

**NEW HOUSING MODEL FOR HOMELESS DEVELOPMENT AGREEMENT  
BETWEEN DULUTH ECONOMIC DEVELOPMENT AUTHORITY AND  
PLOVER PLACE, LLC  
FIRST AMENDMENT**

THIS FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”) entered into as of \_\_\_\_\_, 2023, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, hereinafter referred to as “DEDA”, and PLOVER PLACE, LLC, a Minnesota limited liability company, which is wholly owned by ONE ROOF COMMUNITY HOUSING, a 501(c)(3) non-profit corporation, created and existing under Minnesota Statute (1989) Chapter 317A, hereinafter referred to as "Developer".

WHEREAS, on February 7, 2023 DEDA and Developer entered into a Development Agreement bearing DEDA Contract No. 23 860 107 (the “Development Agreement”), which was recorded in the Office of the St. Louis County Registrar of Titles on \_\_\_\_\_, 2023, as Document No. \_\_\_\_\_; and

WHEREAS, the parties desire to enter into this First Amendment to amend the Development Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which is hereby acknowledged, the parties agree to amend the Development Agreement as follows:

1. That Paragraph H of Article I of the Development Agreement is hereby amended by deleting the amount of “\$3,240,000” and by substituting the amount of “\$3,620,000”.
2. That Paragraph K of Article I of the Development Agreement is hereby amended by deleting the amount of “\$3,240,000” and by substituting the amount of “\$3,620,000”.
3. That Paragraph M of Article I of the Development Agreement is hereby amended by deleting the amount of “\$1,600,000” and by substituting the amount of \$1,728,000”.
4. That the Development Agreement is hereby amended by deleting Exhibit B and by substituting the Attached Exhibit B-1.
5. That the Development Agreement is hereby amended by deleting Exhibit F and by substituting the Attached Exhibit F-1.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and date first above shown.

**DULUTH ECONOMIC DEVELOPMENT AUTHORITY**

By \_\_\_\_\_  
ChaQuana McEntyre  
Its President

[illegible]

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by ChaQuana McEntyre, the President, of the Duluth Economic Development Authority, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

By \_\_\_\_\_  
Ellie Just  
Its Secretary

[illegible]

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023, by Ellie Just, the Secretary, of the Duluth Economic Development Authority, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

**PLOVER PLACE, LLC**

By \_\_\_\_\_  
Jeff Corey, Executive Director  
of One Roof Community Housing,  
Its Sole Member

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF ST LOUIS    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2023,  
by Jeff Corey, the Executive Director of One Roof Community Housing, a Minnesota non-profit  
corporation, the Sole Member of Plover Place, LLC, a limited liability company under the laws of  
the State of Minnesota on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public

## Exhibit B - 1

### Eligible Project Costs

#### Plover Place - New Model for Homeless Individuals

Two 12 unit Buildings, 4480 SF each

5/22/2023

#### SOURCES

PERMANENT CAPITAL SOURCES OF FUNDING				
Name of Source	Term (Years)	Rate	Amount	Per Unit
City of Duluth - ARPA			1,600,000	66.667
St. Louis County Funding			1,600,000	66.667
Sales Tax Rebate			40,000	1.667
MN Power Solar Grant			30,000	1.250
County additional ARPA			172,000	7.167
City of Duluth additional ARPA			128,000	5.333
City of Duluth forgivable Housing Trust Fund			50,000	2.083
<b>Total Permanent Financing</b>			<b>3,620,000</b>	<b>150.833</b>

#### DEVELOPMENT COSTS

	Expenses	Per Unit
<b>ACQUISITION or REFINANCE EXISTING DEBT</b>		
Land	12,888	
Holding Costs	225	
<b>Acquisition/Refinance Total</b>	<b>13,113</b>	<b>546</b>
<b>CONSTRUCTION</b>		
<b>New Construction</b>		
Modular Design	500	
Security		
<b>New Construction Subtotal</b>	<b>2,756,836</b>	
Construction Contingency	5.00% 137,842	
<b>Total Construction Costs</b>	<b>2,895,178</b>	<b>120,632</b>
<b>PROFESSIONAL FEES</b>		
Architect Carly Coulson	24,852	
Structural sandman from Carly work	12,000	
Foundations-Greg & Struct-Sandman	43,345	
Civil - NCE-Bolf	13,010	
Mech - Cain Thomas	12,800	
Surveys	2,750	
Soil Borings	4,836	
Furnishings and Equipment	61,000	
Appliances	40,000	
Legal Fees	21,668	
Other Fees Gradual Lease Up- Start-Up Costs	100,000	
<b>Professional Fees Total</b>	<b>336,260</b>	<b>14,011</b>
<b>DEVELOPER FEE</b>		
Developer Fee		
<b>Developer Fee Total</b>	<b>320,000</b>	<b>13,333</b>
<b>FINANCING COSTS</b>		
<b>Construction Period Costs</b>		
Hazard and Liability Insurance	12,500	
Title and Recording	2,949	
<b>Financing Costs Total</b>		
<b>TOTAL MORTGAGEABLE COSTS</b>	<b>15,449</b>	<b>644</b>
<b>RESERVES AND NON-MORTGAGEABLE COSTS</b>		
Operating & Mainten - 1st year	40,000	
<b>Non-Mortgageable Costs Total</b>	<b>40,000</b>	<b>1,667</b>
<b>TOTAL DEVELOPMENT COST</b>		
<b>Total Development Costs</b>	<b>3,620,000</b>	<b>150.833</b>

