

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

THIS EIGHTH AMENDMENT (this "Eighth Amendment") entered into this ____ day of _____, 2025 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 19, 2019 DEDA and Northstar Development Interests, LLC, a Delaware limited liability company ("Northstar"), entered into that certain Development Agreement bearing DEDA Contract No. 19 860 927, which agreement was registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028054 and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388962, and in which Northstar agreed to develop certain real property legally described therein (the "Original Development Agreement"); and

WHEREAS, the Original Development Agreement was subsequently amended by DEDA and Northstar by entry into the following agreements: (i) a First Amendment dated December 18, 2019, and registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028057 and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388965 (the "First Amendment"); (ii) a Second Amendment dated December 18, 2019, and registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028059 and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388967 (the "Second Amendment"); (iii) a Third Amendment dated July 14, 2020 and registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028061 and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388969 (the "Third Amendment"); and (iv) a Fourth Amendment dated July 14, 2020 and registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028063 and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388971 (the "Fourth Amendment"); and

WHEREAS, Northstar assigned its right, title and interest in, and obligations under the Original Development Agreement, as amended by the First Amendment, Second Amendment, Third Amendment and Fourth Amendment, to Developer by that certain Assignment and Assumption of Development Agreement with an effective date of July 28, 2020, which agreement was registered in the Office of the St. Louis County Registrar of Titles on August 15, 2023 as Document No. 1071199 and recorded in the Office of the St. Louis County Recorder on August 15, 2023 as Document No. 1472028 (the

“Assignment and Assumption”); and

WHEREAS, DEDA and Developer further amended the Original Development Agreement by entry into the following agreements: (i) a Fifth Amendment dated July 25, 2022 and registered in the Office of the St. Louis County Registrar of Titles on December 9, 2022 as Document No. 1064377 and recorded in the Office of the St. Louis County Recorder on December 9, 2022 as Document No. 1458357 (the “Fifth Amendment”); (ii) a Sixth Amendment dated August 30, 2022 and registered in the Office of the St. Louis County Registrar of Titles on December 9, 2022 as Document No. 1064378 and recorded in the Office of the St. Louis County Recorder on December 9, 2022 as Document No. 1458358 (the “Sixth Amendment”); and (iii) a Seventh Amendment dated October 25, 2023 and registered with the St. Louis Registrar of Titles on November 27, 2023 as Document No. 1074648 and recorded in the Office of the St. Louis County Recorder on _____ as Document No. _____ (the “Seventh Amendment”); and

WHEREAS, the Original Development Agreement, as amended by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment and Seventh Amendment are hereinafter collectively referred to in this Eighth Amendment as the “Agreement;” and

WHEREAS, Developer desires to sell part of the Property and Project to an investor, which will result in the commercial portions of the property being owned by a separate entity, and the residential apartments will continue to be owned by Developer, as further described below; and

WHEREAS, Developer requests additional time to complete the construction of the Project taking into account the additional investment related to the sale; and

WHEREAS, the parties desire to amend the Agreement to extend the time by which the Developer must complete construction, and to approve such partial sale subject to Developer meeting several contingencies.

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 to amend the Agreement as follows:

1. That Paragraph J. of Article I Definitions of the Agreement is hereby amended as follows:

Project means the development/redevelopment by Developer of a multi-family residential and mixed use development with not less than 190 market-rate studio, 1-bedroom and 2-bedroom residential apartments, including up to three (3) townhome-style units, at least 176 of which shall be long-term rental units located on floors 5 through 15, which shall not be used for short-term rental, vacation dwelling units, or hotel uses, and not more than 34 residential apartments which may be used for short-term rentals or

extended-stay hospitality and may only be located on floors 3 and 4; and approximately 20,000 square feet of retail/commercial space on the Property together with related utilities, landscaping and other amenities for a total development/redevelopment of approximately 237,000 square at a total project cost of not less than \$69,650,000, all according to the plans approved by the Executive Director pursuant to Article VI and pursuant to required City approvals.

2. That Paragraph A. Construction of Article VII Construction of the Agreement is hereby amended as follows:

Upon the fulfillment of the preconditions to construction provided in Articles IV and VI above, but in no event later than September 30, 2019, Developer shall commence construction of the Project in conformance with the plans approved pursuant to Article VI. Developer shall close on its lender financing 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 no later than December 31, 2023. Developer shall complete construction of the foundations for the Project no later than May 31, 2024. Developer will commit to expenditures for the Eligible 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~~December 31, 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. DEDA has previously acknowledged that the requirements of this paragraph have been met with the exception of completion of construction by December 31, 2025.

