

**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
THE LAKEVIEW PROPERTIES LLC
VOYAGEUR LAKEWALK INN REDEVELOPMENT
SEVENTH AMENDMENT**

THIS SEVENTH AMENDMENT entered into this 25th day of October 2023, is by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, whose address is 422 City Hall, 411 West First Street, Duluth, MN 55802 (hereinafter referred to as "DEDA") and THE LAKEVIEW PROPERTIES LLC, a Delaware limited liability company, whose address is 10 West Mifflin Street, Suite 400, Madison, WI 53703 (hereinafter referred to as "Developer").

WHEREAS, on August 26, 2019, DEDA and Developer entered into that certain Development Agreement bearing DEDA Contract No. 19 860 927, which contract was amended by a First Amendment, dated September 25, 2019, a Second Amendment dated December 18, 2019, a Third Amendment dated July 14, 2020, a Fourth Amendment dated July 14, 2020, a Fifth Amendment dated June 22, 2022, and a Sixth Amendment dated July 27, 2022, which Development Agreement and amendments are hereinafter collectively referred to as the "Agreement"; and

WHEREAS, the original developer has assigned its interest in the Agreement, the Property and the Project (as such terms are defined in the Agreement) to Developer, which assignment was approved by DEDA pursuant to the above-referenced Fourth Amendment; and

WHEREAS, pursuant to the Agreement, a building permit for the Project was issued to the original general contractor in November of 2022, on behalf of Developer and, due to a change in construction market conditions and the necessary selection of a new general contractor, said general contractor intends to request a new permit in October of 2023; and

WHEREAS, in order to enable the Developer to close on the full construction financing for the Project, including the terms of the TIF Note (as defined in the Agreement), the parties desire to enter into a Seventh Amendment to the Agreement to (i) extend the construction completion date for the Project consistent with the terms of the financing and construction agreement with the new general contractor; and (ii) adjust the interest rate payable on the TIF Note to meet current market conditions, and (iii) adjust the TIF note dates to reflect new construction dates..

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

1. That Paragraph B. of Article IX of the Agreement is hereby amended by deleting therefrom the sentence "Interest payable on the TIF Note in the Amount of 6.25% per annum shall start to accrue upon DEDA's issuance of the Certificate of Completion pursuant to Paragraph D of Article VII" and substituting therefor the following: "Interest payable on the TIF Note in the amount of 7.25% per annum shall start to accrue upon DEDA's issuance of the Certificate of Completion pursuant to Paragraph D of Article VII".
2. That Paragraph A. of Article VII of the Agreement is hereby amended by deleting therefrom the sentence "Construction of the Project shall be completed, as evidenced by receipt of a Certificate of Occupancy from the City of Duluth, not later than June 20, 2024" and substituting therefor the following: "Developer shall close on its lender financing for the Project and commence construction of foundations for the Project defined in Article I, Paragraph J of the Agreement, not later than December 31, 2023. Developer shall submit to the City of Duluth a complete application for the foundations and structural permit through level 3 of the 15-story Project not later than December 31, 2023. Developer shall complete construction of the foundations for the Project not later than May 31, 2024. Developer will commit to expenditures for the Eligible Project Costs not later than June 20, 2024. Construction of the Project shall be completed, as evidenced by receipt of a Certificate of Occupancy from the City of Duluth, not later than September 30, 2025. Unless altered by written amendment to this Agreement, if any single deadline is not complied with by Developer, DEDA may immediately terminate the Agreement for cause.".
3. Exhibit F to the Agreement contains the draft TIF Note to be issued in a form substantially as shown in Exhibit F. Paragraphs 3 and 4 of the draft TIF Note contain dates that shall be amended as indicated below, and the final TIF Note shall contain the amended dates.

Paragraph 3 shall be amended by deleting the sentence "This Note is issued and payable solely from Available Tax Increment, as defined in the Agreement, actually received and retained by DEDA. DEDA shall pay to the Registered Owner of the TIF Note bi-annual payments in the amount of the Available Tax Increment payable on August 1 and February 1 of each year, commencing on August 1, 2021, to and including February 1, 2047, or, if the 1st should not be a business day the next succeeding business day (the "Scheduled Payment Dates"). Available Tax Increment shall first be applied to accrued interest and then to principal." and substituting therefor the following: "This Note is issued and payable solely from Available Tax Increment, as defined in the Agreement, actually received and retained by DEDA. DEDA shall pay to the Registered Owner of the TIF Note bi-annual

payments in the amount of the Available Tax Increment payable on August 1 and February 1 of each year, commencing on August 1, 2024, to and including February 1, 2050, or, if the 1st should not be a business day the next succeeding business day (the "Scheduled Payment Dates"). Available Tax Increment shall first be applied to accrued interest and then to principal."

Paragraph 4 shall be amended by deleting the sentence "This Note shall terminate and be of no further force and effect following (a) February 1, 2047; (b) any date upon which the Agreement or this TIF Note has terminated under said Agreement; or (c) on the date that all principal and interest payable hereunder shall have been paid in full; whichever occurs earliest." And substituting therefor the following: "This Note shall terminate and be of no further force and effect following (a) February 1, 2050; (b) any date upon which the Agreement or this TIF Note has terminated under said Agreement; or (c) on the date that all principal and interest payable hereunder shall have been paid in full; whichever occurs earliest."

4. Except as provided in this Seventh Amendment, all terms and conditions of the Agreement shall remain in force and effect.

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

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

By:

Its President

By:

Its Secretary

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

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

Notary Public

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

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

Notary Public

