

# EXHIBIT 1

## **LICENSE AGREEMENT BETWEEN ULLAND BROTHERS, INC. AND CITY OF DULUTH**

**THIS LICENSE AGREEMENT** (this “Agreement”) is entered into by and between Ulland Brothers, Inc., a Minnesota corporation (“Owner”) and the City of Duluth, a municipal corporation created and existing under the laws of the State of Minnesota (“City”).

**WHEREAS**, the Duluth Traverse is a bike-optimized, multi-use, natural surface trail designed to provide a nationally significant mountain biking experience, connect people to Duluth’s beautiful natural places, and exemplify best practices for environmentally sustainable trail design and management (the “DTT”).

**WHEREAS**, the Superior Hiking Trail is a 310-mile long natural surface footpath that largely follows the rocky ridgeline above Lake Superior from Duluth to the Canadian border (the “SHT”). Thirty-nine miles of the SHT pass through the City of Duluth. The DTT and the SHT are collectively referred to as the “Trails.”

**WHEREAS**, City would like to expand the Trails to add new connections across real property owned by Owner, which property is legally described on the attached Exhibit A (the “Owner Property”).

**WHEREAS**, a portion of the SHT currently crosses the Owner Property in the location depicted in black on the attached Exhibit B (the “Existing Trail”).

**WHEREAS**, the parties wish to create a revocable, non-exclusive license in favor of City to allow City to construct and the general public to utilize certain portions of the Owner Property for trail purposes, including in the location of the Existing Trail.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained in this Agreement, the receipt and sufficiency of which is acknowledged, the parties agree as follows:

### **I. LICENSE**

A. Subject to the terms and conditions set forth in this Agreement, Owner grants to City a revocable, non-exclusive license (the “License”) to (1) access and utilize that portion of the Owner Property shown in black and red hashing on Exhibit B for twenty foot (20’) wide multi-use public recreational trails, which trail will be part of the DTT and used by the general public (the “DTT License Area”); and (2) access and utilize those portions of the Owner Property shown in black on Exhibit B for twenty foot (20’) wide multi-use public recreational trails, which trails will be part of the SHT and used by the general public (the “SHT License Area”). The DTT License Area and the SHT License Area are referred to collectively as the “License Area.”

B. The License includes the right of City, its contractors, agents, and employees to enter the License Area at all reasonable times for the purposes of locating, constructing, operating, installing, maintaining and repairing recreational trails and related improvements and signage within the License Area. City, its contractors, agents and employees may add, remove, cut, trim, or remove from the License Area bark, sand, stones, boards, grass, trees, shrubs, other vegetation, or other landscaping in City's discretion. City, its contractors, agents and employees may construct erosion control structures necessary to maintain a clear, dry passage through the License Area, including the right to install, maintain, repair and replace waterbars, steps, and other trail surface structures, as well as culverts as necessary to traverse surface waters within the License Area. Owner shall have no obligation or duty to maintain, repair, or replace any improvements or vegetation in the License Area or to protect the License Area from erosion.

C. City agrees to maintain signage in the License Area identifying the area that is open to public use.

D. Either party may terminate this Agreement upon 60 days' written notice to the other party. This Agreement shall automatically terminate upon a change in ownership of the Owner Property.

E. To the extent permitted by law, Owner shall have and enjoy all of the protection from liability afforded an owner granting permission for the use of land for recreational purposes as provided in Chapter 604A of Minnesota Statutes and such statutory protection and limitations on duties, including but not limited to those set forth in Minn. Stat. §§ 604A.22 and 604A.23, which are hereby incorporated by reference.

F. Owner will notify City at least 3 days prior to engaging in blasting activities at its quarry located nearby the License Area. If City decides closure of the Trails on either the DDT License Area or the SHT License Area during blasting is necessary to protect trail users, City will close the Trails.

## **II. EFFECTIVE DATE AND RENEWAL TERMS**

Notwithstanding the date of execution of this Agreement, this Agreement shall have an effective date of June 15, 2018 and shall continue until May 31, 2023, at which time this Agreement shall automatically renew for successive 5-year terms until it is terminated as provided elsewhere in this Agreement. At least 90 days prior to the end of each 5-year term (including the initial 5-year term), City shall mail written notice to Owner at the address set forth below notifying owner that the then-current 5-year term is about to end.