3. That the first sentence of Paragraph E. Business Subsidy Goal of Article XI Business Subsidy of the Agreement is hereby amended as follows:

Achievement of the Business Subsidy Goal in accordance with Minnesota Statutes §116J.994 shall be measured as follows: Developer agrees that on or before ~~June 20, 2024~~December 31, 2025, it shall have constructed the Project on the Property in accordance with this Agreement (the "Business Subsidy Goal").

4. That Paragraph H. Special Event of Default if Business Subsidy Goals Not Met of Article XI Business Subsidy of the Agreement is hereby amended as follows:

Developer agrees that if the Business Subsidy Goal of Project construction is not met by ~~June 20, 2024~~December 31, 2025, as determined in the sole discretion of DEDA, Developer shall not receive any tax increment financing assistance under this Agreement.

5. (a). Partial Sale. Paragraph B. Transfers prior to expiration of the Continued Operations Covenant of Article XII, Provisions Against Liens, Assignments and Transfers requires prior written approval by DEDA of any total or partial sale, assignment, conveyance, trust, lien or power of attorney, or of any change in the identity of the

principals or their respective percentages of ownership or voting rights if such change would result in a change of control, or of a transfer in any other way of all or any portion of the Property, the Project, Developer, this Agreement or any other contract or agreement entered into in connection with carrying out Developer's obligations under this Agreement. Developer desires to sell a portion of the Property and Project to The Lakeview Commercial Properties LLC, a Delaware limited liability company ("Lakeview Commercial") (the "Partial Sale"), following subdivision and creation of a common interest community (the "Condominium Property"), resulting in Unit 1 of the Condominium Property owned by Developer, Unit 2 of the Condominium Property owned by Lakeview Commercial. Unit 1 of the Condominium Property is expected to include everything below the ground (or floor 1) and floors 5 through 15 of the Project and air rights above. Unit 2 of the Condominium Property is expected to be the ground floor (or floor 1) through floor 4 of the Project.

(b) Developer's Representations and Warranties. Developer represents and warrants that:

(i) Developer ratifies and affirms all representations and warranties made in Article XVII of the Development Agreement.

(ii) Lakeview Commercial is a Delaware limited liability company with members who have a current investment interest in Developer.

(ii) Developer will retain control of the Property and Project through a long-term master lease agreement between Developer and Lakeview Commercial and will have the right to complete construction of the Unit 2 portion of the Project on behalf of Lakeview Commercial.

(c) Approval Contingencies. DEDA's approval of the Partial Sale shall be contingent upon the timely occurrence or satisfaction of each of the following conditions on or prior to May 4, 2025:

A. Plans. Developer shall submit to DEDA updated plans and specifications for development of the Property and Project in such detail to enable DEDA to determine with reasonable certainty that the Project is or will be carried out for the intended use.

B. CIC Plat. Developer shall complete the creation of a common interest community ("CIC") in accordance with Minn. Stat. Ch. 515B and all other applicable law, creating a Unit 1 and Unit 2, as described herein, pursuant to a declaration and CIC plat, and shall provide evidence of creation of the CIC to DEDA.

C. Master Lease. Developer shall submit to the Executive Director for approval a master lease agreement between Developer and Lakeview Commercial in which Developer maintains all control over the Project and Property, including as tenant of Unit 2, and has the right to complete construction of the Project, and upon execution Developer will provide evidence of the executed master lease to DEDA.

D. Joinder Agreement. DEDA, the Developer, and Lakeview Commercial shall execute a joinder agreement (the "Joinder Agreement"), substantially in the form attached hereto as Exhibit A to the Eighth Amendment, providing that Lakeview Commercial

agrees to be bound by all, terms, provisions, and conditions applicable to Developer under the Development Agreement in respect of Unit 2. Upon its execution, the Joinder Agreement shall be made part of the Development Agreement, and attached thereto as Exhibit G.

If the conditions set forth in this Section 5(c) have not been satisfied prior to May 4, 2025, DEDA's approval of the Partial Sale shall be withdrawn. All of the contingencies set forth in Section 5(c) of this Agreement are for the sole and exclusive benefit of DEDA.

