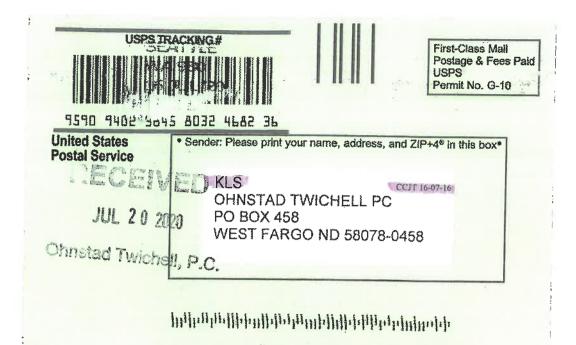
cc: Pat Roberts, Land Agent,

Eric Dodds, Program Manager, AE2S Chris McShane, Ohnstad Twichell, P.C.

Chad Peterson, Cass County Commission Chair Robert Wilson, Cass County Administrator

Birch Burdick, Cass County State's Attorney

Joel Paulsen, Executive Director, Diversion Authority











VIA UPS DELIVERY

Cass County Joint Water Resource District

September 2, 2020

Dan Jacobson Chairman West Fargo, North Dakota

Rodger Olson Manager Leonard, North Dakota

Ken Lougheed Manager Gardner, North Dakota

Jacob Gust Manager Fargo, North Dakota

Keith Weston Manager Fargo, North Dakota

Carol Harbeke Lewis Secretary-Treasurer

1201 Main Avenue West West Fargo, ND 58078-1301

701-298-2381 FAX 701-298-2397 wrd@casscountynd.gov casscountynd.gov Barbara J. Coster Trustee of the Charles F. Coster Real Estate Trust 14801 W. Lake Goodwin Road Stanwood, WA 98292

Greetings:

RE: Cass County Joint Water Resource District

Fargo-Moorhead Area Diversion Project

Request for Meeting OINs: 9736, 9737

Parcel Nos.: 53-0000-09076-000, 53-0000-09075-000

As you know, the Cass County Joint Water Resource District (the "District") is in the process of developing the Fargo-Moorhead Area Diversion Project (the "Project"). The District previously provided you a letter dated January 16, 2020, and July 13, 2020; a copy of the District's appraisal for the right of way needed from you; and a Purchase Agreement as the District's offer of just compensation to purchase the right of way from you. The District's letter specifically described the right of way the District must acquire from you for the Project. We have not received a signed Purchase Agreement from you, and we have not otherwise arrived at mutually acceptable terms regarding the District's purchase of right of way from you to accommodate the Project.

The District requests your attendance at a meeting to discuss the District's offer to purchase right of way from you. The District is meeting at 8:00 a.m. on September 10, 2020, and September 24, 2020. Over the next several months, District meetings will be conducted via conference call and District board members will not be attending in person. The requirements that a meeting room be available to the public and that a speakerphone or monitor be provided at a physical location under NDCC § 44-04-19 have been suspended indefinitely pursuant to Governor Burgum's Executive Order 2020-16; therefore, we request your attendance by telephone.

Barbara J. Coster OINs 9736, 9737 September 2, 2020 Page 2

The District hopes you will attend one of the above-mentioned meetings to discuss the Project and the right of way the District must acquire from you to accommodate the Project. If you would like to attend one of the meetings by phone, please contact me or Melissa Maertens at (701) 298-2381 at least 24 hours in advance of the meeting so the necessary arrangements can be made and the call-in information provided to you.

Please continue to maintain contact and negotiate with the land agent assigned to your property. **Patrick Roberts** of ProSource Technologies, LLC is your point of contact for getting answers to any questions you have about the Project. Pat can be reached at **(763) 786-1445** or **proberts@prosourcetech.com**.

North Dakota law requires the District to provide you with a description of the District's negotiation timeline regarding your right of way. The District must conclude all negotiations and complete the acquisition of right of way necessary for construction of Project components on your property by Fall of 2020.

The District hopes you will attend one of the upcoming District meetings to discuss the Project and the required right of way. The District looks forward to meeting with you.

