Fredrikson & BYRON, P.A.

April 13, 2016

PERSONAL AND CONFIDENTIAL
ATTORNEY-CLIENT COMMUNICATION

Rocky Schneider
Advanced Engineering and
Environmental Services, Inc. (AE2S)
4170 28th Ave. So.
Fargo, ND 58104

Re: Engagement Letter for Minnesota Government Relations Services
2016-2018

Dear Rocky:

Thank you for selecting Fredrikson & Byron, P.A. to represent the Diversion Board of Authority, also known as, FM Flood Diversion Authority ("Authority") in this matter. We appreciate this opportunity to be of service.

Scope of Representation
In representing the Authority, it is important to note that when we represent an entity like the Authority, we represent only the Authority and are not undertaking to represent its members, individual governing board members, volunteers, employees, or affiliated organizations, unless we have a separate agreement to do so.

Term of Agreement
The term of this Agreement shall begin on July 1, 2016 and end on June 30, 2018.

Scope of Services
The Authority has retained us to provide government relations services as follows:

1. Assist in the development and execution of a legislative and executive branch strategy, including a development of a timeline of activities related to potential State funding that would include the development, with the Authority, of a government

relations work plan that identifies the goals, timelines, and outcomes for Fredrikson in its representation of the Authority under this Agreement.

2. Monitor Minnesota legislative activities that may impact the Authority and its strategic goals;

3. Develop and maintain positive working relationships with the Minnesota legislators that consistent with the strategic plan that may include both in-district meetings and meetings at the capitol;

4. Serve as an initial contact for the Authority with Minnesota policy makers, and introduce Fredrikson as the contact for the Authority with leadership of committees that may have an impact on the strategic plan;

5. Monitor the Department of Natural Resources (DNR) Environmental Impact Statement (EIS) process and milestones;

6. As requested by the Authority, meet with DNR technical staff, project management team, and consultants (Wenck) as necessary to monitor EIS adequacy determination and issuance of a permit and represent the Authority interests with the Authority providing specific items to monitor and areas of concern;

7. In coordination with the Authority, organize meetings with the DNR Executive Leadership including the Commissioner, and/or appropriate Deputy or Assistant Commissioners to discuss policy and program management issues as needed;

8. In coordination with the Authority, organize meeting with Executive Branch to discuss topics related to the issuance of a high hazard dam permit;

9. Provide assistance as directed by the Authority on Adequacy Determination and high hazard dam permit issuance issues; and,

10. Perform other services as agreed to by Fredrikson & Byron and the Authority.

Any and all services not set forth above are specifically excluded. Payment for excluded services are not included in the flat fee, but may be performed for an additional fee as mutually agreed to by Fredrikson & Byron and the Authority.

Responsible Lobbyist

Kevin Goodno will serve as the primary contact between the Authority and Fredrikson & Byron. Fredrikson & Byron shall ensure its compliance with state lobbying laws with regard to its work for the Authority. Specifically, when determined necessary under Minnesota law, Fredrikson &

Byron shall register as a reporting and designated lobbyist for the Authority, and shall file all reports as required by the Minnesota Campaign Finance and Public Disclosure Board.

Communication

We will keep you informed of the status of our work for the Authority. We will send copies of significant correspondence to you for the purpose of keeping you informed about the progress of the Authority work. When appointed, the Executive Director of the Authority will serve as primary contact on behalf of the Authority. Until then, a representative of the Authority's Program Management Consultant, Rocky Schneider, shall serve in that capacity.

During the term of this Agreement Fredrikson & Byron shall:

1. Report directly to the Diversion Authority's identified primary contact.

2. Not be required to attend FM Diversion Board of Authority meetings in-person. However, if in-person meetings are agreed to outside of the seven county metropolitan area, the Authority shall reimburse travel expenses and travel and meeting time at the hourly rate of the personnel involved to Fredrikson & Byron;

3. Prepare regular reports on the execution of the strategic plan in a format and frequency required by the Authority; and,

4. Participate in regular monthly updates by phone call and other updates as needed to inform the Authority of progress made consistent with the strategic plan. The frequency and format of the updates may be modified as agreed to by the parties.

The Authority expressly agrees to allow Fredrikson & Byron to identify the Authority as a government relations client of Fredrikson & Byron in public communications including marketing materials. This paragraph shall survive the term of this Agreement, unless specifically revoked by the Authority.