6. Exhibit F to the Agreement contains the draft TIF Note to be issued in a form substantially as shown in Exhibit F. Paragraph 3 of the draft TIF Note contains a date 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, 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." 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, 2024February 1, 2026, to and including February 1, 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."

8. Promptly upon execution of this Eighth Amendment, Developer agrees to record this Eighth Amendment in the offices of the St. Louis County Recorder and Registrar of Titles and to pay all costs associated therewith. Upon recordation, Developer shall promptly submit to DEDA an executed original of the Eighth Amendment showing the date and document numbers of record, or a certified copy of the filed original.

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

[Remainder of page intentionally left blank; signatures pages follow]

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 _____, 2025 by _____ 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

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

The foregoing instrument was acknowledged before me this ____ day of _____, 2025 by _____ 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

THE LAKEVIEW PROPERTIES, LLC,
a Delaware limited liability company

By: _____
Robert P. Dunn
Its Managing Member

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

The foregoing instrument was acknowledged before me this ____ day of _____, 2025 by Robert P. Dunn, the Managing Member of The Lakeview Properties LLC, a Delaware limited liability company, on behalf of the company.

Notary Public

This instrument was drafted by
Amanda M. Mangan
Attorney for DEDA
City of Duluth
411 W. First Street
Duluth, MN 55802

EXHIBIT A TO THE EIGHTH AMENDMENT

JOINDER AGREEMENT

This Joinder Agreement (this "Joinder") entered into this ____ day of _____, is by and among THE LAKEVIEW COMMERCIAL PROPERTIES LLC, a Delaware limited liability company ("Lakeview Commercial"), the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469 (hereinafter referred to as "DEDA"), and THE LAKEVIEW PROPERTIES LLC, a Delaware limited liability company, (hereinafter referred to as "Developer").

WHEREAS, Developer is the owner of certain real property and improvements located in Duluth Minnesota, which is legally described on the attached Exhibit A (the "Property"); and

WHEREAS, Developer is party to that certain Development Agreement with the DEDA, which agreement was recorded bearing DEDA Contract No. 19 860 927, which agreement was registered in the Office of the St. Louis County Registrar of Titles on August 27, 2020 as Document No. 1028054, and recorded in the Office of the St. Louis County Recorder on August 27, 2020 as Document No. 1388962, as amended and assigned (the "Development Agreement"); and

WHEREAS, Developer and Lakeview Commercial have entered into a purchase agreement, contingent upon the approval of DEDA, pursuant to which Developer will subdivide the Property by recording a declaration of condominium and condominium plat which shall comprise the [Lakeview Properties Condominium] (the "Condominium") and Lakeview Commercial will purchase from Developer all right, title and interest to the real property and improvements commonly referred to as Unit 2 of the Condominium, which is legally described on the attached Exhibit B (the "Lakeview Commercial Property"); and

WHEREAS, DEDA is desirous of approving the sale, subject to Developer satisfying the contingencies as provided in Section 5 of the Eighth Amendment to the Development Agreement.

NOW THEREFORE, in consideration of the covenants and agreements contained, the receipt and sufficiency of which is hereby acknowledged, the partes hereto agree as follows:

1. Lakeview Commercial hereby acknowledges, agrees, and confirms that, by the execution of this Joinder, Lakeview Commercial will be deemed a party to the Development Agreement for all purposes of the Development Agreement, and shall have the obligations of the Developer thereunder as if it had executed the Development Agreement, in each case, only to the extent related to the Lakeview Commercial Property. Lakeview Commercial hereby ratifies, as of the date hereof, and agrees to be bound by all of the terms, provisions, and conditions applicable to the Developer in the Development Agreement to the extent related to the Lakeview Commercial Property.