Sincerely,

CASS COUNTY JOINT WATER RESOURCE DISTRICT

Carol Harbeke Lewis

Secretary-Treasurer 1201 Main Avenue West

West Fargo, ND 58078

(701) 298-2381

lewisc@casscountynd.gov

cc: Daniel A. Bueide, Bueide Law Firm, LLC

Patrick Roberts, Land Agent

Eric Dodds, Program Manager, AE2S

Chris McShane, Ohnstad Twichell, P.C.

Chad Peterson, Chair, Cass County Commission

Robert Wilson, Cass County Administrator Birch Burdick, Cass County State's Attorney

Joel Paulsen, Executive Director, Diversion Authority

Proof of Delivery



Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

 Tracking Number
 Weight

 1ZY93E24A806075253
 1.00 LBS

Service Shipped / Billed On

UPS Ground 09/02/2020

Additional Information

Adult Signature Required

Delivered On Received By

09/05/2020 11:00 A.M. HERTOG

Delivered To

14801 W LAKE GOODWIN RD STANWOOD, WA, 98292, US ——~.

Left At Residential

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 09/09/2020 9:30 A.M. EST

Print this page



VIA UPS DELIVERY

Cass County Joint Water Resource District

October 7, 2020

Dan Jacobson Chairman West Fargo, North Dakota

Stan ota Gree

Rodger Olson Manager Leonard, North Dakota

Ken Lougheed Manager Gardner, North Dakota

Jacob Gust Manager Fargo, North Dakota

Keith Weston Manager Fargo, North Dakota

Carol Harbeke Lewis Secretary-Treasurer

1201 Main Avenue West West Fargo, ND 58078-1301

701-298-2381 FAX 701-298-2397 wrd@casscountynd.gov casscountynd.gov Barbara J. Coster
Trustee of the Charles F. Coster Real Estate Trust
14801 W. Lake Goodwin Road
Stanwood, WA 98292

Greetings:

RE: Cass County Joint Water Resource District

Fargo-Moorhead Area Diversion Project

NOTICE OF INTENT TO TAKE POSSESSION OF RIGHT OF WAY

OINs: 9736, 9737

Parcel Nos. 53-0000-09076-000, 53-0000-09075-000

As you know, the Cass County Joint Water Resource District (the "District") is in the process of developing the Fargo-Moorhead Area Diversion Project (the "Project"). On behalf of the District, I previously provided you a letter dated July 8, 2020, a copy of the District's appraisal for your right of way, and a Purchase Agreement as the District's offer of just compensation to purchase the right of way from you. In addition, I also provided you a letter dated September 2, 2020, to invite you to meet with the District for purposes of discussing the acquisition of your land. The parties have conducted the informal and formal negotiation procedures required by law but, unfortunately, the parties have not yet reached a mutually-acceptable agreement regarding compensation for the District's purchase of the right of way from you to accommodate the Project.

This letter is the District's NOTICE OF INTENT TO TAKE POSSESSION OF RIGHT OF WAY. If we do not have an agreement, the District will be requesting approval from the Cass County Commission to take possession of a right of way easement over your property. Cass County will provide you with at least 30 days' notice of a public meeting and will invite you to the meeting to discuss the District's request.

This NOTICE does not preclude the parties from continuing negotiations. The District still hopes the parties can arrive at a mutually-acceptable agreement.

Barbara J. Coster OINs 9736, 9737 October 7, 2020 Page 2

You are encouraged to maintain contact with the land agent assigned to your property. Patrick Roberts of ProSource Technologies, LLC can be reached at (319) 899-0433 or proberts@prosourcetech.com. Patrick is your point of contact for getting answers to any questions you have about the Project and acquisition of right of way from you for the Project.

North Dakota law requires the District to provide you with a description of the District's negotiation timeline regarding your right of way. Ultimately, the District must conclude all negotiations and complete all acquisitions by Fall 2020.

Sincerely,

CASS COUNTY JOINT WATER RESOURCE DISTRICT

Carol Harbeke Lewis

Secretary-Treasurer 1201 Main Avenue West

West Fargo, ND 58078

(701) 298-2381

lewisc@casscountynd.gov

cc: Daniel A. Bueide, Bueide Law Firm, LLC

Patrick Roberts, Land Agent

Chris McShane, Ohnstad Twichell, P.C.

