

EXHIBIT 1

FUNDING COMMITMENT AGREEMENT BETWEEN THE CITY OF DULUTH AND HARTLEY NATURE CENTER CORPORATOIN

THIS FUNDING COMMITMENT AGREEMENT (this “Agreement”), effective as of the date of attestation by the City Clerk, is made by and between the CITY OF DULUTH, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota (the “City”), and HARTLEY NATURE CENTER CORPORATION, a Minnesota non-profit corporation (“Hartley Corporation”). The City and Hartley Corporation collectively are hereinafter referred to as the “Parties.”

WHEREAS, the City is the owner of certain real property located at 3001 Woodland Avenue, Duluth, Minnesota 55803 that is used for park and open space purposes and more commonly known as “Hartley Park.” Within Hartley Park is a public recreational and educational building containing classrooms, exhibit space, office, administration, and storage areas, handicapped accessible public washrooms, and other related improvements (the “Building”). Hartley Corporation manages and operates the Building and a portion of Hartley Park under a separate agreement between the Parties.

WHEREAS, Hartley Corporation is planning the construction and financing of a 4,800 square foot addition to the Building, which addition will include two new classrooms, a new restroom, a re-vamped exhibit hall area, a parent gathering area, expanded offices, expanded storage, and a stewardship garage (the “Addition”).

WHEREAS, the City applied for a \$750,000 grant from the Greater Minnesota Regional Park and Trail Commission (the “Grant”) and a copy of the application is attached as Exhibit A. If the Grant is obtained, the City would use \$250,000 of the Grant funds to pay for wayfinding and signage throughout Hartley Park (the “Wayfinding Project”) and Hartley Corporation would use \$500,000 of the Grand funds to pay for construction of two classrooms in the Addition (collectively, the Wayfinding Project and construction of the Addition are referred to in this Agreement as the “Project”). The Parties anticipate that they will learn whether or not they will receive the Grant by July, 2018.

WHEREAS, Hartley Corporation will be launching a capital campaign and selling real estate to raise additional funds to construct the Addition. The real estate to be sold by Hartley Corporation is located at 2732 Woodland Avenue, Duluth, Minnesota, 55803 and legally described on the attached Exhibit B (the “Hartley Corporation Property”). The Hartley Corporation Property has a current estimated market value of \$300,000 based upon an appraisal dated January 26, 2017 by Ramsland & Vigen, Inc. (the “Appraised Value”).

WHEREAS, Hartley Corporation has requested that the City commit to providing bridge funding in an amount not to exceed 75% of the Appraised Value (the “Bridge Funds”) so that Hartley Corporation can use the Bridge Funds as a match toward the Grant, on the condition that Hartley Corporation would repay the Bridge Funds on the sooner of (i) the date when the Hartley Corporation Property is sold; or (ii) twelve months from the date of the first disbursement of the Bridge Funds.

WHEREAS, the City recognizes the importance of the Addition and desires to enter into this Agreement with Hartley Corporation, pursuant to which the City commits to provide bridge funding to be repaid by Hartley Corporation, the purpose of which is to enable Hartley Corporation to have matching funds available for the Grant.

NOW, THEREFORE, it is mutually agreed by and between the Parties to this Agreement as follows:

A. Term.

This Agreement is effective as of the date of attestation by the City Clerk and continues through the earliest of the following (i) the date the Parties learn they have not obtained the Grant; or (ii) the date that Hartley Corporation repays the Bridge Funds to the City in full; or (iii) December 31, 2018, unless extended by written agreement of the Hartley Corporation and the City’s Director of Administration (the “Director”).

B. Project Funding Sources and Requirements.

1. A detailed Project budget is attached as Exhibit C. The Parties acknowledge that, if awarded, the Grant would fully fund the Wayfinding Project and partially fund construction of the Addition. Hartley Corporation is solely responsible for all costs relating to design and

construction of the Addition, which it anticipates funding through the sale of the Hartley Corporation Property and Hartley Corporation's capital campaign.

2. If the Parties obtain the Grant, upon written request from Hartley Corporation and the satisfaction of the requirements of this Agreement, the City will provide bridge funding to Hartley Corporation in an amount not to exceed Two Hundred Twenty-five Thousand Dollars (\$225,000), payable from Fund 205-130-1220-5520-CM205-HARTLY (Parks Fund, Community Resources, Parks Capital, Buildings & Structures, Capital Projects-Hartley) (the "Loan").

3. The following requirements must be met in order for Hartley Corporation to obtain the Loan:

- a. the Parties must obtain the Grant;
- b. Hartley Corporation and the City, as applicable, must execute and deliver (i) a loan agreement, a promissory note, and a mortgage in favor of the City encumbering the Hartley Corporation Property (the "Mortgage") in the forms substantially as set forth in the attached Exhibit D; and (ii) such other documents determined necessary or desired by the City, all in a form and with terms acceptable to the City in the City's sole discretion (collectively, the "Loan Documents");
- c. Hartley Corporation must obtain, at its expense, a lender's title insurance policy, in a form acceptable to the City in the City's sole discretion, insuring the Mortgage in a first priority position from a title insurance company selected by the City;
- d. Hartley Corporation must pay all expenses relating to the Loan, including but not limited to title company closing and examination costs, mortgage registration tax and recording fees;
- e. at the time of closing on the Loan, the budget for the Project and Hartley Corporation's financial situation must remain substantially unchanged as compared with the date of this Agreement, unless this requirement is waived in writing by the Director; and
- f. the board of directors of Hartley Corporation must have passed a resolution authorizing the sale of the Hartley Corporation Property.

4. Each disbursement of the Loan shall be conditioned upon Hartley Corporation presenting evidence satisfactory to the City (such as invoices) showing that Hartley Corporation has actually incurred the expenses to be paid with the Bridge Funds. The Bridge Funds may only be used to pay for the following costs relating to construction of the Addition.

C. Interest Rate and Repayment to City. The Loan will accrue interest at the following rate: 0% per annum. Interest will be computed on the basis of a 360-day year, but shall be charged on the actual number of days principal remains unpaid. The Loan Documents will provide that Hartley Corporation will repay the Bridge Funds to the City in full upon the earliest of the following: (i) immediately upon closing on the sale of the Hartley Corporation Property; or (ii) twelve months from the date of the first disbursement of the Bridge Funds. The Loan must be repaid in full immediately upon closing on the sale of the Hartley Corporation Property even if the proceeds of the sale of the Hartley Corporation Property are insufficient to repay the Loan in full. The Loan must be repaid in full no later than twelve months from the date of the first disbursement of the Bridge Funds even if the Hartley Corporation Property has not been sold.

D. Independent Relationship. It is agreed that nothing in this Agreement is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the Parties or of constituting Hartley Corporation as an agent, representative or employee of the City for any purpose or in any manner whatsoever. The parties do not intend to create any third party beneficiary of this Agreement. Hartley Corporation shall not be considered an employee of the City, and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of Hartley Corporation while so engaged and any and all claims whatsoever on behalf of Hartley Corporation arising out of employment or alleged employment, including without limitation, claims of discrimination against the City, its officers, agents, contractors or employees shall in no way be the responsibility of the City. Hartley Corporation and its officers and employees shall not be entitled to any compensation or rights or benefits of any hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay. Furthermore, the City shall, in no way, be responsible to defend, indemnify or save harmless Hartley Corporation from liability or judgments arising out of Hartley Corporation's intentional or negligent acts or omissions while performing the work specified by this Agreement.

E. Reporting. Upon request, Hartley Corporation shall furnish to the City Auditor an income and expense report related to the Bridge Funds and the Addition. Such report shall be in a format acceptable to the City Auditor.

F. Assignment. Hartley Corporation shall not in any way assign or transfer any of its rights or interests under this Agreement in any way whatsoever without the prior written consent of the Director.

