

EXHIBIT 1

STATE OF MINNESOTA DEPARTMENT OF TRANSPORTATION

LIMITED USE PERMIT

C.S. 6982 (T.H. 35)
County of St. Louis
LUP # 6982-0050
Permittee: City of Duluth
Expiration Date: 06/30/2038

In accordance with Minnesota Statutes Section 161.434, the State of Minnesota, through its Commissioner of Transportation, ("MnDOT"), hereby grants a Limited Use Permit (the "LUP") to City of Duluth, ("Permittee" or "City"), to use the area within the right of way of Trunk Highway No. 35 as shown in red on Exhibit "A", (the "Area") attached hereto and incorporated herein by reference. This Limited Use Permit is executed by the Permittee pursuant to resolution, a certified copy of which is attached hereto as Exhibit B.

Non-Motorized Recreational Trail

The Permittee's use of the Area is limited to only the constructing, maintaining and operating a nonmotorized recreational trail ("Facility") and the use thereof may be further limited by 23 C.F.R. 652 also published as the Federal-Aid Policy Guide.

The permittee agrees that this permit totally replaces and supersedes the previously issued _____ permits affecting the Area, specifically: The first permit, # _____, was issued on _____ on CS _____ (TH ____). The second permit, # _____, was issued on _____ on CS _____ (TH ____). Upon issuance of this permit each of these earlier issued permits are cancelled.

In addition, the following special provisions shall apply:

SPECIAL PROVISIONS

1. TERM. This LUP terminates at 11:59 PM on 06/30/2038 ("Expiration Date") subject to the right of cancellation by MnDOT, with or without cause, by giving the Permittee ninety (90) days written notice of such cancellation. This LUP will not be renewed except as provided below.

Provided this LUP has not expired or terminated, MnDOT may renew this LUP for a period of up to ten (10) years, provided Permittee delivers to MnDOT, not later than ninety (90) days prior to

the Expiration Date, a written request to extend the term. Any extension of the LUP term will be under the same terms and conditions in this LUP, provided:

- (a) At the time of renewal, MnDOT will review the Facility and Area to ensure the Facility and Area are compatible with the safe and efficient operation of the highway and the Facility and Area are in good condition and repair. If, in MnDOT's sole determination, modifications and repairs to the Facility and Area are needed, Permittee will perform such work as outlined in writing in an amendment of this LUP; and
- (b) Permittee will provide to MnDOT a certified copy of the resolution from the applicable governmental body authorizing the Permittee's use of the Facility and Area for the additional term.

If Permittee's written request to extend the term is not timely given, the LUP will expire on the Expiration Date.

Permittee hereby voluntarily releases and waives any and all claims and causes of action for damages, costs, expenses, losses, fees and compensation arising from or related to any cancellation or termination of this LUP by MnDOT. Permittee agrees that it will not make or assert any claims for damages, costs, expenses, losses, fees and compensation based upon the existence, cancellation or termination of the LUP. Permittee agrees not to sue or institute any legal action against MnDOT based upon any of the claims released in this paragraph.

2. **REMOVAL.** Upon the Expiration Date or earlier termination, at the Permittee's sole cost and expense Permittee will:

- (a) Remove the Facility and restore the Area to a condition satisfactory to the MnDOT District Engineer; and
- (b) Surrender possession of the Area to MnDOT.

If, without MnDOT's written consent, Permittee continues to occupy the Area after the Expiration Date or earlier termination, Permittee will remain subject to all conditions, provisions, and obligations of this LUP, and further, Permittee will pay all costs and expenses, including attorney's fees, in any action brought by MnDOT to remove the Facility and the Permittee from the Area.

3. **CONSTRUCTION.** The construction, maintenance, and supervision of the Facility shall be at no cost or expense to MnDOT.

Before construction of any kind, the plans for such construction shall be approved in writing by the MnDOT's District Engineer. Approval in writing from MnDOT District Engineer shall be required for any changes from the approved plan.

The Permittee will construct the Facility at the location shown in the attached Exhibit "A", and in accordance with MnDOT-approved plans and specifications. Further, Permittee will construct

the Facility using construction procedures compatible with the safe and efficient operation of the highway.