Chad Peterson, Chair, Cass County Commission

Robert Wilson, Cass County Administrator

Birch Burdick, Cass County State's Attorney

Eric Dodds, Program Manager, AE2S

Joel Paulsen, Executive Director, Diversion Authority

Proof of Delivery

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Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

 Tracking Number
 Weight

 1ZY93E24A815647270
 1.00 LBS

Service Shipped / Billed On

UPS Ground 10/07/2020

Additional Information

Adult Signature Required

Delivered On Received By

10/12/2020 10:00 A.M. COSTER

Delivered To

14801 W LAKE GOODWIN RD STANWOOD, WA, 98292, US Bris

Left At Residential

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 10/15/2020 9:42 A.M. EST

Print this page



SENT VIA EMAIL wilsonro@casscountynd.gov

Cass County Joint Water Resource

November 13, 2020

District

Robert Wilson Cass County Administrator Cass County Commission 211 9th Street S

Dan Jacobson Chairman West Fargo, North Dakota Fargo, ND 58103

Rodger Olson Manager Leonard, North Dakota Greetings:

Ken Lougheed Manager

RE: Cass County Joint Water Resource District Fargo-Moorhead Area Diversion Project

Gardner, North Dakota

Request for Approval to Take Possession of Necessary Right of Way OINs: 9736, 9737

Parcel Nos.: 53-0000-09075-000, 53-0000-09076-000

Jacob Gust Manager Fargo, North Dakota

Keith Weston Manager Fargo, North Dakota As you know, the Cass County Joint Water Resource District (the "District") is in the process of acquiring the right of way necessary for the Fargo Moorhead Diversion Area Project ("Project"). I previously copied you on the following three letters whereby the District sought to negotiate the acquisition of the right of way from Barbara J. Coster, as Trustee of the Charles F. Coster Real Estate Trust under the Declaration of Trust dated September 26, 2009 (the "Landowner"):

- Letters dated January 16, 2020, July 8, 2020, and July 13, 2020, enclosing the District's appraisal for the acquisition of the right of way from the Landowner and a proposed Purchase Agreement;
- Letters dated August 14, 2020, and September 2, 2020, inviting the Landowner to meet with the District for purposes of negotiating compensation for the right of way to be acquired; and
- Letter dated October 7, 2020, notifying the Landowner the District planned to submit a request to the Cass County Commission seeking immediate possession of the right of way necessary for the Project.

Carol Harbeke Lewis Secretary-Treasurer

1201 Main Avenue West West Fargo, ND 58078-1301

701-298-2381 FAX 701-298-2397 wrd@casscountynd.gov casscountynd.gov

Robert Wilson November 13, 2020 Page 2

The District has conducted months of negotiations with the Landowner to arrive at a mutually acceptable agreement for the District's purchase. More specifically, the District engaged in both informal and formal negotiations with the Landowner, as required under N.D. Cent. Code § 61-16.1-09(2)(b), in an effort to reach agreement regarding fair compensation to the Landowner for the acquisition of the necessary right of way in, on, over, across, and through certain property owned by the Landowner in Cass County, North Dakota. The legal description of the necessary right of way is as follows:

Right of Way Easement:

That part of the Southwest Quarter (SW¼) of Section 13, Township 139 North, Range 50 West of the 5th Principal Meridian, Cass County, North Dakota, being further described as follows:

Beginning at the Southwest Corner of Section 13; thence N02°40'13"W on the west line of said SW¼ a distance of 2186.70 feet; thence S60°37'11"E a distance of 839.96 feet; thence 2564.59 feet on the arc of a tangential curve, concave to the southwest, having a radius of 8600.00 feet, a central angle of 17°05'10", and long chord length of 2555.10 feet bearing S52°04'36"E to the east line of said SW¼; thence S02°36'39"E on said east line a distance of 63.37 feet to the Southeast Corner of said SW¼; thence S87°00'20"W on the south line of said SW¼ a distance of 2652.10 feet to the Point of Beginning.

Said parcel contains 75.89 acres, more or less, and is subject to all prior easements, reservations, restrictions, and conveyances of record.