## **III. LAWS, RULES AND REGULATIONS**

City agrees to conduct its activities related to this Agreement in strict compliance with the United States Constitution and with the applicable laws, rules, and regulations of the United States, State of Minnesota, St. Louis County, and City of Duluth.

#### **IV. WAIVER**

The waiver by Owner or City of any breach of any term, covenant, or condition in this Agreement shall not be deemed a waiver of any subsequent breach of same or any term, covenant, or condition of this Agreement.

#### **V. NO THIRD PARTY RIGHTS**

This Agreement is to be construed and understood solely as an agreement between Owner and City regarding the subject matter herein and shall not be deemed to create any rights in any other person or on any other matter. No person, organization, or business shall have the right to make claim that they are a third party beneficiary of this Agreement or of any of the terms and conditions of this Agreement, which, as between Owner and City, may be waived at any time by mutual agreement between the parties.

#### **VI. NOTICES**

Notices shall be sufficient if sent by regular United States mail, postage prepaid, addressed to:

City of Duluth  
Attn: Property and Facilities Manager  
1532 W. Michigan Street  
Duluth, MN 55806

Ulland Brothers, Inc.  
Attn: Tim Grahek  
7831 County Road 921  
Virginia, MN 55792

or to such other persons or addresses as the parties may designate to each other in writing from time to time.

#### **VII. COMPLIANCE WITH AGREEMENT**

The rights of City and the general public to occupy and use the License Area are subject to City's compliance with the undertakings, provisions, covenants, and conditions herein.

#### **VIII. APPLICABLE LAW**

The laws of the State of Minnesota shall govern all interpretations of this Agreement, and the appropriate venue and jurisdiction for any litigation that may arise under the Agreement will be in and under the state courts located within St. Louis County, Minnesota.

#### **IX. AMENDMENTS**

Any amendments to this Agreement shall be in writing and shall be executed by the same parties who executed this Agreement or their successors in office.

## **X. SEVERABILITY**

Owner and City agree that if any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, then the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular term or provision held to be invalid.

## **XI. AUTHORITY TO EXECUTE AGREEMENT**

The parties represent to each other that the execution of this Agreement has been duly and fully authorized by their respective governing bodies, boards or partners, that the officers of the parties who executed this Agreement on their behalf are fully authorized to do so, and that this Agreement when executed by said officers will constitute and be the binding obligation and agreement of the parties in accordance with the terms and conditions hereof.

## **XII. ENTIRE AGREEMENT**

This Agreement, including exhibits, constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the subject matter hereof. This Agreement may be executed and delivered by a party by facsimile or PDF transmission, which transmission copy shall be considered an original and shall be binding and enforceable against such party.

*[Remainder of this page is intentionally left blank.]*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the day and year first written below.

**ULLAND BROTHERS, INC.**

By: 

Its: President  
Authorized Representative

Printed Name: Jeff Carlson

Dated: 6-15-2018

**CITY OF DULUTH**

By: \_\_\_\_\_  
Mayor

Attest: \_\_\_\_\_

City Clerk

Date Attested: \_\_\_\_\_

Approved as to form:

\_\_\_\_\_  
City Attorney

Countersigned:

\_\_\_\_\_  
City Auditor

## **EXHIBIT A**

### **Owner Property Legal Description**

The Northeast Quarter of Southwest Quarter (NE 1/4 of SW 1/4), Section Thirty-three (33) in Township Forty-nine (49) North of Range Fifteen (15) West of the Fourth Principal Meridian, according to the United States Government Survey thereof, except the Duluth, Winnipeg and Pacific Railway Company Right-of-Way; and





The Northwest Quarter of Southwest Quarter (NW 1/4 of SW 1/4) of Section Thirty-three (33) in Township Forty-nine (49) North of Range Fifteen (15) West of the Fourth Principal Meridian, according to the United States Government Survey thereof, except Duluth, Winnipeg and Pacific Railway Company Right-of-Way.

