

**AMENDMENT NO. 1 TO L30637  
SPIRIT MOUNTAIN RECREATION AREA PROJECT CONSULTING AGREEMENT**

THIS AMENDMENT NO. 1 TO THE SPIRIT MOUNTAIN RECREATION AREA PROJECT CONSULTING AGREEMENT is made and effective as of March 20, 2025, or the date of attestation by the City Clerk, whichever is later (the “Effective Date”), by and between the City of Duluth (“Owner”) and Kraus-Anderson Construction Company (“Construction Manager”).

WITNESSETH THAT WHEREAS:

A. Owner and Construction Manager are parties to that certain Spirit Mountain Recreation Area Project Consulting Agreement dated January 24, 2023 (the “PC Agreement”) with respect to the Spirit Mountain Recreation Area Renovations project identified in the PC Agreement (the “Project”).

B. Owner and Construction Manager now desire to amend the PC Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby amend the PC Agreement and agree as follows.

1. The Project is further defined as follows: Phase 1 consists of demolition and removal of existing chairlift equipment, and supply and installation of a new chairlift. Phase 2 consists of designing and completing partial demolition and renovation of, and addition to, the main chalet.
2. The Owner will contract with Leitner-Poma of America, Inc. (“LP”), 2746 Seeber Drive, Building A, Grand Junction, CO 81506, for demolition and removal of existing chairlift equipment, and supply and installation of the equipment for Phase 1 per their proposal to the Owner of January 8, 2025. The value of the LP contract is \$3,417,190.
3. The Architect for Phase 2 of the Project is Alliiance, 400 Clifton Avenue, Minneapolis, MN 55403.
4. The conceptual phase of the Preconstruction Phase addressing the items listed in the Owner’s program in Section 1.1.1 has been completed. The Owner is now proceeding with Phase 1 and Phase 2.
5. Section 1.1.2 is amended to delete “To be determined,” and replace with the following:

Phase 1: Removal of Gandy and Summit lift equipment, and supply and install a fixed-grip, four-place chair lift. Equipment and fixtures shall include top and bottom terminals, new towers, new line equipment, new chairs and operator shacks at the top and bottom terminals.

Phase 2: Approximate Square Foot Area of Components:

Structural Demolition - 33,500 GSF  
Chalet Building Remodel - 22,000 GSF  
Chalet Building Addition - 15,000 GSF  
Chalet Site Improved Footprint - 120,000 SF or 2.75 Acres

6. Section 1.1.3 is amended to read as follows:

§ 1.1.3 The Owner's budget for the Cost of the Work, as defined in Section 6.1:

Phase 1:	\$4,000,000
Phase 2:	\$18,000,000

7. Section 1.1.4 is amended to read as follows:

§ 1.1.4 The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:

Phase 1:	Complete
Phase 2:	

SD Completed: 3/14/25

DD Completed: 7/18/25

Construction documents completed: 1/23/26

- .2 Construction commencement date:

Phase 1: 5/5/25

Phase 2: 4/6/26

- .3 Substantial Completion date or dates:

Phase 1: 186 calendar days after commencement

Phase 2: 12 months after commencement

8. Section 1.1.9 is amended to substitute the following representative:

Rob Hurd  
1532 West Michigan Street  
Duluth, MN 55802

rhurd@duluthmn.gov  
218.626.5130

9. Section 1.1.11 is amended to add the following consultants:

- .1 Land Surveyor: TBD
- .2 Geotechnical Engineer: TBD
- .3 Civil Engineer: N/A

10. Section 1.1.12 is amended to substitute the following representative:

Max Vergeldt  
Kraus-Anderson® Construction Company  
2000 West Superior Street, Suite101  
Duluth, MN 55806  
max.vergeldt@krausanderson.com  
218-624-8623

11. Section 1.1.13 is amended as follows: delete “See Exhibit A,” and replace with:

Project Director:	Dan Markham
Project Executive:	Patrick Gallagher
Project Manager:	Max Vergeldt
Preconstruction Services Manager:	Paul Noll
General Superintendent:	Rob Wurzl
Superintendent:	Wade Engebretson
Safety Coordinator:	Stephanie Vedder
Project Coordinator:	Alli Coffman
Project Accountant:	TBD

12. Section 11.1.1 is amended to include the following:

For Preconstruction Services performed prior to construction commencement of Phase 1, the Construction Manager shall be paid a lump sum of \$10,000. For the design phase of the Preconstruction Phase of Phase 2, the Construction Manager shall be paid a lump sum of \$25,000 for twelve (12) months of Preconstruction Phase Services from the date of this Agreement.