As you may recall, in 2017, the North Dakota Legislature modified the process for water resource districts to acquire immediate possession of right of way necessary for water projects; the new process is set forth in Section 61-16.1-09(2)(b). The District has followed all of the necessary steps under the statute, but the parties have not reached a mutually acceptable agreement. Under the new acquisition process enumerated in Section 61-16.1-09(2)(b)(3), the District must next seek the County Commission's approval to proceed further, and to ultimately utilize quick take eminent domain to take possession of the right of way above to commence the Project.

More specifically, Section 61-16.1-09(2)(b)(3) requires the County Commission to hold a public meeting and to provide the Landowner no less than thirty days' notice of the meeting. The District will also attend the meeting, along with a representative of the land firm which was the Landowner's main point of contact throughout the negotiation process. Prior to the public meeting, the land firm representative and the District will verify neither the District nor any of its agents referenced or threatened quick take eminent domain during the informal and formal negotiation process.

Robert Wilson November 13, 2020 Page 3

While the District takes all landowners' rights very seriously, the District also has an obligation, as a member of the Metro Flood Diversion Authority, to acquire the right of way necessary for the Project, and construction of the Project will not be possible without acquiring the right of way identified above. As the District will explain and verify for the Commission in more detail through this process, the District provided the Landowner with the District's appraisal as the starting point for negotiations, then attempted to negotiate further with the Landowner over the course of several months. This step is not one the District takes lightly; quick take eminent domain is a serious undertaking, and the District has negotiated in good-faith with the Landowner to avoid this process. Despite the District's efforts to be fair, friendly, and flexible in both the informal and formal negotiations with the Landowner, unfortunately, the parties have not reached a mutually acceptable agreement for the acquisition of the right of way.

The District respectfully requests that the Cass County Commission proceed with the public meeting process under Section 61-16.1-09(2)(b)(3) regarding the Landowner and the right of way identified in this letter. Further, the District respectfully requests that the Cass County Commission ultimately approve the District's use of quick take eminent domain to take possession of the right of way identified above by quick take eminent domain so the Project may proceed. For your information, while the County conducts the process under Section 61-16.1-09(2)(b)(3), the District still hopes the parties can arrive at a mutually-acceptable agreement.

Sincerely,

CASS COUNTY JOINT WATER RESOURCE DISTRICT

Carol Harbeke Lewis
Secretary-Treasurer

1201 Main Avenue West

West Fargo, ND 58078

(701) 298-2381

lewisc@casscountynd.gov

cc: Patrick Roberts, Land Agent

Chris McShane, Ohnstad Twichell, P.C.

Birch Burdick, Cass County State's Attorney
Joel Paulsen, Executive Director, Diversion Authority

Eric Dodds, AE2S Program Manager

Sharon Oliver, Ohnstad Twichell, P.C.

Heather Worden, Administrative Assistant, Cass County Commission



Board of County Commissioners

Chad M. Peterson Fargo, North Dakota

Rick Steen Fargo, North Dakota

Jim Kapitan Fargo, North Dakota

Duane Breitling West Fargo, North Dakota

Mary Scherling Stanley Township, North Dakota December 9, 2020

VIA UPS - DELIVERY CONFIRMATION

Barbara J. Coster Trustee of the Charles F. Coster Real Estate Trust 14801 W. Lake Goodwin Road Stanwood, WA 98292

Re: Cass County Commission

Fargo-Moorhead Area Diversion Project

Invitation to Attend Public Meeting

OINs: 9736, 9737

Parcel Nos.: 53-0000-09075-000, 53-0000-09076-000

UPS Tracking No. 1Z F51 82Y 25 9668 6207

Greetings:

As you know, the METRO FLOOD DIVERSION AUTHORITY (the "Authority") is proceeding with the Fargo Moorhead Area Diversion Project ("Project"); the Cass County Commission (the "Commission") is a member of the Authority. The Cass County Joint Water Resource District (the "District") is also a member of the Authority, and the Authority previously directed the District to obtain the North Dakota right of way easement necessary to accommodate the Project. You have been in negotiations with the District and its agents regarding the right of way easement the District must acquire from you for the Project. The District copied the Commission on the following letters the District sent to you regarding the District's negotiations with you:

- Letter dated January 16, 2020, July 8, 2020 and July 13, 2020, enclosing the District's appraisal for the acquisition of the right of way easement from you, along with a proposed Purchase Agreement;
- Letter dated August 14, 2020 and September 2, 2020, inviting you to meet with the District for purposes of negotiating compensation for the right of way easement to be acquired; and
- Letter dated October 7, 2020, notifying you the District planned to submit a request to the Commission seeking immediate possession of the right of way easement necessary for the Project.