G. Laws, Rules, and Regulations. Hartley Corporation agrees to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota, City of Duluth, and its respective agencies which are applicable to its activities under this Agreement. Hartley Corporation agrees to comply in all respects with all federal, state and local laws, statutes, ordinances, rules and regulations now in effect or hereinafter promulgated pertaining to unlawful discrimination.

H. Notices. Notice to the City or Hartley Corporation provided for herein shall be sufficient if sent by the regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time:

CITY: City of Duluth
Attn: Director of Public Administration
411 W. First Street, Room 402
Duluth, Minnesota 55802

HARTLEY CORPORATION: Hartley Nature Center Corporation
Attn: Executive Director
3001 Woodland Avenue
Duluth, Minnesota 55803

J. Applicable Law. This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. The Parties agree that any dispute that may arise between them arising out of this Agreement shall be adjudicated before a court located in St. Louis County, Minnesota and irrevocably submit to the exclusive jurisdiction of the federal and state courts of the State of Minnesota located in St. Louis County with respect to any action or legal proceeding commenced by any party.

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

L. Waiver. Any waiver by any party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

M. Severability. The Parties 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 the Agreement did not contain the particular term or provision held to be invalid.

N. Entire Agreement. This Agreement constitutes the entire Agreement between the City and Hartley Corporation and supersedes all prior written or oral agreements and negotiations between the parties relating to the subject matter hereto.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year written below.

CITY OF DULUTH

HARTLEY NATURE CENTER CORPORATION

By: _____
Mayor

By: Tom O'Rourke

Printed Name: Tom O'Rourke

Attest: _____
City Clerk

Its: Executive Director

Date Attested: _____

By: Kristen Bauerkemper

Countersigned:

Printed Name: Kristen Bauerkemper

Its: Vice Chair

City Auditor

Approved as to form:

City Attorney

EXHIBIT A

GRANT APPLICATION



General

This section provides the basic information about the park or trail and the organizations responsible for it.

Park/Trail ID # 16-037D	Funding Application 17-0086-F	Park/Trail Name Hartley Park
Last Update July 21, 2017		
District 1	Project Name Increasing Access & Opportunities at Hartley Park	

Project Description

Duluth will improve access to Hartley Park by implementing comprehensive, state-of-the-art wayfinding throughout the park as well as expand the capacity of Hartley Nature Center to carry out its mission of environmental education outreach. Trail accessibility improvements Hartley Park offers a unique, immersive nature experience within the greater northern Minnesota region. Hartley is endowed with an extensive 11-mile trail system frequented by hikers, bicyclists, trail runners, dog walkers, cross country skiers, snowshoers, photographers, neighborhood residents, birders, anglers, bow-hunters and Hartley Nature Center program participants. (Attachment A - Amenity Overview) The Superior Hiking Trail, a segment of the national North Country Scenic Trail, and a segment of the 100-mile Duluth Traverse multipurpose trail run through the park. Many trail connections link residential neighborhoods around the perimeter of the square-mile Park as well as to the University of Minnesota and College of St. Scholastica. Hartley is within easy biking distance from the Lakewalk and connects as well to the recreational assets of the St. Louis River Corridor. The Lakewalk and the St. Louis River corridors link to state and national trails. Many trails were difficult or impossible to access for those in wheelchairs, with strollers or otherwise needing wide, hard surface trails. Recent trail upgrades provide an improved experience for a broader spectrum of users. However, lack of wayfinding continues to present a significant barrier. Trail users can get lost in the Park because of its sheer size and the complexity of its trail system. Frequent and unmarked trail intersections are confusing because of the sheer number of trails within the park, as well as those leaving the park to connect to other systems. This was exacerbated by the July 2016 storms that leveled significant portions of Hartley and destroyed or closed many trails. Duluth completed a wayfinding and signage plan, (Attachment B - Wayfinding Design) that will be implemented across Duluth parks and trails. The full plan can be available at <http://www.duluthmn.gov/parks/parks-planning/city-wide-gate-and-wayfinding-master-plan/>. Hartley will be the first major park facility of its size and complexity to benefit from the plan. Wayfinding improvements will include: • Comprehensive trail map with 'you are here' locations at all trail intersections, • Trail distances on wayfinding signage for the all trails, • Names for trail segments that make them easy to identify and access, • Degree of difficulty

of each trail segment, • Identification of each trail segment’s intended user group, • Kiosk maps at all entrances to the trail system, • Identification of key ‘Points of Interest.’ Nature Center Capacity More than thirty years ago, a group of area environmental visionaries dreamed of creating a nature center in Hartley Park that would instill a love and appreciation of the outdoors by educating kids about nature. Since 1987, Hartley Nature Center (HNC) has been working to understand, interpret, and improve Hartley Park’s ecological health. HNC has conducted large scale plant surveys, monitored the water quality of Tischer creek, and worked to identify and combat the spread of invasive species, among many other projects. When the nature center building was completed in 2003, the City and HNC set a goal of 18,000 contact hours of environmental education programming annually. In 2015, via camps, field trips, Hartley Nature Preschool and other public programs, HNC provided 48,000 contact hours of programming. The Center has interpretive exhibits, equipment rental, and a natural play area. Facility rentals serve over 600 patrons annually. Even with the addition of a yurt classroom in 2013, HNC has been forced to cap, and even cancel, some programs due to insufficient classroom space. Hartley Nature Center’s programs have been successful beyond the dreams of its founders. Last year field trip and summer camp programs saw record participation, serving over 10,000 and 1,000 children respectively. Hartley Nature Preschool opened in 2013 with 62 children enrolled across four class sessions. The school now has 92 children enrolled across six class sessions, with growing waitlists for half and full-day offerings. With program growth over the years, coupled with new program initiatives, the nature center building has become too small to meet current and future needs. The incredible success and growth of HNC is a testament to the quality of the HNC staff and the programming: HNC is bursting at the seams – and that is a good thing! Over the next 30 years, the mission of Hartley Nature Center will become increasingly important to the well-being of our community. The founders of HNC couldn’t have known the extent to which technology would further separate children from nature – or how continued urbanization would see more people living in urban than rural areas and needing access to natural areas . To meet the challenges of the future, to continue to serve the ever increasing need for connecting children and adults with nature, HNC must have adequate facilities. It is critical for HNC to expand and improve the existing building. HNC conducted a feasibility study to explore how a campus addition (Attachment C - Campus Expansion Map) will add to the environmental education, restoration, and recreation programming at the Nature Center and position the Center for growth to meet current and future demand. Additional program and building space as well as a yurt and pavilion allow HNC to expand school field trips, public meetings, and other educational activities. Building improvements include a 4,000 square foot addition to the original 7,500 square foot nature center building that adds three new classrooms, a new restroom, an updated exhibit hall area, and a parent gathering area. The yurt is complete and the pavilion is under construction. This request supports the construction of two classrooms. The addition will create a defined separation from the public entrance and drop-in educational displays and the youth programming taking place at the center, improving overall building flow and safety.

Project Area Maps

http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Hartley_Location_Map_f9b234.pdf

Organization City of Duluth	Lead Contact Full Name Jim	Lead Contact Title Filby Williams
Mailing Address 411 West 1st Street	City Duluth	State Minnesota

Zip
55804

Phone
218.730.5319

Email
jfilbywilliams@duluthmn.gov

Funding

Legacy Pillars:

- Connect People and the Outdoors
- Acquire Land and Create Opportunities
- Take Care of What We Have
- Coordinate Among Providers

Project Outcomes

Connection to Pillars

Connections: Hartley Nature Center provides quality educational enrichment to 15,000 children and over 5,500 visitors annually through field trips, summer camps and nature-based preschool programs. The Center has interpretive exhibits, equipment rental, and a natural play area. Rentals enable environmental education, school and civic groups to host nature based events. The Izaak Walton League hosts all its chapter meetings at the Center. Recently the city of Duluth hosted an Emerald Ash Borer awareness event that included a walk to view the borer in situ and learn to identify the pest. An extensive 11-mile trail system used by hikers, mountain bikers and skiers connect neighborhoods across the city and to the urban center, schools, and other trails.