2. Lakeview Commercial hereby represents and warrants to DEDA that:

EXHIBIT A TO THE EIGHTH AMENDMENT

- a. Lakeview Commercial is a Delaware limited liability company authorized to transact business in the State of Minnesota, it is fully competent to acquire the Lakeview Commercial Property and to construct the applicable portion of the Project thereon (the "Lakeview Commercial Project"), it is not in violation of any provision of its articles of incorporation, member control agreement, or the laws of the State of Minnesota, it has the power to enter into the Development Agreement, and has fully authorized the execution, delivery, and performance of this Joinder by proper action of its members.
- b. Subject to the Master Lease (as defined below), Lakeview Commercial or its designee will perform or cause to be performed all of its obligations under the Development Agreement to the extent related to the Lakeview Commercial Property. Neither the execution or delivery of this Joinder, the Development Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the applicable terms and conditions of the Development Agreement is prevented, limited by, or conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument of whatever nature to which Lakeview Commercial is now a party or which Lakeview Commercial is bound, or constitutes a default under the foregoing.
- c. No actions, suits or proceedings are pending or, to the knowledge of Lakeview Commercial, threatened against Lakeview Commercial or any premises leased or owned by Lakeview Commercial in any court or before any federal, state or municipal or other governmental agency that, if decided adversely to Lakeview Commercial, would have a material adverse effect upon Lakeview Commercial, the Lakeview Commercial Property or the Lakeview Commercial Project, and Lakeview Commercial is not in default of any order of any court or governmental agency, which if decided adversely to Lakeview Commercial, would have a material adverse effect upon the Lakeview Commercial Property or the Lakeview Commercial Project.
- d. Subject to the Master Lease, Lakeview Commercial or its designee shall be responsible for construction of the Lakeview Commercial Project in accordance with the terms of this Joinder, the Development Agreement, and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations, and living and prevailing wages). Lakeview Commercial or its designee will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Lakeview Commercial Project may be lawfully constructed.
- e. Lakeview Commercial is not in default of the payment of principal of or interest on any indebtedness for borrowed money or in default under any

EXHIBIT A TO THE EIGHTH AMENDMENT

instrument or agreement pursuant to which the indebtedness has been incurred.

- f. Lakeview Commercial shall do or cause to be done such things as are necessary to cause any information, document, certificate, statement in writing, or report required under the Development Agreement to the extent related to the Lakeview Commercial Property or this Joinder, delivered to DEDA or any third party under the Development Agreement to the extent related to the Lakeview Commercial Property or this Joinder to be true, correct, and complete in all material respects.
3. Lakeview Commercial hereby agrees to execute a Master Lease, substantially in the form of that attached hereto as Schedule A, providing that Developer shall (a) manage and operate the Lakeview Commercial Property and Lakeview Commercial Project and (b) perform the obligations Lakeview Commercial under the Development Agreement to the extent related to the Lakeview Commercial Property (the "Master Lease").
4. At any time and from time to time, upon DEDA's request, Lakeview Commercial will promptly and duly execute and deliver any and all further instruments and documents and take such further action as DEDA reasonably deems necessary to effect the purpose of this Joinder.
5. This Joinder shall be binding upon Lakeview Commercial and shall inure to the benefit of DEDA and its successors and assigns.
6. This Joinder is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota. All proceedings related to this Joinder shall be venued in Duluth, Minnesota.
7. Except as expressly set forth herein, this Joinder shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the parties hereto under the Development Agreement, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Development Agreement, all of which are ratified and affirmed in all respects and shall continue in full force and effect.
8. Any default of this Joinder shall be resolved in accordance with the procedures outlined in Article XV of the Development Agreement.
9. No amendment, modification, or assignment of this Joinder shall be valid unless made in writing and executed by all parties hereto.
10. There are no third-party beneficiaries to this Joinder. This Joinder does not create a joint venture or partnership between the Parties.
11. Any notice, demand or other communication under this Joinder or the Development Agreement made to Lakeview Commercial, shall be deemed to be sufficiently given or delivered if by registered or certified mail, postage prepaid to:

EXHIBIT A TO THE EIGHTH AMENDMENT

THE LAKEVIEW COMMERCIAL PROPERTIES LLC

c/o Kimberly Rubino

44 Southbridge Ct. Carbondale, CO 81623

12. Capitalized terms not otherwise defined in this Joinder have the meanings set forth in the Development Agreement.
13. This Joinder may be executed, acknowledged, and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

[Remainder of page intentionally left blank; signatures pages follow]

EXHIBIT A TO THE EIGHTH AMENDMENT

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

THE LAKEVIEW COMMERCIAL PROPERTIES LLC

By: _____

Its: Manager

By: _____

Its: Manager

Acknowledged and accepted as of the date first written above:

THE LAKEVIEW PROPERTIES LLC

By: _____

Its Managing Member

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Name _____

Its: President

By: _____

Name: _____

Its Secretary