P.O. Box 2806 211 9th Street South Fargo, North Dakota 58108 701-241-5609 www.casscountynd.gov Barbara J. Coster, Trustee December 9, 2020 Page 2

The District informed the Commission that you and the District have not reached a mutually-acceptable agreement, and have not signed a purchase agreement, regarding the right of way easement the District must purchase from you to accommodate the Project. With that in mind, the District recently requested approval from the Commission to utilize quick take eminent domain to take possession of the right of way easement the District must acquire from you. The legal description of the necessary right of way easement is as follows:

Right of Way Easement:

That part of the Southwest Quarter (SW¼) of Section 13, Township 139 North, Range 50 West of the 5th Principal Meridian, Cass County, North Dakota, being further described as follows:

Beginning at the Southwest Corner of Section 13; thence N02°40'13"W on the west line of said SW¼ a distance of 2186.70 feet; thence S60°37'11"E a distance of 839.96 feet;

thence 2564.59 feet on the arc of a tangential curve, concave to the southwest, having a radius of 8600.00 feet, a central angle of 17°05'10", and long chord length of 2555.10 feet bearing S52°04'36"E to the east line of said SW¼; thence S02°36'39"E on said east line a distance of 63.37 feet to the Southeast Corner of said SW¼; thence S87°00'20"W on the south line of said SW¼ a distance of 2652.10 feet to the Point of Beginning.

Said parcel contains 75.89 acres, more or less, and is subject to all prior easements, reservations, restrictions, and conveyances of record

The Commission invites you to attend the Commission's meeting on January 19, 2021 at 3:30 p.m. The District will also participate in the meeting, along with a representative of the land firm which was your primary point of contact throughout the negotiation process. At the meeting, the Commission will ask the District to verify the District's compliance with Section 61-16.1-09(2) of the North Dakota Century Code. The Commission will ultimately vote on whether to approve the District's use of quick take eminent domain to take a right of way easement over your property.

If you wish to participate in the Commission's January 19, 2021 public meeting via conference call or Microsoft Teams, please contact Heather Worden at (701) 241-5609 or wordenh@casscountynd.gov as soon as possible so Ms. Worden can assist you with the necessary arrangements.

This Notice does not preclude you from continuing to work with the District regarding the right of way easement necessary for the Project. In fact, the Commission and the District encourage you to maintain contact with Scott Stenger and to continue discussions about the Project. Scott Stenger of **ProSource Technologies**, **LLC** is your point of contact regarding the Project. You can reach Scott Stenger at (763) 786-1445 or

Barbara J. Coster, Trustee December 9, 2020 Page 3

sstenger@prosourcetech.com. Pat Roberts is no longer working for ProSource, so Scott Stenger will serve as your Land Agent from ProSource going forward.

Finally, North Dakota law requires the Commission to provide you with a description of the District's timeline regarding your right of way easement. The District must complete the acquisition of right of way necessary for construction of Project components on your property by Winter of 2020/2021.

Sincerely,

CASS COUNTY COMMISSION

20 WWW

Robert Wilson, Cass County Administrator

Cass County Commission 211 Ninth Street South Fargo, ND 58103 (701) 241-5609

cc: Scott Stenger, Land Agent

Daniel A. Bueide, Bueide Law Firm, LLC Birch Burdick, Cass County State's Attorney

Joel Paulsen, Executive Director, Diversion Authority

Chris McShane, Ohnstad Twichell, P.C. Eric Dodds, AE2S Program Manager Sharon Oliver, Ohnstad Twichell, P.C.