Opportunities: Hartley Park and Nature Center is located within the urban core of Duluth, providing an opportunity to address the nature deficit experienced by all children but especially those of low income and communities of color. Immersion into a nature-based setting is critical for the young to develop empathy for, and interest in, the natural world, a primary goal of the Minnesota State Comprehensive Outdoor Recreation Plan.

A plethora of research points to the physical and mental health benefits of quality green space, especially for low-income and persons of color. Data analysis from NRPA and the Environmental Health Research Foundation indicates adolescents and adults with easy access to multiple recreation facilities were more physically active and less likely to be overweight or obese than those without access. Increasing access to recreation facilities is an essential strategy for preventing childhood obesity. Organized park programs and supervision may increase use of parks and playgrounds and may also increase physical activity, particularly among youths. Park renovations can increase vigorous physical activity among children and can also increase use of certain types of facilities, including playgrounds and skate parks. Living in economic poverty puts families at risk physically, socially, emotionally, and academically. Poverty in Duluth disproportionately affects minorities and children. Children living in poverty are more likely to have low academic achievement, to drop out of school, and to have health, behavioral, and emotional problems. Research indicates time spent in parks and green spaces can mitigate mental health issues like depression, anxiety, and stress.

Families with children show different preferences in selecting recreational activities and sites within a nature context. Nature centers and historical sites that offer more educational value seem more attractive to families with children. Constraints to outdoor recreation, like lack of time, may have a stronger impact on visitors because of the travel commitments necessary to reach undeveloped natural areas. Travel distance was found to be a significant predictor of family recreation motivation. Family recreation is a form of purposive leisure: traveling a shorter distance for the purpose of recreating with the family is preferable to traveling a long distance.

Recent improvements to Hartley Park trails and parking has improved accessibility for those in wheelchairs, families with strollers, or others needing wide, firm-surface trails, all within three hours of Duluth.

Caring for existing resources: Hartley Park's history dates back to the late 1800's and has gone through several transformations. By the middle of the 20th century people were using the land for a variety of recreational activities though the city did not have the resources to develop Hartley Park. By the 1970's the park was showing the effects of this lack of management through eroded social trails, invasive species, and the collapse of the dam that formed Hartley Pond. Restoration began in earnest and continues to this day. Duluth banded together with numerous user groups (see Coordination below) to restore or develop sustainable trails, restore or upgrade parking and access, and create the Nature Center to provide a venue for public environmental education that would promote stewardship of Hartley and the region's natural resource assets. The Nature Center proved extraordinarily successful, as noted by the service numbers highlighted above. Legacy funding will significantly expand capacity of the Center while improving access to the entire park through wayfinding.

Coordination: Duluth has successfully implemented a Public/Private Stewardship Model that draws upon multi-sector collaboration and resources. Hartley Nature Center was the vision of community organizers and opened in 2003 as a non-profit. The Center has a lease with the City of Duluth to co-manage the park and operate and occupy the nature center building until 2052. User groups have brought tens of thousands of dollars to facility development and provide on-going maintenance for trails and facilities. Non-profit community based organizations provide youth and family programming and support local parks through business development and infrastructure upgrades. The nonprofit Superior Hiking Trail Association built and maintains a hiking trail and the nonprofit Cyclists of Gitchee Gumees Shores (COGGS) similarly is building and maintaining multiuse trails.

Connection to Regional Values

Hartley Master Plan: The comprehensive Hartley Master Plan was completed and approved in 2014. Key recommendations stressed increased accessibility via a building expansion, improved trails, and better wayfinding: improvements that are especially important with steadily increasing demand for programs. The Nature Center added a yurt and a pavilion is under construction (Attachment D - Pavilion Design). HNC Board has been working tremendously hard with stakeholders to plan for Hartley's future through value-added programs and services. The preschool is one such value added program that provides income that allows Hartley to serve the public. The building expansion ensures HNC has the capacity to leverage additional financial resources to meet the educational and stewardship goals, now and into the future.

City-wide Gate and Wayfinding Master Plan: Increased accessibility includes wayfinding. Each of the bullets in the project description above reflect public concerns and are listed specifically as actions in the Hartley Master Plan. Indeed these concerns reflected public input for park upgrades throughout Duluth: the need for upgraded and consistent signage and wayfinding. The Gate, Wayfinding, and Trailhead/Orientation Master Plan completed in 2017 guides upgrades of signage and wayfinding on all trail systems. Development included design and planning for implementation and recommendations for educational and informational signage at trail access points. The completed plan will present clear and consistent signage throughout the system.

The City partnered with key stakeholders and land managers to identify key components. Planning began in April 2016 with a meeting with trail users of all types. Ten different user groups, ranging from Nordic skiers to people with disabilities, reviewed a draft of the plan. A Public Open House was held in August 2016 in which the elements of design were narrowed. On-line comments were taken throughout the planning period. The final plans were presented to the Parks Commission at their March 2017 meeting and approved by the City Council in March 2017.

Project Readiness

Project Lead

Wayfinding and building design are complete (see exhibit x). The trails and amenities needing signage at Hartley are fully mapped (see exhibit x). The preliminary design for the building expansion is complete (see Exhibit x) and Hartley is ready to launch a capital campaign that will fully finance the building and contribute to the match (see Timeline below).

Wayfinding: Jim Shoberg, BLA with emphasis on Landscape Construction and Technology, BS, Environmental Design. Mr. Shoberg is a Registered Landscape Architect with the City of Duluth Parks and Recreation Department. He has extensive experience in project management including planning, design, budget management, contract document preparation, coordination of interdisciplinary teams and working knowledge of construction practices. Planning and designing experience on a diversity of habitat restoration projects includes mineland reclamation, pit lake shoreland restoration, creek restoration, grassland restoration, wetland mitigation and delineation, as well as experience in stormwater management.

Building expansion: Erik Birkeland, Property and Facilities manager for the City of Duluth, is responsible for the overall operation, maintenance, and capital improvement of all municipal facilities, parks and green space; which comprises 148 buildings (1,200,000 square feet) and more than 8,000 acres of city park land. Additionally, he is responsible for the management of all city real estate transactions and use agreements; city-wide energy efficiency planning and programs; and natural resource management efforts.

Prior to working for the City of Duluth, Birkeland spent 5 years as the Business Improvement Manager and Capital Planning Manager (respectively) for St. Louis County, and 10 years in the private sector leading pre-construction and organizational planning efforts in support of over 60 public school district construction projects throughout the State of Minnesota. He holds a Master's degree in education from the University of Minnesota, and an English degree from Concordia College in Moorhead, Minnesota.

Implementation Timeline

Fall 2017 Phase 1 Capital Campaign

July 2018 Grant agreements in place

July/Aug 2018 Install trail counters

Nov 2018 Wayfinding field verification/survey of existing conditions

Winter 2018 Wayfinding bid package preparation

Fall 2018/Spring 2019 Building addition Schematic Design

Feb 2019 Advertise wayfinding project for bid

March 2019 Award wayfinding contracts

May 2019 Field survey of final sign locations

June 2019 Demolition/removal of any existing signs

July 2019 Begin installation of signs and site furnishings

Aug/Sept 2019 Sign installation complete

Fall 2019 Building addition Design Development

Winter 2019 Phase 2 Capital Campaign

Late Winter 2019 Building project open for bid

Jan/Feb 2019 Building addition Construction Document preparation

April 2019 Award building contract

Spring 2020 Construction begins

Winter 2021 Building opening celebration

Design Standards

Development at Hartley Park embraces sustainable design across all areas from the building to the trails. Hartley Nature Center is fully ADA accessible from the parking lot, to restrooms, exhibit space, and the class/meeting rooms. The Nature Center was conceived as a green building that could demonstrate sustainable design. Green building means minimizing the environmental effects of building and requires integrating environmental values into the decision making process during design and construction.