**Exhibit F-1**  
**PLOVER PLACE**  
**CONSTRUCTION DISBURSING AGREEMENT**

Arrowhead Abstract & Title Co. File No. \_\_\_\_\_

Project Name: Plover Place, LLC

Property Address: \_[TBD]\_ W. Palm Street, Duluth, MN 55811

Brief Description of Improvements: Two Modular Buildings w/Site Improvements

Legal Description:

LOTS 20 THRU 22, BLOCK 006, DULUTH HEIGHTS 5<sup>TH</sup> DIVISION and  
LOTS 23 THRU 28, BLOCK 006, DULUTH HEIGHTS 5<sup>TH</sup> DIVISION and  
ALL OF LOT 29 AND LOT 30 EX WLY 33FT, BLOCK 006, DULUTH HEIGHTS 5<sup>TH</sup> DIVISION  
and  
WLY 33 FT OF LOT 30, BLOCK 006, DULUTH HEIGHTS 5<sup>TH</sup> DIVISION  
St. Louis County, Minnesota.  
PID: 010-0880-01850, 010-0880-01845, 010-0880-01780 and 010-0880-01750

THIS CONSTRUCTION DISBURSING AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_, 2023 by and among Arrowhead Abstract & Title Co. ("Disbursing Agent"), and Plover Place, LLC, by and through One Roof Community Housing, its Sole Member (collectively "Plover").

**RECITALS:**

Plover has entered into a Construction Contract between Owner and Contractor Ideal Homes of Barnum, Inc. in the amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for purposes of placing Two Modular Buildings with site improvements to the property referenced above ("Construction Contract").

Plover agrees that Disbursing Agent will disburse the advances made through City of Duluth and St. Louis County "ARPA" and Disbursing Agent is willing to do so on the terms and subject to the conditions hereinafter.

NOW, THEREFORE, in consideration of the covenants set forth in this agreement and other good and valuable consideration, the receipt and the sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Recitals. The recitals are incorporated herein by reference.

2. Definition of Terms. The following terms shall have the following meanings:

- a. "Architect" means Greg Strom of Foundations Architecture pursuant to an agreement between Greg Strom and Plover.
- b. "Change Order" means a change to the Cost of Construction and Soft Cost, Construction Contract or any other construction document in connection with the construction of the Project that result in an increase or decrease in the Cost of Construction and Soft Cost reflected in the Sworn Construction Statement.
- c. "Construction Contract" means that certain agreement by and between Plover and Contractor dated \_\_\_\_\_.
- d. "Contractor" means Ideal Homes of Barnum, Inc.
- e. "Cost of Construction" means all costs for labor and/or materials related to the Project.
- f. "Funds" undisbursed proceeds in the amounts to be determined by Plover and Contractor.
- g. "Lien Waiver/Waiver" means the waiver of rights to a lien in the form attached hereto and incorporated herein as **Exhibit A**.
- h. "Payment Request" shall mean a certified application for payment executed by Plover, Contractor and Inspecting Architect in the form attached hereto (AIA Form G702) and incorporated herein as **Exhibit B**, requesting payments pursuant to the Construction Contract and this Agreement.
- i. "Project" means 2 Modular Homes and Site Improvements as set forth under the Construction Contract.
- j. "Project Budget" means the Costs of Construction of the Project, together with all Soft Costs.
- k. "Soft Costs" means those costs for the construction of the Project, which are not directly related to completion of the Project; i.e., costs that do not include costs for labor or materials. Examples of Soft Costs include, but are not limited to, land acquisition costs, interest and legal and title fees.
- l. "Subcontractor" means a person or business which has a contract with the Contractor or Plover, or another Subcontractor, to provide some portion of the work, services or materials related to the Project.