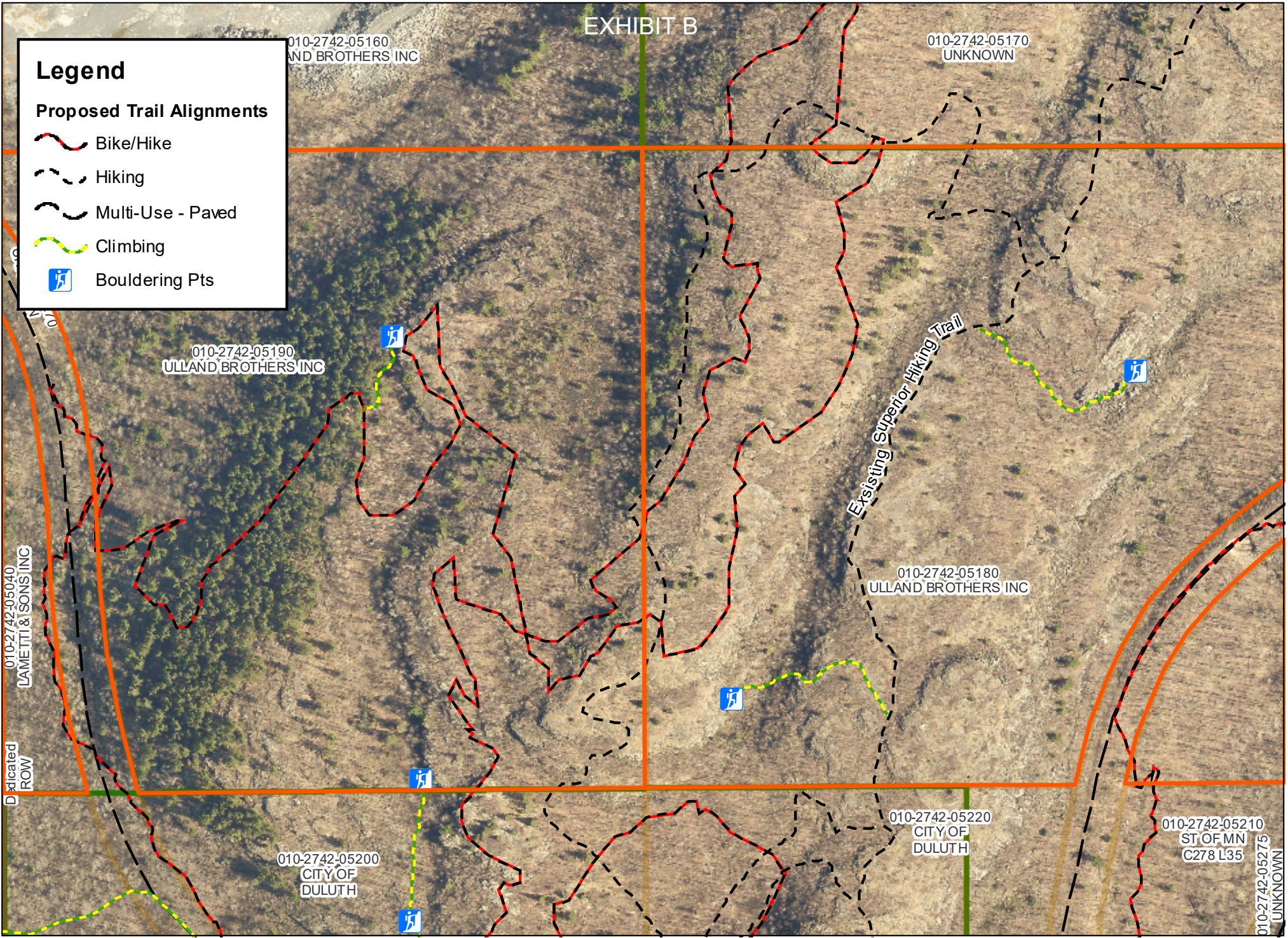
St. Louis County, Minnesota

# EXHIBIT B

## Legend

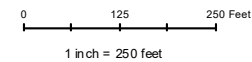
### Proposed Trail Alignments

-  Bike/Hike
-  Hiking
-  Multi-Use - Paved
-  Climbing
-  Bouldering Pts



The City of Duluth has tried to ensure that the information contained in this map or electronic document is accurate. The City of Duluth makes no warranty or guarantee concerning the accuracy or reliability of this information. This information is not a legally recorded map nor a survey and is not intended to be used as one. The data on this map is a compilation of records, information and data obtained from various City of Duluth offices and other sources affecting the area shown and is not intended to be used for any purpose other than for general information. The City of Duluth shall not be liable for errors or omissions in this data provided or for any damages in connection with the use of this information contained within.

## Ely's Peak Proposed Trails



Printed: 5/9/2018  
photo date: 2016