Sustainable practices implemented at the Nature Center include renewable energy, energy conservation, use of recycled and non-toxic materials and construction using Forest Stewardship Council certified wood. Accessibility and sustainable building practices will extend into the new building sections. Wayfinding utilizes design excellence to support way-finding goals and system elements. Signs for bicycle wayfinding follow the Manual on Uniform Traffic Control Devices. Signs must be large enough to be read and contain helpful information, without causing visual problems such as sign clutter, or overly large signs, especially in historic districts. Standardized symbols are utilized for quick and easy identification eg: commonly used graphics that depict a bicycle or pedestrian. Bicycle signs must be easy to read at speed, especially at intersections and so contain very little info but easily identifiable info like a bike graphic, directional arrow, and mileage indicator.

The nature of being a pedestrian in contrast to a bicyclist means that the pedestrian can approach the sign more closely, and take as much time as they want to read it. Pedestrian or trail head signs provide more detail and include maps, educational, and/or regulatory info. These signs display an area within a reasonable walking distance, important buildings, streets, parks, and intersections or connections. The needs of the disabled are also considered: multiuse trails designed to accommodate the disabled or families with strollers include are of a height to allow reading and provide info pertinent to their needs.

All signs are uniform in design and color and fabricated of low maintenance materials.

Project Cost Breakdown

Hartley Nature Center: Total cost - \$1,752,573

Wayfinding Total cost -\$250,000

Legacy funds: Builds classrooms 5 & 6 @ \$500,000. Estimated per square foot cost is \$354. Each classroom costs approximately \$240,720. See Attachment G.

Wayfinding @ @ 250,000

Match funds: Hartley sale of real estate - \$300,000 (based on appraisal). Title search complete and available upon request.

Hartley capital campaign - \$952,573

Please see Attachment H - Project Budget

Funding Request Breakdown

Please use valid currency formats (e.g. \$100,000/100,000/100000)

Grant Funding Request

\$750,000

Local Match #1

\$1,252,573

Funder #1

0

Local Match #2

0

Funder #2

0

Local Match #3

0

Funder #3

0

Local Match #4

0

Funder #4

0

Local Match #4

0

Funder #5

0

Non-Eligible Local Match

00

Non-Eligible Item Description

00

Total Funding

\$2,002,573

Percentage of local match

0.63

Completion Timeframe

June 30, 2021

Funder #1

City of Duluth

Funder #1 Resolutionshttp://dms.gmrptcommission.org/uploads/funding/17-0086-F/City of Duluth Resolution_c1287e.pdf**Funder #2**

Hartley Nature Center

Funder #2 Resolutionshttp://dms.gmrptcommission.org/uploads/funding/17-0086-F/Hartley resolution_a64cca.pdf**Funder #3**

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Funder #4

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Funder #5

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Attachments

Doc Name	Description	Url
Project Area Map		http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Hartley Location Map_f9b234.pdf
Funder Resolution Two		http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Hartley resolution_a64cca.pdf
Funder Resolution One		http://dms.gmrptcommission.org/uploads/funding/17-0086-F/City of Duluth Resolution_c1287e.pdf
Additional Attachment		http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment A Hartley Amenity Overview_fd06dd.pdf

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment B Wayfinding Design_d1b957.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20B%20Wayfinding%20Design_d1b957.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment C - Harly Campus Expansion Map_2db7e6.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20C%20-%20Harly%20Campus%20Expansion%20Map_2db7e6.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment D Hartley Pavilion_263e16.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20D%20Hartley%20Pavilion_263e16.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment E - Trail Counters_614e3f.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20E%20-%20Trail%20Counters_614e3f.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment F Hartley Wayfinding Map_d6879b.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20F%20Hartley%20Wayfinding%20Map_d6879b.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment H Hartley Park Project Budget_f6084d.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20H%20Hartley%20Park%20Project%20Budget_f6084d.pdf)

Additional Attachment

[http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment G - Hartley Building Blueprints_c1906f.pdf](http://dms.gmrptcommission.org/uploads/funding/17-0086-F/Attachment%20G%20-%20Hartley%20Building%20Blueprints_c1906f.pdf)

EXHIBIT B

HARTLEY CORPORATION PROPERTY

All of Block 10 WOODLAND PARK SIXTH DIVISION, according to the recorded plat thereof;

EXCEPT the N'ly 345 feet of the E'ly 75 feet;

AND FURTHER EXCEPT that part described as follows: Commencing at the intersection of the N'ly Right of Way line of Woodland Avenue with the East line of said Block 10; thence on an assumed bearing of North 00 degrees 16 minutes 31 seconds West a distance of 103.45 feet to the point of beginning of the property to be described; thence South 89 degrees 41 minutes 45 seconds West a distance of 44.00 feet; thence North 00 degrees 16 minutes 31 seconds West a distance of 56.77 feet; thence North 89 degrees 41 minutes 45 seconds East a distance of 44.00 feet; thence South 00 degrees 16 minutes 31 seconds East a distance of 56.77 feet to the point of beginning.

EXHIBIT C PROJECT BUDGET

Hartley Nature Center Expansion	Estimated Total Cost
Div 1 General Requirements	
Supervision	\$118,907
General Conditions	\$122,637
<i>Safety, dumpsters, misc consumables, etc.</i>	
Surveying	\$2,500
Total	\$244,044
Div 2 Sitework	
Building Demolition	\$22,890
<i>Connecting buildings</i>	
Earthwork	\$125,824
<i>Includes excavation for footings as well as 500 CY of cut to be hauled out</i>	
Utility Services	\$6,000
<i>Includes new sewer connection. Assume existing water and electric services are adequate for the additional demand</i>	
Landscape and Plantings	\$7,600
<i>100' of 8' wide paver path</i>	
Total	\$162,314
Div 3 Concrete	
Cast-In-Place Concrete	\$153,928
<i>Includes ICFs typical up to joist height to match</i>	
Concrete Polishing	\$31,935
Total	\$185,863
Div 4 Masonry	
Masonry	\$34,210
<i>Exterior CMU wainscot and Interior burnished block</i>	
Stone	\$12,536
<i>Stone in two vestibules</i>	
Total	\$46,746
Div 5 Metals	
Metal Fabrication	\$25,000
<i>Knife plates and saddles</i>	
Ornamental Metal	\$40,700
<i>Decorative security grilles</i>	
Total	\$65,700
Div 6 Wood & Plastics	
Finish Carpentry	\$128,527
Millwork	\$125,961
Total	\$254,488
Div 7 Thermal & Moisture Protection	
Building Insulation	\$19,625
Shingle Roofing	\$43,001
<i>Aluminum Shingle Roofing System</i>	
Joint Sealers	\$2,300
Total	\$64,926
Div 8 Doors & Windows	
Doors, Frames and Hardware	\$21,960
Entrances and Storefronts	\$27,200
<i>Entrances at Vestibules</i>	
Window Units	\$33,000
Window Film	\$0
Total	\$82,160