- m. “Sworn Construction Statement” means a statement executed by both Plover and Contractor disclosing all contracts entered into by Plover and Contractor related to the Project. This statement must set forth, in detail, the name, addresses and telephone numbers of all contractors with whom either Plover or Contractor has contracted, the type of labor and materials to be furnished, amounts of the contracts (including extras and credits), amounts previously paid, accumulative retainages to date, and balances due.
3. Deposits with Disbursing Agent. From time to time at the request of Plover, and upon compliance by Plover with all of the City of Duluth and St. Louis County Agreements, Plover will cause to be deposited Funds with the Disbursing Agent. Upon receipt of the Funds, Disbursing Agent shall deposit the Funds into a non-interest earning escrow account with a national banking association or other federally insured banking institution with which Disbursing Agent has established a banking relationship. To the extent Funds are advanced in excess of the amount required for immediate disbursement, said funds shall be held in escrow and disbursed according to the terms of this Agreement.
4. Responsibility of Disbursing Agent. Subject to the terms of this Agreement, Disbursing Agent is authorized and directed to:
- a. Not more than once per month, pay Cost of Construction and Soft Costs incurred in connection with the construction of the Project, pursuant to the terms of this Agreement.
  - b. Obtain Lien Waivers, releases and satisfactions of liens and other encumbrances, if any, pursuant to statements of amounts due which must be approved by Plover.
  - c. Within 7 (not less than 5) business days following receipt of the documents delivered to it pursuant to Section 6, Disbursing Agent will notify Plover orally or in writing:
    - i. Whether the delivered documents are satisfactory to it; and
    - ii. Whether Disbursing Agent has received Lien Waivers from the Contractor and all Subcontractors who should have been paid by it from the proceeds of the disbursement made in response to the previous Payment Request.
    - iii. If waivers are missing or insufficient, Disbursing Agent will promptly advise Plover, in reasonable detail, of the deficiency or missing lien waivers, as the case may be.
  - d. Upon receiving the funds from the City of Duluth and/or St. Louis County on behalf Plover, and upon compliance by the various parties with the Conditions for Disbursement set forth in Section 6. below, Disbursing Agent will pay the Contractor, each Subcontractor, and all other persons identified in the relevant Payment Request. If any Funds on deposit in Disbursing Agent's account are not

disbursed by Disbursing Agent by the close of business on the fifth (5th) business day following credit of funds to its account, Disbursing Agent will forthwith remit to Plover, in immediately available funds, the amount of the funds in such account that were not disbursed. Disbursing Agent shall not be liable to the City of Duluth, St. Louis County or Plover for interest on the funds deposited with it.

- e. Disbursing Agent will keep and maintain, at all times, full, true and accurate books and records, in sufficient detail to reflect the disbursements made by it hereunder. Plover may, during normal business hours, examine all books and records of Disbursing Agent pertaining to the disbursements made by it hereunder and make extracts therefrom and copies thereof.
- f. One premise is that the funds being disbursed by the City of Duluth and St. Louis County, each providing One Million Six Hundred Thousand Dollars (\$1,728,000), are to be distributed equally. However, the County has agreed to advance the deposit for the modular buildings and will disburse those funds first and thereafter, to the extent of the County's lodging and building disbursement, fifty percent (50%) will be disbursed from each.

5. Responsibility of Plover. Subject to the terms of this Agreement, Plover shall:

- a. Review all documents supporting a Payment Request.
- b. Verify that the labor and materials represented on the Contractor's Payment Request have been incorporated into the Project.
- c. Provide notice to Disbursing Agent of any and all approved or pending Change Orders.
- d. Provide sufficient documentation to support a Payment Request of Soft Costs.
- e. Advance any such additional Plover's Equity as may be required to assure that the remaining available Construction Loan proceeds are sufficient to pay all remaining Cost of Construction and Soft Cost.

6. Conditions for Disbursement.

- a. First Disbursement of Funds. Prior to the first disbursement of Funds hereunder, Disbursing Agent shall be furnished:
  - i. A copy of the construction budget or use of proceeds schedule executed by Plover setting forth the amounts budgeted for all items which in the aggregate constitute Project Budget.
  - ii. An up-to-date Sworn Construction Statement prepared by the Contractor and co-signed by Plover.



