

POLICY ON CROP DAMAGE PAYMENTS & LAND SURFACE ALTERATIONS

As outlined in the Access Agreement, Option Contract and Permanent Pipeline Easement, Garrison Diversion Conservancy District (“Garrison Diversion”) agrees to pay demonstrated crop damage incurred as part of the construction, installation, repair or maintenance of a water pipeline. This Policy is in effect for the lifetime of the Red River Valley Water Supply Project (“Project”). Landowners and/or tenants may receive damages over the course of several years if they establish multi-year losses. The crop damage payment is intended to provide reimbursement for income that would have been received by the landowner and/or tenant if Garrison Diversion had not caused the damage, including prevented planting.

Garrison Diversion will be responsible for measuring the crop damage areas. The landowner and/or tenant will provide information regarding the yield of the area damaged. Yield information can be provided in one of three forms, at the landowner and/or tenant’s option:

1. Documentation of the certified yield for the impacted field used for crop insurance purposes.
2. Documentation provided by the landowner/tenant to a crop insurance agent stating the current year’s yield for the field impacted.
3. Another mutually agreed upon method.

The crop damage payment will not necessarily be paid upon the best yield obtained on the parcel, as some areas that Garrison Diversion impacts may have yielded well while other areas may reflect impact by flooding, erosion or other problems. Therefore, the landowner and/or tenant will be required to provide his/her best reasonable estimate for the percent increase or decrease from the field yield certification to best reflect the yield of the area damaged by Garrison Diversion’s construction or maintenance operations.

Crop prices will be based on the contract or sale price if the crop has been contracted or sold, utilizing documentation provided by the landowner and/or tenant.

If the crop has not been sold or contracted by December 31 of the year damaged, the highest monthly average local market price for the period of August 1 of the year the crop was or would have been grown through March 31 of the following year will be used for payment purposes.

Payment for crop damage will be made within 30 days after Garrison Diversion and the landowner and/or tenant have reached agreement on the amount of the damage.

If the landowner and/or tenant and Garrison Diversion are unable to agree on the area of damage, yield or price, the parties will identify a mutually agreeable certified crop adjuster to conduct binding arbitration. Garrison Diversion will pay the cost of the arbitrator.

Land surface alterations will be addressed on an individual basis dependant on land use. Construction or maintenance of the pipeline facilities that causes problems with drainage or agricultural operations will be corrected by Garrison Diversion. Disagreements on damage or damage impacts will be subject to binding arbitration by a mutually acceptable third party.

If the parcel is rented out, it is incumbent on the landowner to advise Garrison Diversion in writing of the existence of a rental agreement and the terms regarding who should receive the crop damage payment(s) and in what amounts. If there is a tenant, it is the landowner’s obligation to provide Garrison Diversion with a letter to that effect, along with the renter’s name, address, and tax ID information. If the landlord fails to advise Garrison Diversion of the existence of a tenant and the tenant’s entitlement to payment, landlord will indemnify and hold Garrison Diversion harmless from any later third party claims seeking payment for damages that were already paid to a landlord. Garrison Diversion reserves the right to issue a joint check payable to the landlord and tenant.

Any questions regarding crop damage payments can be directed to Garrison Diversion at 701.652.3194.

PROPERTY OWNER'S NAME	
PROPERTY RENTER'S NAME	
PROPERTY RENTER'S ADDRESS	
PARCEL #	
CROP TYPE	
DATE HARVESTED	

AREA

AREA DAMAGED (See Attached Map)

YIELD

CERTIFIED YIELD AMOUNT FOR PARCEL
(documentation provided)

DAMAGED AREA ADJUSTMENT FROM FIELD AVERAGE
(% increase or decrease)

TOTAL ESTIMATED YIELD FOR DAMAGED AREA
(per acre)

PRICE

CERTIFIED YIELD AMOUNT FOR PARCEL
(documentation provided)

OR

HIGHEST MONTHLY AVERAGE MARKET PRICE
FROM AUG 1 TO MARCH 31 FOR YEAR GROWN

TOTAL CROP DAMAGE PAYMENT AMOUNT
(Area x Yield x Price)

To the best of my knowledge, the above information accurately reflects income I would have received had the portion of the field not been damaged by water pipeline construction, installation, repair or maintenance. The undersigned(s) have the sole authority to make this claim. If I have not listed a tenant, it means there is no tenant or any other party that has a right to the crop damage payment. If I have failed to identify a tenant or other party entitled to payment for a damage claim, I will indemnify and hold Garrison Diversion harmless from any such third party claims seeking payment for damages that have already been provided to me.

SIGNATURE OF LANDOWNER

DATE