

**ADDENDUM TO  
MUTUAL RELEASE AND SETTLEMENT AGREEMENT**

**PARTIES:** JTL Group, Inc., dba Knife River (“Knife River”), & City of Billings (“City”)

**DESCRIPTION OF CASUALTY:** Obligations provided pursuant to Real Property Purchase Agreement dated Oct. 15, 2019

**RECITALS**

The terms of the Mutual Release and Settlement Agreement, dated May 29, 2025 (“Settlement Agreement”), provided that the City would deliver at least 500,000 cubic yards of fill material to the Knife River property. The City subsequently delivered fill material to the Knife River property. The City and Knife River (collectively “Parties”) dispute whether the City delivered a sufficient amount of fill material. The City contends that its delivery of fill material satisfied the terms of the Agreement, as confirmed by pre- and post-surveys of the property. Knife River contends that the City did not satisfy the terms of the Settlement Agreement, based upon its survey of soil delivered.

In the interests of compromising this dispute, and resolving any and all claims related to the provision or delivery of fill material by the City to the Knife River property, the Parties agree to the following amendments to the Settlement Agreement.

**AGREEMENT AND RELEASE**

The City agrees to allow Knife River to access a portion of the City’s property which borders Knife River’s Lot 4 in the Long Subdivision development north of Hesper Road. Knife River shall have the option to enter the City’s property to excavate and to transport fill material from the footprint of the City’s proposed stormwater pond located at Lot 3A, Block 1, Long Subdivision Amended, with a Legal Description of Northeastern most 10.526 acres of LONG SUBD, S15, T01 S, R25 E, BLOCK 1, Lot 3A; Geocode: 03-0926-15-3-15-01-6002 to Knife River’s adjoining property. Knife River shall excavate and transport the fill material at Knife River’s sole cost and expense. The City has no obligation whatsoever other than to allow Knife River to access the City property described herein.

In performing its excavation of the City’s property, Knife River agrees to follow and comply with the necessary setback requirements as provided for in the attached Exhibit A. Knife River also agrees to maintain side slopes on the City’s property at 3:1 or flatter, and to excavate between eight (8) and twelve (12) feet below the existing ground surface.

Knife River’s ability to enter onto the City’s property to excavate and remove fill material shall expire on December 31, 2028 or at a later date if mutually agreed upon, in writing, by the parties.

The City agrees to waive all fees which may be applicable to the removed fill material. The City also agrees that a stormwater pond that may be created on the City's property as a result of Knife River's excavation and removal of fill material may be utilized by Knife River as a northside stormwater facility for future development on Knife River's adjoining property. Knife River's utilization of any such stormwater pond shall be on a nonexclusive basis.

The City also agrees to place the Knife River property annexation vote on an upcoming City Council agenda. The City cannot, and does not, guarantee or promise any particular outcome of an annexation vote by the City Council.

Knife River agrees to complete any excavation and/or transport work in a safe, competent, workmanlike and environmentally response manner, in accordance with all applicable laws, and utilizing reasonable care and skill in accordance and consistent with industry standards and good construction practice, as applicable. Knife River further agrees to protect, defend, indemnify, save, and hold harmless the City and its officials and employees from any and all claims, causes of action, complaints, or damages which arise from or are related to Knife River's excavation and transport of fill material that is provided for herein.

The City agrees to this Addendum in order to compromise and resolve a disputed issue. The City's agreement is not an admission that it did not comply with the provisions of the Settlement Agreement and should not be construed as an admission. The Parties expressly understand and agree that the terms of this Addendum shall completely and fully resolve forever any and all obligations of the City to deliver, provide, or make available fill material to the Knife River property. Knife River fully releases and discharges the City from any past, future, further, or additional duty to deliver or provide fill material apart from, or different to, the terms of this Addendum. The intent of this Addendum is to completely, and forever, resolve any obligation of the City to provide fill material to Knife River pursuant to the original Property Purchase Agreement and the Settlement Agreement.

The City hereby represents and warrants that to the City's actual knowledge, since the City acquired the property from Knife River, there has been no environmental contamination on the property from which the additional fill material specified in this Addendum can be excavated and removed.

The Parties further agree that all other terms and provisions contained in the Settlement Agreement are incorporated herein and remain valid and binding upon the Parties.

This Addendum may be executed in one or more counterparts, each of which shall be deemed an original and when taken together with the other signed counterparts, shall constitute one agreement which shall be binding upon and effective as to all Parties.

**CAUTION: READ BEFORE SIGNING!**

Dated this \_\_\_\_ day of June, 2026.

\_\_\_\_\_  
On behalf of JTL Group, Inc., dba Knife River

**APPROVED:**

\_\_\_\_\_  
Counsel for JTL Group, Inc., dba Knife River

Dated this \_\_\_\_ day of June, 2026.

\_\_\_\_\_  
On behalf of City of Billings

**APPROVED:**

\_\_\_\_\_  
Counsel for City of Billings

# Exhibit A

## Grading Limits for Lot 3A, Block 1, Long Subdivision Amended