- iii. Copies of the Construction Contract, and any other documents required by Disbursing Agent in its discretion.
  - iv. The Payment Request executed by Plover and the Contractor in connection with the requested disbursement.
  - v. Sign off by the Architect that work has been completed and materials are in place as indicated by the Payment Request.
  - vi. Sufficient funds to cover the requested disbursements and to pay for extras or Change Orders for which waivers have not been deposited and for which funds have not previously been deposited.
  - vii. Sufficient funds to cover unpaid charges owed under this Agreement.
  - viii. Resolution satisfactory to Disbursing Agent of any outstanding title issues, including but not limited to, mechanic's liens or judgment liens served or filed of record.
  - ix. As noted in Section 4, the initial disbursement will be from St. Louis County funds and thereafter a process will be put in place to equalize amounts funded by City and County.
- b. Conditions of Subsequent Disbursement of Funds. Prior to each disbursement of Funds hereunder, Disbursing Agent shall be furnished:
- i. An up-to-date Project Budget prepared by Plover.
  - ii. An up-to-date Sworn Construction Statement prepared by the Contractor and co-signed by Plover, amounts paid to date, the amounts being requested and the balance due.
  - iii. The Payment Request executed by Plover and the Contractor in connection with the requested disbursement.
  - iv. A report of the Architect certifying that work has been completed and materials are in place as indicated by the Payment Request, if required by the City of Duluth or St. Louis County.
  - v. Sufficient funds to cover the requested disbursements and to pay for extras or Change Orders for which waivers have not been deposited and for which Funds have not previously been deposited.
  - vi. Sufficient funds to cover unpaid charges owed under this Agreement.

- vii. Lien Waivers, satisfactory to Disbursing Agent, with respect to amounts disbursed pursuant to the immediately preceding Payment Request.
- viii. Copies of all pending or approved Change Orders.
- ix. Resolution satisfactory to Disbursing Agent of any outstanding title issues, including but not limited to, mechanic's liens or judgment liens served or filed of record.

c. Conditions of Final Disbursement of Funds.

- i. An up-to-date Project Budget prepared by Plover.
- ii. An up-to-date Sworn Construction Statement prepared by the Contractor and co-signed by Plover, amounts paid to date, the amounts being requested and the balance due.
- iii. The Payment Request executed by Plover and the Contractor in connection with the requested disbursement.
- iv. Sufficient funds to cover the requested disbursements, and to pay for extras or Change Orders for which waivers have not been deposited and for which Funds have not previously been deposited.
- v. Sufficient funds to cover unpaid charges owed under this Agreement.
- vi. Lien Waivers, satisfactory to Disbursing Agent, with respect to amounts disbursed pursuant to the immediately preceding Payment Request.
- vii. Conditional Final Lien Waivers from all Contractors or Subcontractors confirming the amount to be paid pursuant to the Payment Request.
- viii. Copies of all pending or approved Change Orders.
- ix. Resolution satisfactory to Disbursing Agent of any outstanding title issues, including but not limited to, mechanic's liens or judgment liens served or filed of record.
- x. Evidence, satisfactory to Disbursing Agent, that the Project has been completed.

7. Advances to Disbursing Agent. At such time as all Conditions for Disbursement set forth in Section 6 above have been met, Plover will (on the requested date of disbursement) cause to be transmitted to Disbursing Agent the amount of the disbursement applied for the relevant Payment Request, by transfer of such funds to Disbursing Agent for deposit in Disbursing Agent's Account No. \_\_\_\_\_ maintained with \_\_\_\_\_ **Bank.**

8. Disbursements to Subcontractors. All disbursements for Cost of Construction may be made to the Contractor (who it is expected will thereafter promptly pay subcontractors for the work or amounts listed in the draw request) or may be made directly to the Subcontractors, in the discretion of Plover and/or Disbursing Agent.
9. Project Balance. If at any time during the course of construction, the total of the unpaid disclosed Cost of Construction and Soft Cost as indicated by the column totals on the Sworn Statement exceeds the amount of the undisbursed Funds, Disbursing Agent shall not make further disbursements under the terms of this Agreement until Plover has deposited with Disbursing Agent the sum necessary to make the available funds equal to the unpaid disclosed Cost of Construction and Soft Cost.
10. Liability of Disbursing Agent. The functions and duties assumed by Disbursing Agent include only those described in the Agreement, and Disbursing Agent is not obligated to act except in accordance with the terms and conditions of this Agreement. Disbursing Agent does not insure that the Project will be completed, nor does it insure that the Project when completed will be in accordance with any plans or specifications, nor that sufficient funds will be available for the completion, nor does it make the certification of the Architect its own, nor does it assume any liability for same other than procurement as one of the conditions precedent to each disbursement. Disbursing Agent has no liability for loss caused by an error in the certification furnished it hereunder as to work in place. Disbursing Agent shall not be responsible for any loss of documents or funds while such documents or funds are not in its custody. Documents or funds which are deposited in the United States mail shall not be construed as being in the custody of Disbursing Agent. Disbursing Agent is not responsible for loss due to false affidavits of contractors and subcontractors. If Disbursing Agent discovers a misstatement in an affidavit furnished by the Contractor or Plover, it shall stop disbursement until the misstatement has been corrected to Disbursing Agent's satisfaction.
11. Indemnification of Disbursing Agent. Except for Disbursing Agent's negligence or willful misconduct in the performance of its duties under this Agreement, Plover agrees to indemnify Disbursing Agent against all losses, claims, damages, liability, and expenses, including, without limitation, costs of investigation and legal counsel fees which may be imposed on Disbursing Agent or incurred by Disbursing Agent in connection with the performance of its duties under this Agreement, including, without limitation, any litigation arising from this Agreement or involving the subject matter of this Agreement.
12. Fees. Plover shall pay all charges due under this Agreement, including search update fees. Plover shall pay to Disbursing Agent an administrative fee of \$\_\_\_\_\_ (or more in the event of a non-routine draw, which may be considered non-routine because of unresolved liens, insufficient project or lien waiver documentation, disputes between parties, etc.) per disbursement.