Heather Worden, Administrative Assistant, Cass County Commission

Proof of Delivery

Dear Customer,

This notice serves as proof of delivery for the shipment listed below.

Tracking Number

1ZF5182Y2596686207

Weight

1.00 LBS

Service

UPS Next Day Air® with UPS Carbon Neutral Ø

Shipped / Billed On

12/08/2020

Delivered On

12/10/2020 11:33 A.M.

Delivered To

STANWOOD, WA, US

Left At

Front Door

Thank you for giving us this opportunity to serve you. Details are only available for shipments delivered within the last 120 days. Please print for your records if you require this information after 120 days.

Sincerely,

UPS

Tracking results provided by UPS: 12/10/2020 3:46 P.M. EST

AFFIDAVIT OF LAND AGENT

STATE OF MINNESOTA)

COUNTY OF ANALY

STATE OF MINNESOTA

STATE OF

- [¶1] I, Scott Stenger, do hereby state on oath:
- [¶2] I am employed by ProSource Technologies, LLC as Vice President/Land Agent. The Cass County Joint Water Resource District ("the District") hired ProSource Technologies, LLC to negotiate and acquire the necessary right of way for the Fargo-Moorhead Area Diversion Project (the "Project").
- [¶3] The District must acquire certain interest in real property from Barbara J. Coster, as Trustee of the Charles F. Coster Real Estate Trust under the Declaration of Trust dated September 26, 2009, ("Landowner") for construction, operation, and maintenance of the Project.
- [¶4] Landowner's real property where the District must acquire a Right of Way for the Project located in Cass County, North Dakota, is more fully described as follows:

OINs 9736, 9737

That part of the Southwest Quarter (SW¼) of Section 13, Township 139 North, Range 50 West of the 5th Principal Meridian, Cass County, North Dakota, being further described as follows:

Beginning at the Southwest Corner of Section 13; thence N02°40'13"W on the west line of said SW¼ a distance of 2186.70 feet; thence S60°37'11"E a distance of 839.96 feet; thence 2564.59 feet on the arc of a tangential curve, concave to the southwest, having a radius of 8600.00 feet, a central angle of 17°05'10", and long chord length of 2555.10 feet bearing S52°04'36"E to the east line of said SW¼; thence S02°36'39"E on said east line a distance of 63.37 feet to the Southeast Corner of said SW¼; thence S87°00'20"W on the south line of said SW¼ a distance of 2652.10 feet to the Point of Beginning.

Said parcel contains 75.89 acres, more or less, and is subject to all prior easements, reservations, restrictions, and conveyances of record

The property described above is the "Necessary Property."

[¶5] Affiant is familiar with the records maintained by ProSource Technologies, LLC with respect to the Necessary Property and has reviewed all such records prior to executing this affidavit.

[¶6] ProSource Technologies, LLC has attempted to negotiate with Landowner to acquire the Necessary Property. Attached as **Exhibit A** is a log of all contacts ProSource Technologies, LLC has had with Landowner.

[¶7] The District has instructed ProSource Technologies, LLC to refrain from referencing, mentioning, or threatening quick take eminent domain during negotiations since August 1, 2017.

[¶8] I verify to the best of my knowledge, as Vice President/Land Agent of ProSource Technologies, LLC, nobody from ProSource Technologies, LLC has referenced, mentioned, or threatened quick take eminent domain to Landowner during negotiations since August 1, 2017.

Dated this 29th day of DECEW262, 2020.

Scott Stenger
Vice President/Land Agent

Subscribed to and sworn to before me this 29 day of December, 20 20.

EUGENE ALBERT SCHOMMEN NOTARY PUBLIC - MRE-ESO JA My Commission Explans (FAUARY 31, 2023) Eugene a. Schommu

Notary Public, County of Anoka

State of Minnesofa

My Commission Expires: 1-31-2003

(SEAL)

"Exhibit A"

Land agent is Patrick Roberts from ProSource.

OIN 9736 & 9737 are contiguous parcels located in the Township of Mapleton, approximately one mile west of West Fargo. The property is 161.84 acres and borders 21st Avenue Southwest along the south and 26th Street Southwest along the west. the City of West Fargo. No existing municipal sewer.