EXHIBIT C PROJECT BUDGET

Div 9 Finishes		
Drywall and Taping		\$12,000
Ceramic Tile		\$0
Flooring (Carpet & VCT)		\$18,029
<i>Carpet in Office and Classrooms</i>		
Urethane Floor Coating		\$1,295
<i>In Staff Shower & Lockers</i>		
Acoustical Treatment		\$0
Painting		\$14,990
<i>Includes drywall painting and wood sealing</i>		
	Total	\$46,314
Div 10 Specialties		
Specialties		\$16,540
Window Blinds		\$6,050
Appliances		\$1,825
<i>Add washer and dryer</i>		
Visual Display Boards		\$5,384
Fireplaces and Stoves		\$0
Signage		\$2,100
Lockers		\$3,456
Operable Partition		\$0
	Total	\$35,355
Div 15 Mechanical Systems		
Fire Sprinklers		\$14,535
Plumbing		\$75,000
HVAC		\$72,500
<i>Includes additional ERV unit</i>		
	Total	\$162,035
Div 16 Electrical		
Electrical		\$55,592
Fire Alarm		\$5,000
Phone & Data Connections for workstations		\$2,500
Audio Visual		\$10,000
<i>Allowance for Classroom 1 & 2, as well as new Library / Meeting Room</i>		
Security System		\$2,500
	Total	\$75,592
Final Clean		\$1,938
Insurance		\$18,985
Permit		\$17,677
Building Subtotal		\$1,464,137
Design Contingency - 7%		\$102,490
Contractor Estimate Contingency - 7%		\$102,490
Contractor Overhead & Profit - 5%		\$83,456
Building Total		\$1,752,573

EXHIBIT C PROJECT BUDGET

Hartley Park Signage & Wayfinding		
Area/Location		
Woodland Entrances	Sign ID #	
Main entrance	A1	\$ 13,800
SHT/DT entrance	B6	\$ 650
Main Parking Lot		
General areas	F3 (4)	\$ 1,100
North trail entrance	B6	\$ 650
sidewalk leading to HNC	B4	\$ 18,500
	D1	\$ 6,250
Trail counter	Counter	\$ 5,000
Entrance to Old Hartley (trail counter)	Counter	\$ 5,000
	D1	\$ 6,250
	B1	\$ 10,000
	C2	\$ 675
Old Hartley Road intersects		
New multi-trail entrance	B6	\$ 650
	C2	\$ 675
Bridge back to HNC	B6	\$ 650
	C2	\$ 675
Pond Intersection	B1	\$ 10,000
	D1	\$ 6,250
	C2 (2)	\$ 1,350
Trail counter	Counter	\$ 5,000
Along OH Trail (midpoint)	C2	\$ 675
Intersection with SHT & DT	C2 (2)	\$ 1,350
	B6 (3)	\$ 1,950
Terminus at Hartley Rd/Woodhaven	B1	\$ 10,000
	C2	\$ 675
	Counter	\$ 5,000
	F3 (2)	\$ 550
Gazebo Area		
Fairmont Street Entrance	B1	\$ 10,000
	F3	\$ 275
	C1 (3)	\$ 525
NE Trail from Fairmont	C1	\$ 175
Gazebo proper	B6	\$ 650
	C1 (3)	\$ 525
South Trails of Gazebo	B6	\$ 650
	C1	\$ 175
The dam north		
At dam	C2	\$ 675
	B7	\$ 1,800
North trail of dam	C1 (3)	\$ 525
	B6	\$ 650
Kolstad Entrance	F3	\$ 275
	B1	\$ 10,000
HNC Campus & Trails	C2 (8)	\$ 5,400
	B5	\$ 5,100
	B6	\$ 650

**EXHIBIT C
PROJECT BUDGET**

	B7	\$ 1,800
	B1	\$ 10,000
	D1	\$ 6,250
Rock Knob Area		
	B6	\$ 650
	C1 (3)	\$ 525
Periphery of the pines	B6 (3)	\$ 1,950
	B7	\$ 1,800
Trail back to Pond	C1 (3)	\$ 525
	B6	\$ 650
Wet Meadow	B6	\$ 650
Route Canal	B6	\$ 650
Other entry points		
Catherine & Victoria	F3	\$ 275
	B1	\$ 10,000
West Arrowhead	F3	\$ 275
	B1	\$ 10,000
North Road	F3	\$ 275
	B1	\$ 10,000
Marshall	B3	\$ 1,850
	F3	\$ 275
Howard Geneesen	B6	\$ 650
	F3	\$ 275
Norton	B6	\$ 650
	F3	\$ 275
Subtotal		\$ 211,625
25% Contingency		\$ 38,025
Wayfinding Total		\$ 249,650
PROJECT TOTAL		\$ 2,002,223

EXHIBIT D TO FUNDING COMMITMENT AGREEMENT

HARTLEY NATURE CENTER LOAN AGREEMENT

THIS LOAN AGREEMENT (this “Agreement”) is made as of this ____ day of _____, 20____ by and between CITY OF DULUTH, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota (the “City”), and HARTLEY NATURE CENTER CORPORATION, a Minnesota non-profit corporation (“Borrower”). The City and Borrower collectively are sometimes referred to in this Agreement as the “Parties.”

RECITALS

A. The City is the owner of certain real property located at 3001 Woodland Avenue, Duluth, Minnesota 55803 that is used for park and open space purposes and more commonly known as “Hartley Park.” Within Hartley Park is a public recreational and educational building owned by the City containing classrooms, exhibit space, office, administration, and storage areas, handicapped accessible public washrooms, and other related improvements (the “Building”). Borrower manages and operates the Building and a portion of Hartley Park under an Amendmend and Restated Lease Agreement dated July 22, 2002, as subsequently amended (as amended from time to time, the “Lease”).

B. Borrower is planning the construction and financing of a 4,800 square foot addition to the Building, which addition will include two new classrooms, a new restroom, a re-vamped exhibit hall area, a parent gathering area, expanded offices, expanded storage, and a stewardship garage (the “Addition”).

C. The City applied for and received a \$750,000 grant from the Greater Minnesota Regional Park and Trail Commission (the “Grant”). The City will use \$250,000 of the Grant funds to pay for wayfinding and signage throughout Hartley Park (the “Wayfinding Project”) and Borrower will use \$500,000 of the Grant funds to pay for construction of two classrooms in the Addition (collectively, the Wayfinding Project and construction of the Addition are referred to in this Agreement as the “Project”).

D. Borrower has launched a capital campaign and has listed for sale certain real estate to raise additional funds to construct the Addition. The real estate to be sold by Borrower is located at 2732 Woodland Avenue, Duluth, Minnesota, 55803 and legally described on the Mortgage (defined below) (the “Borrower Property”). The Borrower Property has a current estimated market value of \$300,000 based upon an appraisal dated January 26, 2017 by Ramsland & Vigen, Inc. (the “Appraised Value”).

E. Borrower and the City entered into a Funding Commitment Agreement dated _____, 2017 (the “Funding Commitment”) pursuant to which the City committed to provide a loan to Borrower in an amount not to exceed 75% of the Appraised Value (the “Loan”) so that Borrower could use the amount borrowed as a match toward the

Grant, on the condition that Borrower would repay the Loan on the sooner of (i) the date when the Borrower Property is sold; or (ii) twelve months from the date of the first disbursement of the Loan.

F. As provided in the Funding Commitment, Borrower has requested that the City make the Loan to Borrower in the amount of _____, which amount does not exceed 75% of the Appraised Value.

G. The City wishes to make the Loan to Borrower on the terms and conditions set forth in this Agreement so that Borrower can use the proceeds of the Loan to pay for construction of the Addition (the "Permitted Use").

NOW, THEREFORE, in consideration of the mutual covenants of the Parties contained in this Agreement, and for other valuable consideration, the Parties agree as follows:

1. Definitions. As used in this Agreement, the following terms have the following respective meanings:

- (a) Addition. As defined in Recial B above.
- (b) Agreement. As defined in the introductory paragraph above.
- (c) Appraised Value. As defined in Recial D above.
- (d) Borrower. As defined in the introductory paragraph above.
- (e) Borrower Property. As defined in Recial D above.
- (f) Building. As defined in Recital A above.
- (g) City. As defined in the introductory paragraph above.
- (h) Director. The City's Director of Public Administration, or his/her designee.
- (i) Disbursement Request. As defined in Section 3 below.
- (j) Event of Default. As defined in Section 7 below.
- (k) Funding Commitment. As defined in Recial E above.
- (l) Grant. As defined in Recial C above.
- (m) Hartley Park. As defined in Recital A above.