13. No IRS-1099 Reporting by Disbursing Agent. The parties acknowledge that the Disbursing Agent shall not be responsible for creating, furnishing or reporting any IRS 1099 notices or filings for any payments disbursed under this Agreement for the parties.
14. Rights of Inspection Disbursing Agent, through its agents, employees and any independent contractor employed by it, shall have the right, at any time, and from time to time, to go upon the Project for the purpose of exercising any of the rights and duties conferred upon the Disbursing Agent under the provisions of this Agreement.
15. No Third Party Beneficiaries. This Agreement is not intended by any of the undersigned to give any benefits, rights, privileges, actions, remedies to any person, or entity other than Plover and Disbursing Agent.
16. Miscellaneous.
  - a. Assignment/Enforcement. This Agreement shall be binding upon the parties hereto and their respective successors and assigns; provided, however, that Disbursing Agent may not assign its duties hereunder without the prior written consent of Plover.
  - b. Amendment. This Agreement can be amended or modified only by a writing signed by the parties hereto.
  - c. Jurisdiction. This Agreement shall be governed by the laws of the State of Minnesota.
  - d. Counterpart. This Agreement may be executed in multiple original counterparts, duly executed by Disbursing Agent and Plover, provided, however, this Agreement shall not become binding upon Disbursing Agent until it has received manually executed original copies of the same from each of the foregoing named parties and Disbursing Agent has accepted the same and delivered copies of said executed Agreement to each of said parties.
  - e. Terms. If there be more than one person designated herein, the verbs and pronouns associated therewith, although expressed in the singular, shall be read and construed as plural.
  - f. Severability. In the even that any provision of this Agreement, of part thereof, shall be held to be void or unenforceable by a final, non-appealable order entered by a court of competent jurisdiction, such determination shall not affect or impair the enforceability of the remaining portions of this Agreement.
  - g. Authority. Each party hereto represents and warrants to the other parties hereto that it has full power and authority to execute this Agreement and to perform or cause to be performed the obligations on its part to be performed.

- h. Computation of Time. In the computation of a period of time, if any, expressed in this Agreement, the day of the act or event from which said period of time runs shall be excluded and the last day of such period shall be included, unless it falls on a Saturday, Sunday, or legal holiday observed by the recording office of the county in which the Project is located, in which case the period shall be deemed to run until the end of the next day, which is not a Saturday, Sunday, or such legal holiday.
- i. Captions. The captions contained in this Agreement are for convenience only and are not part of the terms, provisions, or conditions of this Agreement.
- j. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto and supersedes any prior or contemporaneous agreements, representations, or understandings, whether written or oral.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

DISBURING AGENT:  
ARROWHEAD ABSTRACT AND TITLE CO.

By: \_\_\_\_\_  
Name (print): \_\_\_\_\_  
Its: \_\_\_\_\_

PLOVER PLACE, LLC and  
ONE ROOF COMMUNITY HOUSING, its  
Sole Member

By: \_\_\_\_\_  
Name (print): \_\_\_\_\_  
Its: \_\_\_\_\_

# ACKNOWLEDGEMENT OF CONTRACTOR

\_\_\_\_\_, as \_\_\_\_\_ of Ideal Homes of Barnum, Inc., a Minnesota corporation, the Contractor identified herein, hereby acknowledges receipt a copy of the foregoing Construction Disbursing Agreement, which sets forth the documentation required by Disbursing Agent for each Payment Request.

Dated: \_\_\_\_\_, 2022

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