Conversation with Barbara regarding appraisal and how to get the appraisal and offer letter and other documents to her.

8/21/2019

- 8/27/2019 Offer letter and appraisal sent to Barbara in Seattle, WA.
- 9/17/2019 Received copies of signed GIN and offer letter for Charles Coster Real Estate Trust.
- 1/15/2020 Formal offer gets mailed.

Agent received email with introduction to attorney Dan Bueide. Agent calls attorney Bueide and Attorney requests a list 2/5/2020 of other parcels in the area we have made offers on as well as the name of an appraiser.

- 2/28/2020 Agent emails a map with the information.
- 4/7/2020 Attorney calls and requests a copy of the initial offer letter. Agent emails letter.

Agent receives an email from attorney advising that Covid has upset their schedules on the matter of the Coster properties. He has completed some preliminary work with an appraiser and will have a call with his clients to confirm they wish to proceed with their own appraisal. Expects to provide a counter-offer in six weeks.

4/30/2020

- 5/20/2020 Agent emails attorney and requests confirmation of proceeding with their own appraisal.
- 5/22/2020 Agent receives a reply that they are indeed moving ahead with their own appraisal.
- 5/29/2020 Agent emails attorney with the Appraisal Services Statement of Work PDF.

Agent email attorney and requests feedback on whether Barbara had received the formal offer. Requested an address 6/29/2020 for delivery.

Agent receives a reply for attorney with three items. 1. Appraiser thinks he will be done July 10th. 2. Gave me a new 6/26/2020 address. 3. Barbara would consider some surplus land in exchange for compensation.

Agent emails attorney checking in on progress of appraisal and any forthcoming counter-offer. Also sends along a map 8/11/2020 with locations and acres of land purchased by the Diversion.

- 8/14/2020 Agent receives an email from Barbara stating she has not received the appraisal yet and provides an updated address.
- 9/2/2020 Notice of intent reviewed for sending.
- Agent received an email from Attorney Dan Bueide that will serve as their counter-offer. Information to support the 9/30/2020 counter-offer includes an appraisal from Al Leirness.
 - Oct-20 Appraisal has been reviewed internally and provided as supporting documentation to the Coster's counter-offer.
- 11/12/2020 Counter-offer from Coster's presented by attorney Dan Buiede to the CCJWRD board.
- 11/30/2020 Received confirmation that I can present an updated written offer along with sending the appraisal to Dan for review.
- 11/30/2020 Agent sent an email to attorney Dan with the updated appraisal attached and the updated offer.
- 12/3/2020 New Agent Stenger/Ahlsten
- 12/9/2020 Cass Co Commission Meeting Invite sent for 1/19/21 @ 3:30 p.m.
- Atty D. Bueide responds re: response to recent offer and confusion as to easement vs. fee acquisition. Advised to contact 12/10/2020 Stenger with questions.

Land Agent Scott Stenger from ProSource

12/17/2020 Received email from D. Bueide and exchanged contact information. Set call for 12.18.

Had call with D. Bueide. Discussed big picture items in valuation of the property and the position of his client on the 12/18/2020 property. Set call for next week.

- 12/21/2020 In depth review of our appraisal and owner's appraisal.
- 12/22/2020 D. Buiede updated that he had conversation with his client and we set a call for tomorrow.

Had detailed conversation with D. Bueide on appraisal valuations. Mr. Buiede confirmed they owner does not want to sell land outside of area needed for project. They are willing to negotiate, but feel our appraisal valuation is low. Our current offer is the amount of the updated appraisal. The difference in the amounts in the two appraisals is too far apart to expect negotiations to reach a settlement within the Board's parameters. We ended the call with an agreement that 12/23/2020 "we agree to disagree on value" and Mr. Buiede is looking for a counter offer from the Board as the next step. 12/23/2020 Summary of Appraisal Differences.

1) Our appraiser valued the property as farmland with future development potential in both the before and after; the owner's appraiser valued the property as immediately developable in the before and in the after the property will only have future development potential; 2) Our appraiser considered the quarter section farm parcel as the "larger parcel" in the appraisal to identify and value damage to the remainder of the property. The owner's appraisal include the adjoining quarter section parcel to the east as part of the "larger parcel"; 3) Our appraiser uses the appraisal standard of ignoring project influence on property value; their appraiser uses a section in USPAP to state that when the Project Plan B was approved, project influence as to value can be used and backdated property condittions to 2008.