13. Section 11.1.2 is amended as follows:

11.1.2.1 The Construction Manager’s Fee shall be 1.85% of the Cost of the Work defined in Article 6 for both Phase 1 and Phase 2 of the Project.

11.1.2.2 For Phase 1 of the Project, the Construction Manager shall be paid a stipulated sum of \$124,416 for the Construction Manager’s costs for administrating and managing the Project. This stipulated sum assumes a six-month (26 week) schedule for the Construction

Phase. Should the Construction Phase extend beyond six months, the Construction Manager is entitled to charge additional amounts at the hourly rates set forth in 11.5 not to exceed the following: (i) \$4,785 per each additional week, or (ii) \$20,736 per each additional month.

The Construction Manager shall also be paid for the costs of Construction Manager’s field labor for general conditions work at the hourly rates set forth in Section 11.5, and Reimbursable Expenses, totaling \$156,772. This stipulated sum assumes a six-month (26 week) schedule for the Construction Phase. The Construction Manager will invoice the Owner monthly for these expenses as incurred.

11.1.2.3 For Phase 2 of the Project, compensation for Construction Phase Services for Phase 2 shall be set forth in an Amendment to the PC Agreement once the Project scope and schedule have been appropriately identified during the Preconstruction Phase for Phase 2. Any Construction Phase Services performed for Phase 2 prior to execution of the Amendment shall be billed at the hourly rates set forth in Section 11.5.14.

- 14. In Section 11.2, delete "At the hourly rates set forth in Exhibit A," and replace with the following: "At the hourly rates set forth in Section 11.5, plus Reimbursable Expenses."
- 15. In Section 11.3, delete "At the hourly rates set forth in Exhibit A," and replace with the following: "At the hourly rates set forth in Section 11.5, plus Reimbursable Expenses."
- 16. In Section 11.5, delete "See Exhibit A" and insert the following:

11.5.1 Regular Hourly Rates for administrative personnel:

Project Executive	\$160 / hour
Project Manager	\$142 / hour
Project Superintendent	\$140 / hour
General Superintendent	\$150 / hour
Quality Manager	\$140 / hour
Mechanical & Electrical Systems Mgr.	\$151 / hour
Accounting	\$78 / hour
Safety Coordinator	\$133 / hour
Senior BIM/VDC Specialist	\$130 / hour
Project Coordinator	\$ 78 / hour

These rates will be in effect through December 31, 2025 and will increase 4% per year thereafter.

11.5.2 Regular Hourly Rates for field labor personnel for any miscellaneous general requirements or general conditions-type work:

<b><u>Personnel Category</u></b>	<b><u>Rate Per Hour</u></b>
Carpenter - Journeyman	\$101.62/ hour
Carpenter - Foreman	\$105.30/ hour
Laborer - Journeyman	\$88.63/ hour

Laborer - Foreman	\$91.57/ hour
Operator – G1	\$119.36/ hour
Operator – G2	\$118.76/ hour
Operator – G3	\$116.33/ hour
Operator – G4	\$115.76/ hour
Operator – G5	\$112.44/ hour
Operator – G6	\$109.85/ hour
Operator – G7	\$107.91/ hour
Operator – G8	\$104.43/ hour

The rates set forth above shall be increased in accordance with the terms of any applicable collective bargaining agreement.

17. In Section 11.6.1.9, replace “0.85%” with “1.05%.”
18. In Section 13.2.3, replace Exhibit A with the following:  
“Exhibit A – Not Used”
19. In Section 13.2.3, Exhibit B is replaced with an updated Exhibit B incorporated into this Amendment.
20. Except as modified herein, the PC Agreement shall remain in full force according to its terms.
21. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original and all of which counterparts, taken together, shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this document by facsimile or other generally accepted electronic means shall be effective as delivery of a manually executed counterpart of this document.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1 to the PC Agreement as of the date first set forth above. The undersigned further acknowledges that he or she is authorized to enter into this Amendment on behalf of the party designated below.

OWNER

\_\_\_\_\_

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

Its: \_\_\_\_\_

CONSTRUCTION MANAGER

Kraus-Anderson Construction Co., Daniel Markham

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

Its: Director of Operations