Upon completion of the construction of the Facility, the Permittee shall restore all disturbed slopes and ditches in such manner that drainage, erosion control and aesthetics are perpetuated.

The Permittee shall preserve and protect all utilities located on the lands covered by this LUP at no expense to MnDOT and it shall be the responsibility of the Permittee to call the Gopher State One Call System at 1-800-252-1166 at least 48 hours prior to performing any excavation.

Any crossings of the Facility over the trunk highway shall be perpendicular to the centerline of the highway and shall provide and ensure reasonable and adequate stopping sight distance.

4. MAINTENANCE. Any and all maintenance of the Facility shall be provided by the Permittee at its sole cost and expense, including, but not limited to, plowing and removal of snow and installation and removal of regulatory signs. No signs shall be placed on any MnDOT or other governmental agency sign post within the Area. MnDOT will not mark obstacles for users on trunk highway right of way.
5. USE. Other than as identified and approved by MnDOT, no permanent structures or no advertising devices in any manner, form or size shall be allowed on the Area. No commercial activities shall be allowed to operate upon the Area.

Any use permitted by this LUP shall remain subordinate to the right of MnDOT to use the property for highway and transportation purposes. This LUP does not grant any interest whatsoever in land, nor does it establish a permanent park, recreation area or wildlife or waterfowl refuge Facility that would become subject to Section 4 (f) of the Federal-Aid Highway Act of 1968, nor does this permit establish a Bikeway or Pedestrian way which would require replacement pursuant to Minnesota Statutes Section 160.264. No rights to relocation benefits are established by this LUP.

This LUP is non-exclusive and is granted subject to the rights of others, including, but not limited to public utilities which may occupy the Area.

6. APPLICABLE LAWS. This LUP does not release the Permittee from any liability or obligation imposed by federal law, Minnesota Statutes, local ordinances, or other agency regulations relating thereto and any necessary permits relating thereto shall be applied for and obtained by the Permittee.

The Permittee must maintain the Area and Facilities in compliance with the Americans with Disabilities Act (ADA) and other applicable law. If the Permittee fails to comply with the ADA and/or any other applicable law, MnDOT will provide the Permittee with written notice specifically describing the manner in which the Area and Facilities are not in compliance and

citing the applicable law being violated. If the Permittee fails to promptly bring the Area and Facilities into compliance, MnDOT may enter the Area and perform such obligation without liability to Permittee for any loss or damage to Permittee thereby incurred, and Permittee shall reimburse MnDOT for the cost thereof, plus 10% of such cost for overhead and supervision within 30 days of receipt of MnDOT's invoice. This is not an agreement by MnDOT to take on Permittee's liability for Permittee's violation of the ADA or any applicable law. Permittee remains liable for any violation of the ADA or applicable law.

7. **CIVIL RIGHTS.** The Permittee for itself, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree that in the event improvements are constructed, maintained, or otherwise operated on the Property described in this Limited Use Permit for a purpose for which a MnDOT activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the Permittee will maintain and operate such improvements and services in compliance with all requirements imposed by the Acts and Regulations relative to nondiscrimination in federally-assisted programs of the United States Department of Transportation, Federal Highway Administration, (as may be amended) such that no person on the grounds of race, color, national origin, sex, age, disability, income-level, or limited English proficiency will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said improvements.
8. **SAFETY.** MnDOT shall retain the right to limit and/or restrict any activity, including the parking of vehicles and assemblage of Facility users, on the highway right of way over which this LUP is granted, so as to maintain the safety of both the motoring public and Facility users.
9. **ASSIGNMENT.** No assignment of this LUP is allowed.
10. **IN WRITING.** Except for those which are set forth in this LUP, no representations, warranties, or agreements have been made by MnDOT or Permittee to one another with respect to this LUP.
11. **ENVIRONMENTAL.** The Permittee shall not dispose of any materials regulated by any governmental or regulatory agency onto the ground, or into any body of water, or into any container on the State's right of way. In the event of spillage of regulated materials, the Permittee shall notify in writing MnDOT's District Engineer and shall provide for cleanup of the spilled material and of materials contaminated by the spillage in accordance with all applicable federal, state and local laws and regulations, at the sole expense of the Permittee.
12. **MECHANIC'S LIENS.** The Permittee (for itself, its contractors, subcontractors, its materialmen, and all other persons acting for, through or under it or any of them), covenants that no laborers', mechanics', or materialmens' liens or other liens or claims of any kind whatsoever shall be filed or maintained by it or by any subcontractor, materialmen or other person or persons acting for, through or under it or any of them against the work and/or against said lands, for or on account of any work done or materials furnished by it or any of them under any agreement or any amendment or supplement thereto.