- (n) Lease. As defined in Recial A above.
- (o) Loan. As defined in Recial E above.
- (p) Loan Documents. Collectively, the Note, the Mortgage, this Agreement and all other documents relating to or evidencing the Loan.
- (q) Mortgage. The mortgage dated the date of this Agreement by Borrower in favor of the City, in the form attached as Exhibit B, encumbering the Borrower Property in a first priority position and given as security for the Loan.
- (r) Note. The promissory note dated the date of this Agreement by Borrower in favor of the City evidencing the Loan, in the form attached as Exhibit A.
- (s) Parties. As defined in the introductory paragraph above.
- (t) Permitted Encumbrances. The encumbrances listed as exceptions on the Title Policy.
- (u) Permitted Use. As defined in Recital G above.
- (v) Plans and Specifications. The plans and specifications for the Addition dated _____, 20____, which have been approved in writing by the Director.
- (w) Project. As defined in Recital C above.
- (x) Title Policy. The lender's title insurance policy issued the date of this Agreement insuring the Mortgage as a first priority lien against the Borrower Property, in a form acceptable to the Director and the City Attorney.
- (y) Wayfinding Project. As defined in Recital C above.

2. Loan. The City agrees, on the terms and subject to the conditions set forth in the Loan Documents, to make the Loan to Borrower, which proceeds shall be used by Borrower solely for the Permitted Use. The obligation of Borrower to repay the Loan shall be evidenced by the Note, which contain the terms relating to maturity, interest rate, and other matters as set forth in the Note. Security for the Loan shall be evidenced by the Mortgage, which Borrower shall record in the St. Louis County real estate records, at Borrower's expense, immediately upon execution of this Agreement. **The requirements and obligations of Borrower set forth in the Loan Documents are in addition to, and not in replacement of, the requirements and obligations of Borrower set forth in the Lease and all other documents and agreements between Borrower and the City.**

3. Disbursing. The City and Borrower agree that the proceeds of the Loan shall be disbursed only upon receipt of a written disbursement request from Borrower acceptable

to the Director in the form provided by the City (the "Disbursement Request"). Disbursement Requests may be made no more than once per month. Each Disbursement Request must include invoices from each provider to be paid or cost to be reimbursed, and all invoices must evidence expenses that relate to the Permitted Use. Upon the Director's approval of a Disbursement Request and satisfaction of all conditions precedent, the City will disburse the approved amount of Loan proceeds in accordance with the information provided in the Disbursement Request. Unless approved by the Director in writing, no Disbursement Request shall be approved by the City in the 45 days immediately prior to (i) the scheduled closing date for the sale of the Borrower Property; or (ii) the date twelve months from the date of the first disbursement of the Loan. The City reserves the right to engage a title company to assist in disbursement of the Loan, in which case Borrower shall comply with the requirements of the City and the City's title company, and shall pay all expenses charged by the title company in relation to the disbursement of the Loan.

4. Conditions Precedent to Disbursement. The obligation of the City to advance the proceeds of the Loan shall be subject to the following conditions precedent:

(a) No Event of Default or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(b) All representations and warranties made by Borrower in Section 5 of this Agreement shall continue to be true and correct as of the date of disbursement of the Loan proceeds.

(c) Borrower must have complied with the requirements for disbursement set forth in Section 3 above.

(d) The Mortgage shall have been properly recorded in the St. Louis County real estate records, and shall constitute a first priority lien against the Borrower Property as evidenced by issuance of the Title Policy.

5. Representations and Warranties. Borrower represents and warrants as follows:

(a) Borrower is a non-profit corporation validly existing and in good standing under the laws of the State of Minnesota and has all of the requisite power and authority to execute and deliver and to perform all of its obligations under the Loan Documents.

(b) The transactions contemplated by the Loan Documents will not violate, conflict with or constitute a default under any note, bond, debenture or other evidence of indebtedness or any contract, loan agreement or lease to which Borrower is a party, or violate any law, regulation or order of the United States or the State of Minnesota or agency or political subdivision thereof, of any court order or judgment in any proceeding to which Borrower is or was a party.

(c) The execution, delivery and performance by Borrower of the Loan Documents have been duly authorized by Borrower and constitute, legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms.

(d) Borrower shall, upon the occurrence of each event that with the passage of time could become an Event of Default, furnish to the City a statement setting forth details of such event and the action, if any, that will be taken to cure such Event of Default, and such statement shall be furnished as soon as possible and in any event within seven (7) days after Borrower has obtained knowledge of such Event of Default.

(e) Borrower will promptly comply with all of the duties and requirements imposed upon it by the Loan Documents and shall perform them in full and complete accordance with all federal, state, and local laws, statutes, ordinances, rules and regulations.

(f) Borrower will furnish such satisfactory evidence with respect to the representations and warranties contained in this Section 5 as may be required and requested, from time to time, by the City.

(g) Borrower will not use or disburse the Loan for any purpose other than the Permitted Use or in any manner that is inconsistent with the provisions contained in this Agreement.

(h) The budget for the Project and Borrower's financial situation are substantially unchanged as compared with the date of the Funding Commitment.

(i) The board of directors of Borrower has passed a resolution authorizing the sale of the Borrower Property.

(j) Borrower will use good faith efforts to market and sell the Borrower Property.

(k) Borrower has good and marketable title to the Borrower Property free and clear of any lien or encumbrance, other than the Permitted Encumbrances.

6. Covenants. Borrower agrees that:

(a) The proceeds of the Loan will be used solely for the Permitted Use and Borrower will diligently pursue completion of construction of the Addition.

(b) Borrower will comply with all rules, regulations, ordinances and laws bearing on construction of the Addition and will obtain all necessary permits.

(c) Borrower will permit the City to examine all books, records, bills and statements of account pertaining to construction of the Addition, and to make extracts therefrom and copies thereof for the purpose of administering this Agreement.

(d) Borrower will pay when due all expenses associated with the Loan and the construction of the Addition, including but not limited to recording fees, title company charges, mortgage registration tax and permit fees.

(e) Borrower will keep the City informed regarding its progress in relation to its efforts to sell the Borrower Property, including but not limited to the scheduled date of closing in the event Borrower is successful in finding a buyer for the Borrower Property. Within five days of execution by all parties, Borrower will provide the City with an executed copy of any purchase agreement it enters into for the sale of the Borrower Property.

(f) Borrower will not allow any liens to attach to the Borrower Property or to Hartley Park.

(g) Borrower will not make or permit any changes to the Plans and Specifications without the prior written consent of the Director.

7. Events of Default. Each of the following shall constitute an “Event of Default”:

(a) Borrower shall fail to pay, when due, the principal of the Note or any other payment required under the Loan Documents, and such failure shall continue for a period of ten (10) calendar days after the due date.

(b) Borrower shall fail duly to observe or perform, any of the other terms, conditions, covenants or agreements required to be observed or performed by Borrower under the Loan Documents, and such failure shall continue for a period of thirty (30) calendar days after written notice of such failure has been given by the City or its authorized agent to Borrower or Borrower shall have failed to commence rectification of such failure within thirty (30) days after such notice to diligently prosecute the same where the same cannot be completed within thirty (30) days; provided, such extended time period does not exceed ninety (90) days.

(c) Any representation or warranty made by Borrower in the Loan Documents shall prove to have been untrue in any material respect or materially misleading as of the time such representation or warranty was made.

(d) Borrower shall be in default under or in breach of any of the covenants contained in the Loan Documents and such default or breach shall not be cured or waived within the period or periods of grace, if any, applicable thereto.