Confidentiality

We will zealously protect and preserve the confidences and secrets you disclose to us. In preserving the confidentiality of client communications and information, it is important that we have your agreement on the methods we will use in communicating with you. Unless you tell us otherwise, you agree that it is appropriate to use mail, fax machines and emails in the course of our representation of you without encryption or other special measures. Please let us know if you have special requests or requirements for the methods of communication or persons to be included in such communications.

Cooperation and Assistance

You understand and agree that in order for us to represent you effectively, it is necessary for you to assist and cooperate with us. You agree to make yourself available to discuss issues as they arise in this matter; attend and participate in meetings, preparation sessions, court proceedings and other activities; and provide complete and accurate information and documents to us on a timely basis.

Fees and Expenses

Attached is our Agreement For Legal Services-Standard Client Billing Policy ("Agreement") which, along with this letter, establishes our agreement with the Authority. Please note that references in the Agreement to "Legal Services" should be read to mean "Government Relations Services". The terms set forth in the attached Agreement apply to our relationship with the Authority except to the extent modified by this letter. Please review the Agreement carefully.

We have agreed to handle this matter for the Authority on the basis of a monthly flat fee of $3,500. This means that all state government relations services provided by us in connection with this matter are covered by the fee. This fee is only for the services specifically identified above and does not include any other services provided by Fredrikson & Byron. The Authority shall also reimburse Fredrikson & Byron for expenses.

The fee shall be paid on a monthly basis with the first payment of $3,500 due on July 1, 2016 and remaining payments are due by the 1st of each subsequent month throughout the term of this Agreement.

You have the right to terminate our relationship and will be entitled to a refund of all or a portion of the flat fee if the agreed upon services have not been provided. In the case of termination, it is understood by the parties that the fee is earned at a rate of $3,500 per month during the term of this Agreement.

In addition to the flat fee, the Authority shall make payment to Fredrikson & Byron for the costs incurred for travel outside of the seven-county metropolitan area including mileage expenses reimbursed at the published IRS allowable rate; and, actual costs for food, lodging and other

expenses. All travel outside of the seven-county metropolitan area for which expense reimbursement will be claimed shall require prior approval by the Authority. In addition, other expenses that shall be reimbursed include long distance phone and conference call charges; copying charges and supply costs that are more than incidental or minor in nature; and, other expenses, necessary to fulfill the terms of this Agreement as agreed to by Fredrikson & Byron and the Authority.

Waiver

Given the scope of our business and the scope of our client representations in this region, it is possible that some of our current or future clients will have matters adverse to the Authority while we are representing you on the matter described in this Agreement. For example, we may represent one or more parties in a bankruptcy case, such as a creditor, official committee, debtor-in-possession, or lender, which may or will have interests that are materially adverse to you, or our current or future clients may have future business dealings with you, or may become involved in disputes, including litigation, against you. Our representation of other parties in such matters may include, for example, representing other parties in litigation adverse to you. Additionally, we do represent the City of Moorhead on state government relations matters.

You agree that, even though we undertake to represent you in this matter, we may continue to represent or may in the future represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse to you. We agree that no confidential information obtained in representing you will be used in any such other representation and, if requested by you in an appropriate situation, we will establish ethical screens to assure that such confidential information is not obtained or used by the attorneys working on other representations. You hereby consent to any conflict of interest that might arise from any such adverse representation(s) and agree not to seek to disqualify Fredrikson & Byron from such adverse representation or assert that such representation constitutes a conflict of interest where (1) the adverse representation does not involve the same or related matter as the engagement, and (2) we do not have confidential information or secrets from this engagement that would be material to the adverse representation.

Please sign and return to us the enclosed copy of this letter in order to confirm that it accurately reflects the scope, terms and conditions with respect to this engagement. However, please note that your instructing us or continuing to instruct us on this matter will constitute your full acceptance of the terms set out above and attached. If you would like to discuss any of these matters, please give me a call.

Again, thank you for the opportunity to assist you. Please do not hesitate to contact me if you have any questions or if I can be of further assistance.

Yours sincerely,

Kevin P. Goodno
Direct Dial: 612.492.7348
Email: kgoodno@fredlaw.com

Enclosure

Agreed: **Diversion Board of Authority**

By:_____ Date:_____

Its:_____

By:_____ Date:_____

Its:_____

FREDRIKSON & BYRON, P.A.

Agreement for Legal Services—Standard Client Billing Policy

This Standard Client Billing Policy, together with the engagement letter, contains the agreement ("Agreement") under which Fredrikson & Byron will provide legal services to you, as the client named in that engagement letter. This Agreement describes our standard billing policies and practices and will be applicable to all of your client matters unless otherwise agreed in writing.