13. NOTICES. All notices which may be given, by either party to the other, will be deemed to have been fully given when served personally on MnDOT or Permittee or when made in writing addressed as follows: to Permittee at:

City of Duluth
Attn: Property and Facilities Manager
1832 W. Michigan Street
Duluth, MN 55806

and to MnDOT at:

State of Minnesota
Department of Transportation
District 1 Right of Way
1123 Mesaba Avenue
Duluth, MN 55811

The address to which notices are mailed may be changed by written notice given by either party to the other.

14. INDEMNITY. City and the State shall each be responsible for their own acts and the results thereof and shall not be responsible for the acts of the other party. The State's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Chapter §3.736 and other applicable law. The City's liability shall be governed by the provisions of Minnesota Statutes Chapter 466 and other applicable law.

MINNESOTA
DEPARTMENT

OF TRANSPORTATION

RECOMMENDED FOR APPROVAL

By: _____
District
Engineer

Date _____

APPROVED BY:

COMMISSIONER OF TRANSPORTATION

By: _____
Director, Office of Land Management

Date _____

CITY OF DULUTH, MINNESOTA

By: _____
Mayor

ATTEST:

City Clerk

Dated: _____

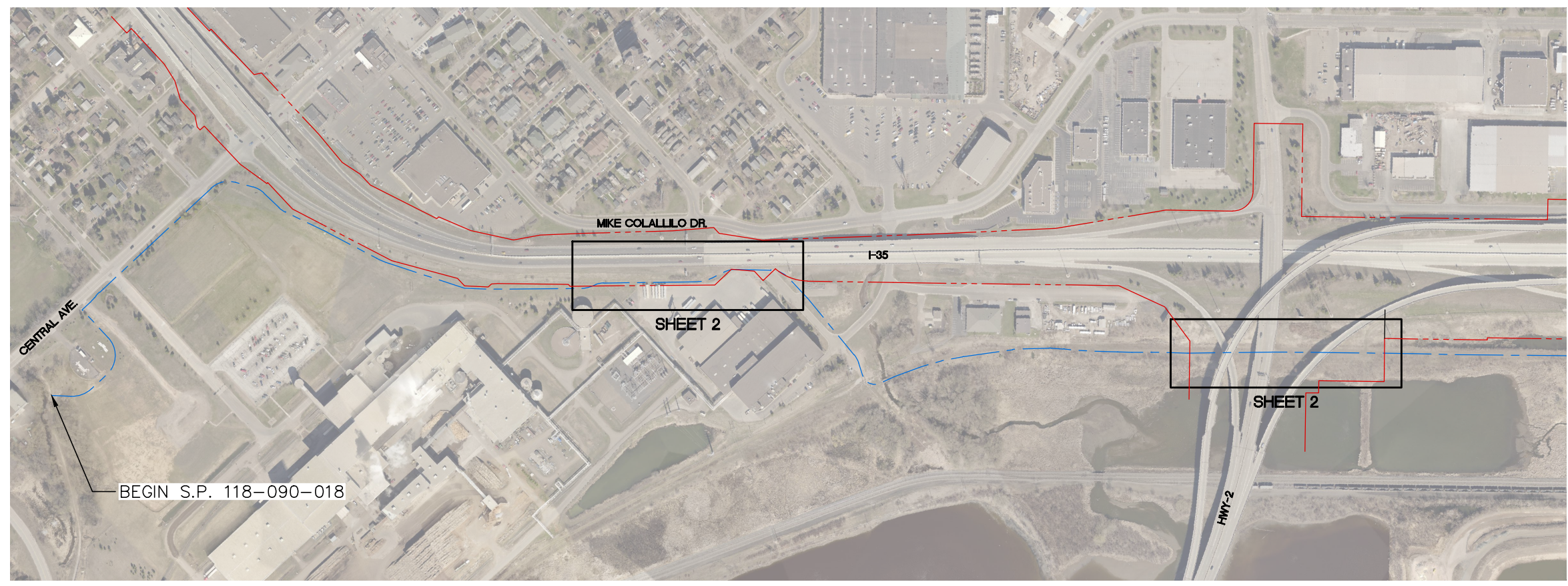
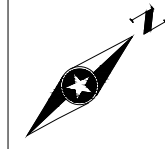
COUNTERSIGNED:

City Auditor



APPROVED AS TO FORM:

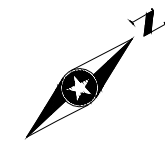
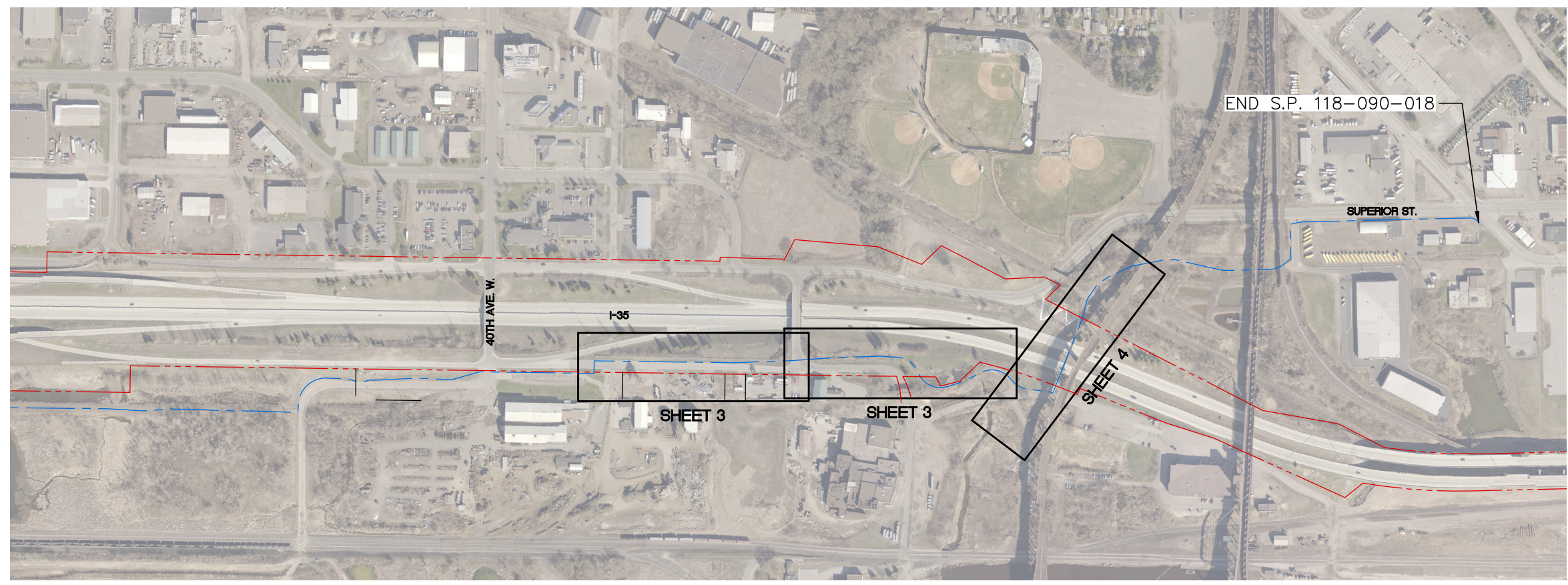
City Attorney

The Commissioner of Transportation by the execution of this permit certifies that this permit is necessary in the public interest and that the use intended is for public purposes.



