

**DEVELOPMENT AGREEMENT
FIRST AMENDMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
PORTLAND LAND CO., LLC**

THIS FIRST AMENDMENT to DEVELOPMENT AGREEMENT is entered into by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, whose address is 402 City Hall, 411 West First Street, Duluth, MN 558802 (hereinafter referred to as "DEDA") and PORTLAND LAND CO., LLC, a Minnesota limited liability company, whose address is 202 East First Street, Duluth Minnesota 55802 (hereinafter referred to as "Developer").

WHEREAS, on June 28, 2021, DEDA and Developer entered into a Development Agreement bearing DEDA Contract No. 21 860 113 (the "Agreement") which was recorded in the St. Louis County Office of the Registrar of Titles on August 25, 2022 as Document No. 1060505; and

WHEREAS, the parties desire to amend the Agreement to extend certain timelines contained therein and to update details of the proposed redevelopment.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter contained, the parties hereto agree as follows:

1. Except as otherwise defined in this First Amendment, terms defined in the Agreement and used herein shall have the meaning assigned to them in the Agreement.

2. Paragraph F of ARTICLE I is hereby amended as follows:

F. Project means the redevelopment by Developer of a multi-family residential development with approximately twenty-one (21) residential apartments, not less than

sixteen (16) of which will be maintained as long-term rental units which will be held for rent to households at 80% or less of area median income, together with related utilities and other amenities at a total project cost of approximately \$3,465,913, all according to the plans approved by the Executive Director pursuant to Article III and pursuant to required City approvals.

3. Paragraph B of ARTICLE II is hereby amended as follows:

Construction Costs. A sworn construction cost statement showing that upon completion of the Project, it will have a “hard” construction cost of approximately Two Million five hundred four thousand one hundred eighty-eight and 00/100s (\$2,504,188) Dollars. The aforesaid construction cost statement shall be subject to the approval of the Executive Director, which approval shall not be unreasonably withheld.

4. Paragraph A of ARTICLE IV is hereby amended as follows:

Construction. Upon the fulfillment of the preconditions to construction provided for in Articles II and III above, but in no event later than June 30, 2022, Developer shall commence construction of the Project in conformance with the plans approved pursuant to Article III. Construction of the Project shall be completed, as evidenced by receipt of a Certificate of Completion as set forth in paragraph D below not later than September 1, 2024. Notwithstanding the above, the time for completion of Project construction in accordance with this Agreement may be extended for a period of up to six (6) months upon the prior written approval of the Executive Director, but only if the Executive Director is given sixty (60) days advance written notice of Developer’s request for an extension.

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