(e) Borrower makes an assignment for the benefit of its creditors, or is dissolved, or commits an act of bankruptcy under the United States Bankruptcy Act (as now or hereafter amended), or admits in writing its inability to pay its debts as they become due, or files a petition in bankruptcy, or becomes or is adjudicated a bankrupt or insolvent, however defined, or files a petition seeking any reorganization, dissolution, liquidation, arrangement, composition, readjustment or similar relief under any present or future bankruptcy or insolvency statute, law or regulation or files an answer admitting to or not contesting the material allegations of a petition filed against it in such proceedings, or does not, within thirty (30) days after the filing of such a petition against it, have the same dismissed or vacated, or seeks or consents to or acquiesces in the appointment of any trustee, receiver or liquidator of a material part of its properties, or does not, within thirty (30) days after the appointment (without its consent or acquiescence) of a trustee, receiver or liquidator of any material part of its properties, have such appointment vacated.

(f) Borrower abandons or fails to pursue completion of construction of the Addition.

8. Rights and Remedies. Upon the occurrence of an Event of Default, the City may, at its option, exercise any and all of the following rights and remedies (and any other rights and remedies available to it):

(a) By written notice to Borrower, declare immediately due and payable all unpaid principal of the Note, together with all other sums payable under the Loan Documents, and the same shall thereupon be immediately due and payable without presentment or other demand, protest, notice of dishonor or any other notice of any kind, all of which are expressly waived; provided, however, that upon the filing of a petition commencing a case naming Borrower as debtor under the United States Bankruptcy Code, the Loan shall be automatically due and payable without any notice to or demand on Borrower or any other party;

(b) commence foreclosure of the Mortgage as permitted by law and by the Mortgage;

(c) terminate this Agreement; or

(d) exert any other remedies that it may have under law or equity.

9. Addresses for Notices. All notices to be given by either party to the other shall be in writing and deemed to have been given when delivered personally or two (2) business days after deposited in the United States mail, registered or certified, postage prepaid, addressed as follows:

(a) To the City at:

City of Duluth
411 West 1st Street
Duluth, Minnesota 55802
Attention: _____

(b) To Borrower at:

or at such other address as such party shall hereafter furnish by written notice to the other party.

10. Miscellaneous.

(a) Indemnification by Borrower. Borrower shall bear all loss, expense (including attorneys' fees) and damage in connection with, and agrees to indemnify and hold harmless the City, its agents, servants and employees from all claims, demands and judgments made or recovered against the City, its agents, servants and employees: (i) because of bodily injuries, including death at any time resulting therefrom, and/or because of damages to property of the City or others (including loss of use) from any cause whatsoever, arising out of, incidental to, or in connection with the Permitted Use, whether or not due to any act of omission or commission, including negligence of Borrower or its contractors or its or their employees, servants or agents, and (ii) that arise directly or indirectly out of Borrower's performance or nonperformance under the Loan Documents. Borrower's liability under the Loan Documents shall not be limited to the extent of insurance carried by or provided by Borrower or subject to any exclusions from coverage in any insurance policy. The obligations of Borrower under this Section shall survive the payment of the Note.

(b) Fees. Borrower agrees to reimburse the City upon demand for all reasonable out-of-pocket expenses actually incurred by the City in connection with the Loan Documents or in connection with the transactions contemplated by the Loan Documents, including, but not limited to, any and all reasonable legal expenses and attorneys' fees sustained by the City in the exercise of any right or remedy available to it under the Loan Documents or otherwise by law or equity or in the collection of such expenses.

(c) Binding Effect and Assignment. This Agreement shall be binding upon and inure to the benefit of Borrower and the City and their respective successors and

assigns, except that Borrower may not transfer or assign its rights hereunder without the prior written consent of the City.

(d) Joint and Several Liability. Borrower agrees to be bound by this Agreement and waives demand, protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement hereof, and specifically consents to any extension of time, release of any party liable for this obligation, if any, including any maker, or acceptance of other security therefor. Any such extension or release may be made without notice to said party and without in any way affecting the liability of such party.

(e) Waivers. No waiver by the City of an Event of Default shall operate as a waiver of any other default or of the same default on a future occasion. No delay on the part of the City in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or future exercise thereof or the exercise of any other right or remedy. The rights and remedies specified in the Loan Documents are cumulative and not exclusive of any rights or remedies which the City would otherwise have.

(f) Independent Obligation. The obligations of Borrower under the Loan Documents are independent of any other obligations Borrower may have to the City as a result of other indebtedness and Borrower shall have no right of set-off thereunder or hereunder.

(g) Inconsistency. In the event that any of the terms and provisions of this Agreement are inconsistent with any of the terms and provisions of any other Loan Document, the terms and provisions of this Agreement shall govern.

(h) Governing Law, Venue. This Agreement shall be governed by the laws of the State of Minnesota. The Parties agree that any dispute that may arise between them arising out of the Loan Documents shall be adjudicated before a court located in St. Louis County, Minnesota and irrevocably submit to the exclusive jurisdiction of the federal and state courts of the State of Minnesota located in St. Louis County with respect to any action or legal proceeding commenced by any party.

(i) Counterparts. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original, but such counterparts shall together constitute one and the same instrument.

(j) Severability. In the event any provision in the Loan Documents shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the Parties.

(k) Exhibits. The exhibits to this Agreement include the following:

Exhibit A: Promissory Note
Exhibit B: Mortgage

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed as of the day and year first above written.

CITY OF DULUTH

HARTLEY NATURE CENTER
CORPORATION, a Minnesota nonprofit
corporation

By _____
Its Mayor

By _____
Its _____

Attest: _____
City Clerk

Countersigned:

City Auditor

Approved as to form:

City Attorney

EXHIBIT A TO LOAN AGREEMENT

FORM OF PROMISSORY NOTE

HARTLEY NATURE CENTER CORPORATION
PROMISSORY NOTE

\$ _____ .00 _____, 20__

FOR VALUE RECEIVED, Hartley Nature Center Corporation, a Minnesota non-profit corporation (the “Maker”), having an office at _____, Duluth, MN _____, does hereby promise to pay to the order of the City of Duluth, Minnesota (the “Lender”), at such place as the Lender may designate in writing in lawful money of the United States of America, the principal sum of _____ Thousand and No/100 Dollars (\$ _____ .00), or such lesser amount as may be advanced under this promissory note (the “Note”). This Note shall bear no interest. The entire outstanding balance of this Note shall be due and payable on on the sooner of: (i) the date when the Maker’s property legally described on the attached Attachment 1 is sold; and (ii) twelve months from the date of the first disbursement of funds pursuant to this Note (the “Maturity Date”).

1. Advances. Subject to the requirements of the Loan Agreement between the Maker and the Lender dated on the date hereof (the “Loan Agreement”), the Maker shall have the right to request disbursements of the proceeds of this Note from the Lender from time to time (individually an “Advance” and collectively, the “Advances”).

2. Use of Proceeds. All proceeds of this Note shall be used by the Maker solely to pay expenses incurred by the Maker in connection with the construction of the Addition (as defined in the Loan Agreement).

3. Payment on Maturity Date; Prepayments. The entire unpaid balance of this Note shall be due and payable in full on the Maturity Date. At any time, and from time to time before the Maturity Date, Maker shall have the right to prepay all or any part of the outstanding balance, in whole or in part, without premium or penalty. All payments shall be applied first to the payment of interest and then to the reduction of principal.

4. Choice of Law; Venue and Jurisdiction. This Note shall be governed by the laws of the State of Minnesota. Any dispute that may arise regarding this Note shall be adjudicated before a court located in St. Louis County, Minnesota and the parties irrevocably submit to the exclusive jurisdiction of the federal and state courts of the State of Minnesota located in St. Louis County with respect to any action or legal proceeding commenced by any party.

5. Miscellaneous Provisions.

(a) This Note may not be amended or modified except by an instrument in writing executed by the Maker and the Lender.