Legend

-  MNDOT R/W
-  Cross City Trail Route
(Length = 13,129 feet)



PROJECT LOCATION



This map is neither a legally recorded map nor a survey map and is not intended to be used as one. This map is a compilation of records, information and data gathered from various sources listed on this map and is to be used for reference purposes only. SEH does not warrant that the Geographic Information System (GIS) Data used to prepare this map are error free, and SEH does not represent that the GIS Data can be used for navigational, tracking or any other purposes requiring existing measurement of distance or direction or precision in the depiction of geographic features. The user of this map acknowledges that SEH shall not be liable for any damages which arise out of the user's access or use of data provided.

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 **SEH**
 PHONE: 218.279.3000
 418 W SUPERIOR ST STE 200
 DULUTH, MN 55802-1512
 www.sehinc.com

Project: DULUT 109680
 Print Date: 10/27/2014
 Drawn by: ACO
 Projection: STLC 96
 Source: St. Louis County, MnDOT

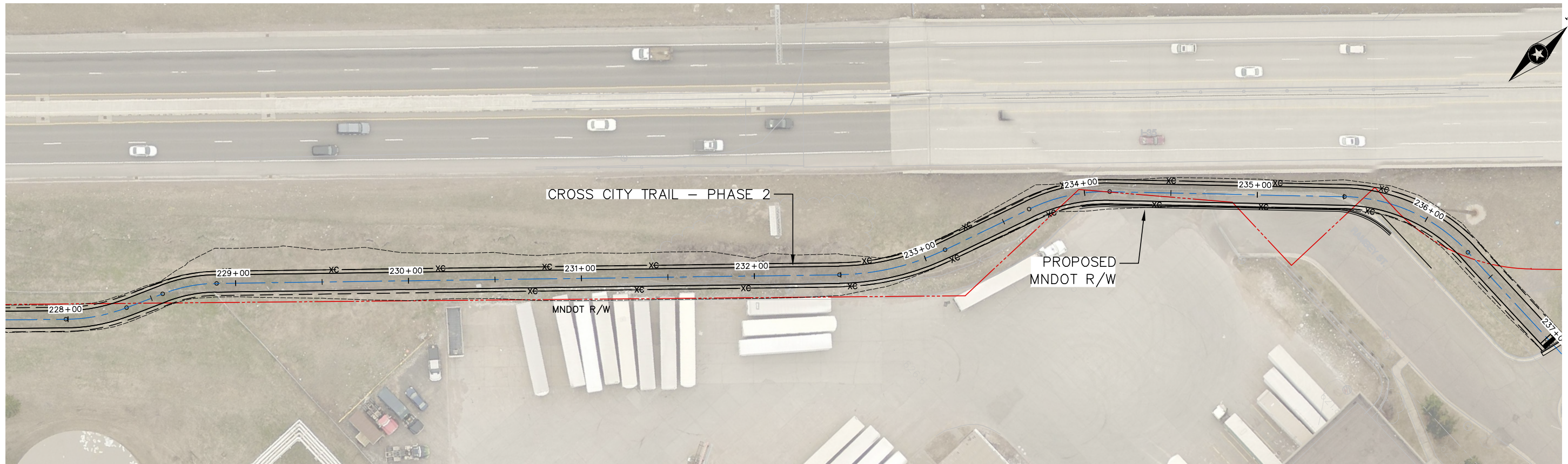
CROSS CITY TRAIL - PHASE 2
 Duluth, Minnesota