In review of the contact notes, discussions with the owner's attorney and the Board's previous decision on other properties with similar valuation arguments, there does not seem to be a path forward to arrive at a reasonable 12/29/2020 voluntary settlement on value at this time.

AFFIDAVIT OF DAN JACOBSON FOR CASS COUNTY COMMISSION

STATE OF NORTH DAKOTA)
) ss
COUNTY OF CASS)

- [¶1] I, Dan Jacobson, do hereby state on oath:
- [¶2] I serve as Chair of the Cass County Joint Water Resource District ("the District").
- [¶3] As a member of the Metro Flood Diversion Authority, the District is responsible for acquiring the right of way in North Dakota necessary to accommodate the Fargo-Moorhead Area Diversion Project (the "Project").
- [¶4] The District has concluded acquisition of a Right of Way Easement in and to real property owned by Barbara J. Coster, as Trustee of the Charles F. Coster Real Estate Trust under the Declaration of Trust dated September 26, 2009 ("Landowner") is necessary for the Project.
 - [95] State and federal funds have been made available for the Project.
- [¶6] The real property owned by Landowner where a Right of Way Easement must be acquired by the District for the Project is located in Cass County, North Dakota, more fully described as follows:

OINs 9736, 9737

That part of the Southwest Quarter (SW½) of Section 13, Township 139 North, Range 50 West of the 5th Principal Meridian, Cass County, North Dakota, being further described as follows:

Beginning at the Southwest Corner of Section 13; thence N02°40'13"W on the west line of said SW¼ a distance of 2186.70 feet; thence S60°37'11"E a distance of 839.96 feet; thence 2564.59 feet on the arc of a tangential curve, concave to the southwest, having a radius of 8600.00 feet, a central angle of 17°05'10", and long chord length of 2555.10 feet bearing S52°04'36"E to the east line of said SW¼; thence S02°36'39"E on said east line a distance of 63.37 feet to the Southeast Corner of said SW¼; thence S87°00'20"W on the south line of said SW¼ a distance of 2652.10 feet to the Point of Beginning.

Said parcel contains 75.89 acres, more or less, and is subject to all prior easements, reservations, restrictions, and conveyances of record.

- [¶7] The District has fulfilled the required negotiation steps in accordance with subsection 2 of section 61-16.1-09 of the North Dakota Century Code.
- [¶8] The District sent a written offer of just compensation to Landowner by certified mail and UPS, along with an appraisal and purchase agreement, on July 8, 2020. A copy of the offer (without the appraisal that was included) is attached as **Exhibit 1**.
- [¶9] On September 2, 2020, the District sent Landowner a written request for a meeting, by UPS; the District and Landowner have not reached an agreement regarding compensation, and more than fifteen days have passed since Landowner's receipt of the offer. A copy of the written request for a meeting with Landowner is attached as **Exhibit 2**.
- [¶10] The District and Landowner have not reached an agreement regarding compensation, and more than thirty days have passed since Landowner's receipt of the request for a meeting.
- [¶11] On October 7, 2020, the District sent Landowner a written notice of intent to take possession of the Right of Way Easement, by UPS. A copy of the notice of intent is attached as **Exhibit 3**.
- [¶12] The District has retained land agents who are in direct contact with Landowner. The District instructed our land agents not to reference, mention, or threaten quick take eminent domain during negotiations. The land agents have verified they have not referenced, mentioned, or threatened quick take eminent domain during the course of negotiations with Landowner since August 1, 2017.
- [¶13] I verify there have been no references, mention, or threats of quick take eminent domain by the District during negotiations since August 1, 2017.

Dated this 30th day of December, 2010.
Jan Andre
Dan Jacobson, Chair
Cass County Joint Water Resource District
Subscribed to and sworn to before me this 30th day of Nearnber, 2020.
Notary Public State of North Dakota And Commission Explore Lity 3, 2024
Notary Public, Cass County, State of North Dakota
(SEAL)