Services. We will provide you the legal services described in the engagement letter and other legal services mutually agreed to in writing. In the event of a conflict between this Agreement and the engagement letter, the engagement letter will control. We only provide legal services. We do not provide, and you should not rely on us for, other services including but not limited to investment, finances, accounting, engineering, scientific, independent investigation (unless specifically agreed in the engagement letter), or business consulting services. We cannot, and you should not rely upon us to, express any opinion regarding financial statements or other financial information.

Fees. Unless otherwise agreed in writing, the cost of the legal services rendered will be based primarily on the amount of time expended and the applicable hourly rates of the person(s) rendering the services. Time is recorded in one-tenth hour increments; time increments less than six minutes may be rounded up to the nearest one-tenth hour. We may periodically adjust our hourly rates.

Service Charges and Disbursements. Except as provided below and unless otherwise agreed in writing, we will charge you, without markup, itemized charges from outside vendors (e.g. filing fees, expert witness fees, telephone toll charges, postage and courier charges, travel, etc.).

We will bill certain specific charges according to the following schedule, which is subject to periodic adjustment without prior notice: $.20/page for copying charges; $1.50/book for velo and spiral binding; and $1.00/page (plus any long distance telephone charges) for outgoing faxes. We will bill online computer research based on an allocation formula.

If we contract on your behalf for additional services to be provided by a third party vendor, you will be responsible for payment either directly to the third party or through us. We may request a retainer from you to cover such costs.

Billing. Unless otherwise agreed in writing, we generally bill fees, service charges and disbursements monthly. Invoices are due and payable within thirty (30) days after receipt. If you pay a retainer or other advance payment, other than a flat fee, we will deposit that amount in and make withdrawals from a trust account as required under applicable rules of professional conduct. Communications concerning disputed debts, including an instrument tendered as full satisfaction of a debt are to be sent to: Fredrikson & Byron, P.A., Attn: Credit Department, 200 South Sixth Street Suite 4000, Minneapolis, MN 55402. Subject to applicable law A LATE PAYMENT CHARGE UP TO 8% PER YEAR (OR THE MAXIMUM ALLOWABLE RATE, IF LOWER) MAY BE ADDED TO ANY UNPAID INVOICE OVER 30 DAYS PAST DUE.

Organizational Clients. With respect to all organizational clients, unless the engagement letter provides otherwise, our client is the organization identified in the engagement letter, and not any of its incorporators, promoters, organizers, shareholders, partners, members, directors, officers, employees, subsidiaries, parents or other affiliates. This means we will have no conflict of interest in the event our other clients are adverse to such parties who are not specifically identified as the client in the engagement letter.

Termination. Unless terminated earlier, our representation of you will terminate upon our sending our final statement for services rendered in connection with the matter identified in the engagement letter. You are free to terminate our services, with or without cause, upon written notice. We may also terminate our representation if you do not cooperate in the representation or pay our fees and expenses in a timely manner, or if we determine in our discretion that continuing to provide services would be unethical or impractical. If our representation terminates, all fees, service charges and disbursements incurred to that time will be due and payable. Upon timely written request, we will provide to you your records in our possession relating to the legal services performed by us for you, which does not include internal financial records, attorney notes, internal email, work papers, and other such documents. You agree to pay a reasonable fee for the cost of copying, retrieving and/or transferring your records. All records stored by us are subject to retention and destruction according to our records retention policy, and may be destroyed as early as six years after the termination of our engagement.

Collection. You agree to promptly pay our invoices. If you do not, you agree to pay collection costs and attorneys' fees incurred to collect payment of overdue invoices and interest allowed by law. We may obtain and perfect an attorneys' lien against documents, property, money or other rights, in accordance with applicable law.

Questions or Disputes. You should bring questions or disputes concerning our invoices to the attention of the attorney responsible for the legal services or our Finance Department promptly after receipt of the invoice.

Outcomes. We cannot guarantee a particular outcome. We may express our opinions periodically, but these are only our opinions and not guarantees or promises.

Confidentiality. We will protect your confidences and secrets. We will not disclose or use any confidential information we receive from you unless mandated by law or ethics rules.

Entire Agreement. This Agreement and the engagement letter represent the entire understanding between us and supersede and replace any and all prior agreements and negotiations concerning this engagement, including any outside counsel guidelines. This agreement and the engagement letter can be modified by writing signed by both you and us; provided, however, that we may periodically modify our Standard Client Billing Policy and our billing practices without prior notice.

Revised 10.04.13