Exhibit 2

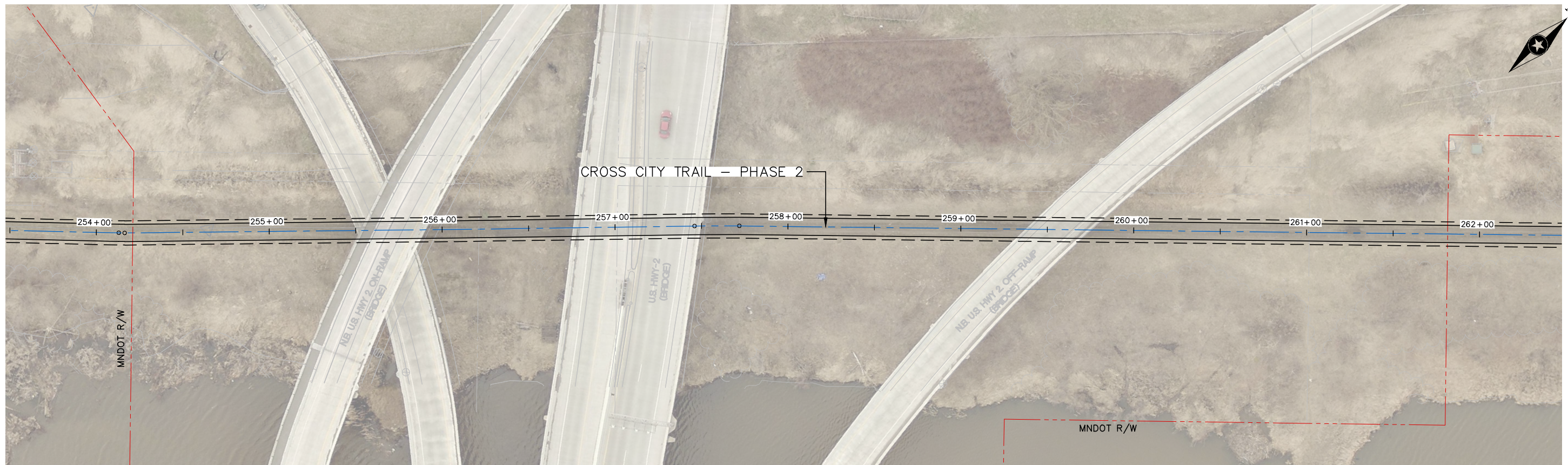
LIMITED USE PERMIT
PROJECT LOCATION MAP

S.P. NO. 118-090-018
 CITY PROJECT NO. 0676TR

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MNDOT RIGHT OF WAY



MNDOT R/W

MNDOT R/W

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DESIGNER:	-			
CHECKED BY:	-			
DESIGN TEAM	NO.	BY	DATE	REVISIONS

PRELIMINARY
EXHIBIT 2

PHONE: 218.279.3000
418 W SUPERIOR ST STE 200
DULUTH, MN 55802-1512
www.sehinc.com

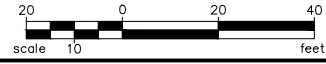
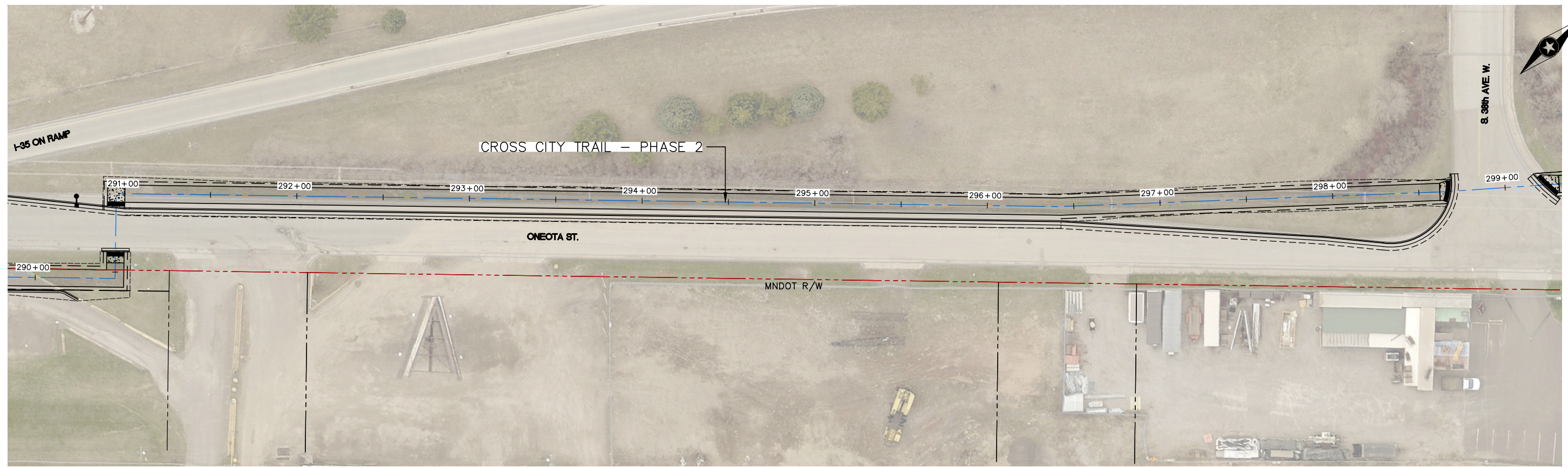
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MINNESOTA