(b) The Maker hereby waives presentment, protest and demand, notice of protest, dishonor and nonpayment of this Note, and expressly agrees that, without in any way affecting the liability of the Maker hereunder, the Lender may extend the time for payment of any amount due hereunder and release any party liable hereunder without in any other way affecting the liability and obligation of the Maker. The Maker shall pay all attorneys' fees and other costs of collection actually incurred by the Lender in connection with the Lender enforcing its rights under this Note to receive payment or otherwise.

(c) The provisions of (i) the Loan Agreement and (ii) the mortgage given by the Maker to the Lender dated the date of this Note as security for this Note (the "Mortgage"), are incorporated by reference into this Note.

IN WITNESS WHEREOF, the Maker has executed this Note as of the date first set forth above.

HARTLEY NATURE CENTER CORPORATION,
a Minnesota nonprofit corporation

By: _____

Its: _____

Attachment 1 to Promissory Note

Legal Description

EXHIBIT B TO LOAN AGREEMENT

FORM OF MORTGAGE

MORTGAGE - BY CORPORATION OR PARTNERSHIP

By Corporation or Partnership	
<div style="border: 1px solid black; padding: 20px; margin: 10px auto; width: 80%;"> <p>(reserved for mortgage registry tax payment data)</p> </div> <p>MORTGAGE REGISTRY TAX DUE HEREON: \$ _____</p>	
	<p>(reserved for record data)</p>

THIS MORTGAGE, is granted this ____ day of _____, 20____, by _____, a non-profit corporation under the laws of the State of Minnesota ("Mortgagor"), to CITY OF DULUTH, a municipal corporation and political subdivision under the laws of the State of Minnesota (the "City").

WITNESSETH, that Mortgagor, in consideration of the sum of _____ and No/100 Dollars (\$_____.00) (the "Indebtedness"), to Mortgagor in hand paid by the City, the receipt of which is hereby acknowledged, does hereby mortgage to the City, with power of sale, the real property located in Duluth, St. Louis County, Minnesota and legally described as follows:

(INSERT LEGAL DESCRIPTION BASED ON TITLE COMMITMENT)

together with all hereditaments and appurtenances belonging thereto (the "Property".)

Mortgagor covenants with the City as follows:

1. Repayment of Indebtedness. If Mortgagor (a) pays the Indebtedness to the City according to the terms of the promissory note of even date herewith that evidences the Indebtedness and all renewals, extensions, and modifications thereto (the "Note"), final payment of which is due on the earlier of: (i) the date the Property is sold; or (ii) twelve months from the date of the first disbursement of the proceeds of the Note; (b) pays interest on the Indebtedness as provided in the Note; (c) repays to Lender, at the times and with interest as specified, all sums advanced in protecting the lien of this

Mortgage, if any; (d) keeps and performs all the covenants and agreements contained herein, in the Note, and in the Loan Agreement between Mortgagor and the City dated _____, 20__ (the "Agreement"), then Mortgagor's obligations under this Mortgage will be satisfied, and the City will deliver an executed satisfaction of this Mortgage to Mortgagor. It is Mortgagor's responsibility to record any satisfaction of this Mortgage at Mortgagor's expense.

2. Statutory Covenants. Mortgagor makes and includes in this Mortgage the following covenants and provisions set forth in Minn. Stat. 507.15, and the relevant statutory covenant equivalents contained therein are hereby incorporated by reference:

- (a) To warrant the title to the Property;
- (b) To pay the Indebtedness;
- (c) To pay all taxes before penalty attaches;
- (d) That the Property shall be kept in repair and no waste shall be committed;
- (e) To pay principal and interest on prior mortgages (if any).

3. Additional Covenants and Agreements of Mortgagor. Mortgagor makes the following additional covenants and agreements with the City:

(a) Mortgagor shall keep all buildings, improvements, and fixtures now or later located on all or any part of the Property (collectively, the "Improvements") insured against loss by fire, lightning, and such other perils as are included in a standard all-risk endorsement, and against loss or damage by all other risks and hazards covered by a standard extended coverage insurance policy, including, without limitation, vandalism, malicious mischief, burglary, theft, and if applicable, steam boiler explosion. Such insurance shall be in an amount no less than the full replacement cost of the Improvements, without deduction for physical depreciation. If any of the Improvements are located in a federally designated flood prone area, and if flood insurance is available for that area, Mortgagor shall procure and maintain flood insurance in amounts reasonably satisfactory to the City. Mortgagor shall procure and maintain liability insurance against claims for bodily injury, death, and property damage occurring on or about the Property in amounts reasonably satisfactory to the City and naming the City as an additional insured, all for the protection of the City.

(b) Each insurance policy required pursuant to Paragraph 3(a) must contain provisions in favor of the City affording all right and privileges customarily provided under the so-called standard mortgagee clause. Each policy must be issued by an insurance company or companies licensed to do business in Minnesota and acceptable to the City. Each policy must provide for not less than thirty (30) days written notice to the City before cancellation, non-renewal, termination, or change in coverage. Mortgagor will deliver to the City a duplicate original or certificate of such insurance policies and of all renewals and modifications of such policies.

(c) If the Property is damaged by fire or other casualty, Mortgagor must promptly give notice of such damage to the City and the insurance company. In such event, the insurance proceeds paid on account of such damage will be applied to payment of the amounts owed by Mortgagor pursuant to the Note, even if such

amounts are not otherwise then due. Such amounts first will be applied to unpaid accrued interest and next to the principal to be paid as provided in the Note in the inverse order of their maturity. Such payment(s) will not postpone the due date of the installments to be paid pursuant to the Note or change the amount of such installments. The balance of insurance proceeds, if any, will be the property of Mortgagor.

(d) If all or any part of the Property is taken in condemnation proceedings instituted under power of eminent domain or is conveyed in lieu thereof under threat of condemnation, the money paid pursuant to such condemnation or conveyance in lieu thereof must be applied to payment of the amounts due by Mortgagor to the City under the Note as set forth in Paragraph 3(c), even if such amounts are not then due to be paid.

(f) Mortgagor will diligently complete all Improvements, if any, that may now or hereafter be under construction on the Property.

(g) Mortgagor will pay all dues, fees, or assessments, if any, which are due and payable by Mortgagor to any homeowners or similar association as a result of the Property's inclusion therein.

(h) Mortgagor will pay any other expenses and attorneys' fees incurred by the City pursuant to the Note or as reasonably required for the protection of the lien of this Mortgage.

(i) Mortgagor will pay, when due, both principal and interest of all prior liens or encumbrances, if any, and keep the Property free and clear of all other prior liens or encumbrances.

4. Payment by the City. In case of failure to pay any of the amounts required by this Mortgage, or to insure the Improvements and deliver the insurance policies as required, the City may pay the required amounts and interest thereon, or obtain the required insurance. The sums paid by the City shall be additional Indebtedness and shall bear interest from the date of payment at the rate of three percentage points in excess of the prime rate established from time to time by Wells Fargo Bank, or the maximum rate allowed by law, whichever is less, until paid in full, and shall be impressed as an additional lien upon the Property and be immediately due and payable from Mortgagor to the City. This Mortgage shall from date thereof secure the repayment of such advances with interest.

5. Default. In case of default under this Mortgage, or any term contained in the Note or the Agreement, the City may declare the unpaid balance of the Note, together with interest and all sums advanced hereunder, immediately due and payable without notice, and Mortgagor hereby authorizes and empowers the City to foreclose this Mortgage by judicial proceedings or to sell the Property at public auction and convey the same to the purchaser in fee simple in accordance with Minn. Stat. Chapter 580, and out of the monies arising from such sale, to retain all sums secured hereby, with interest and all legal costs and charges of such foreclosure and the maximum attorneys' fee permitted by law, which costs, charges and fees Mortgagor agrees to pay.