MNDOT
LIMITED USE PERMIT

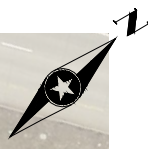
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MNDOT RIGHT OF WAY



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DESIGNER:	-			
CHECKED BY:	-			
DESIGN TEAM	NO.	BY	DATE	REVISIONS

PRELIMINARY
EXHIBIT 2



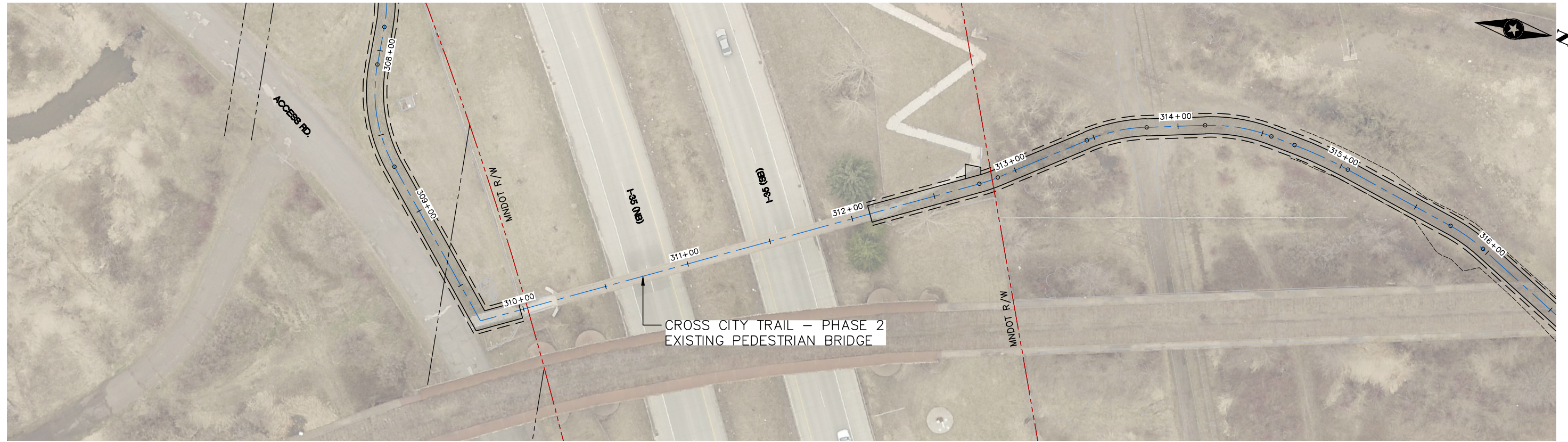
PHONE: 218.279.3000
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**DULUTH,
MINNESOTA**

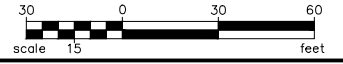
**MNDOT
LIMITED USE PERMIT**

FILE NO.
DULUT 109680

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----- MNDOT RIGHT OF WAY



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DRAWN BY: _____				
DESIGNER: _____				
CHECKED BY: _____				
DESIGN TEAM	NO.	BY	DATE	REVISIONS

PRELIMINARY
EXHIBIT 2



PHONE: 218.279.3000
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**DULUTH,
MINNESOTA**

**MNDOT
LAND USE PERMIT**

FILE NO.
DULUT 109680

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