

SETTLEMENT AGREEMENT

This Settlement Agreement concerning *Respect Starts Here v. Duluth Economic Development Authority*, Case No. 69DU-CV-18-953 (the “Action”) is entered into by and among Respect Starts Here (“RSH”), Eric Ringsred (“Ringsred,” and, together with RSH, “Plaintiffs”), the Duluth Economic Development Authority (“DEDA”), and the City of Duluth (the “City,” and, together with DEDA, “Defendants,” and, together with RSH, Ringsred, and DEDA, the “Parties”) as of the latest date shown on the signature pages below (the “Effective Date”).

WHEREAS, on or about April 18, 2018, Plaintiffs commenced the Action in the State of Minnesota District Court for the Sixth Judicial District in St. Louis County (the “Court”);

WHEREAS, the Action concerns buildings in downtown Duluth, Minnesota, at the addresses of 125, 127, and 129 East First Street, known as the Robeson Ballroom, Kozy Bar, and Pastoret Terrace, associated with St. Louis County parcel identification number 010-0930-00270 (collectively, the “Subject Property”);

WHEREAS, on May 23, 2024, the Parties participated in a mediation and reached agreement on a proposed settlement of the Action;

NOW, THEREFORE, the Parties agree as follows:

1. Plaintiffs release Defendants, and all of Defendants’ respective past, present, and future officer, employees, and agents (the “Released Persons”) from all claims, known and unknown, foreseen and unforeseen, concerning, relating to, or arising from the Subject Property, including, without limitation, all claims that were asserted or could have been asserted in the complaint in the Action (the “Released Claims”). Each of the Released Persons who is not one of the Parties is an intended third-party beneficiary of this Settlement Agreement.
2. Plaintiffs represent and warrant that (A) they will not encourage, induce, assist, abet, or aid any person or other organization to assert any of the Released Claims and (B) no person or other organization associated with either Plaintiff—including, without limitation, counsel for either of the Plaintiffs, Black River Mills, Inc., Copasetic, Inc., Futon Outlet Duluth, Harvester Building LLC, Minds Unlimited LLC, Northern Costume & Props, LLC, Pete Seeger Renaissance Charter School (also known as Sandstone Montessori Charter School), Return Our Old Tone, Inc., The Revolution Starts Here, Temple Corp Inc., and TEMPLECORP INC—will assert or encourage, induce, assist, abet, or aid any person or other organization to assert any of the Released Claims. For the avoidance of doubt, the persons and other organizations referenced in these representations and warranties include persons and other organizations existing on the date of this Settlement Agreement and persons and other organizations coming into existence after the date of this Settlement Agreement.
3. Within three business days after the Effective Date, the Parties, through their respective counsel, shall execute a stipulation for (A) dissolution of the temporary injunction entered in the Action by order of the District Court dated October 6, 2020 (Index No. 240) and

(B) dismissal of the Action, with prejudice. As soon as possible after the stipulation is executed by the Parties, through their respective counsel, counsel for Defendants shall file with the Court the stipulation and a proposed order dissolving the temporary injunction and dismissing the Action, with prejudice. A form stipulation and proposed order are attached hereto as Exhibit 1 and Exhibit 2, respectively.

4. The Parties and their respective counsel shall cooperate in taking any additional steps needed to dissolve the temporary injunction and effectuate a dismissal with prejudice of the Action. None of the Parties shall seek any damages, costs, disbursements, attorney's fees, or any other relief against any of the other Parties or any of the Released Persons in the Action.

5. Plaintiffs acknowledge that DEDA and the City may demolish the buildings comprising the Subject Property at any time after the Court dissolves the temporary injunction. Plaintiffs represent and warrant that Plaintiffs, their affiliates, including without limitation those listed in Paragraph 2, and the entities they control will not oppose DEDA's and the City's efforts to proceed with demolition and will not seek judicial review of any actions or processes in connection with demolition.

6. DEDA and the City represent and warrant that, as part of any agreement for new development on the site of the Subject Property, the first floor of the First Street-facing façade of new construction on the site of the Subject Property shall follow Chapter 7 of the August 12, 2021 Draft Commercial Historic District Design Guidelines. DEDA and the City will not impose any of those guidelines to the extent they would restrict building height and will not impose any of those guidelines to the extent they would impact skywalks.

7. DEDA and the City agree to support complete applications for Minnesota Legacy Fund grants for use on projects on Contributing Buildings with letters of support. Neither the City nor DEDA will contribute staff time to the preparation, drafting, or development of Legacy Fund applications.

8. Within 120 days after the Effective Date, DEDA and/or the City shall cause a transfer of funds in a total amount of \$1,400,000.00 from City Fund 255 to the Duluth 1200 Fund, Inc. (the "1200Fund") for the creation and management of a fund (the "Historic Fund") to support investment in the Duluth Commercial Historic District, having a National Historic Places Register Reference Number of 06000455 (the "District"), by providing grants or low-interest loans to owners of buildings listed in the National Register of Historic Places Registration Form for the District as "contributing" to the District ("Contributing Buildings"), for investments in, repairs to, or rehabilitation of Contributing Buildings. The Historic Fund will offer (a) priority lending for investments in, repairs to, or rehabilitation of Contributing Buildings on East First Street; and (b) 0% interest loans and 50% loan forgiveness with matching private investment for investments in, repairs to, or rehabilitation of Contributing Buildings on East First Street.

9. Within 60 days after the Effective Date, DEDA and/or the City shall make a payment from City Fund 255 to St. Louis County to satisfy the delinquent taxes, as of the Effective Date, for the three parcels of real property associated with the addresses 110 East First Street, 114 East First Street, and 213-215 East First Street, having the parcel identification

numbers 010-0930-00622, 010-0930-00630, and 010-0930-00320, respectively. The delinquent taxes for the three parcels as of May 24, 2024 total \$28,298.89, which includes \$12,036.09, \$7,567.59, and \$8,695.21 for each parcel, respectively. As soon as possible after the payment under this Paragraph, counsel for DEDA and the City shall provide written notice of the payment to Plaintiffs.

10. Within 60 days after the Effective Date, DEDA shall make available a fund to reimburse Plaintiffs for expenses incurred by Plaintiffs for repairs to or rehabilitation work on the buildings having the addresses of 110 East First Street, 114 East First Street, and 213-215 East First Street, each of which is a Contributing Building. The amount of the fund shall be \$700,000.00. Requests for reimbursement from the fund shall be handled in accordance with the protocol attached hereto as Exhibit 3, which is incorporated by reference.

11. This Settlement Agreement is not and shall not be construed as admission by DEDA, the City, or any of the other Released Persons that the claims asserted by Plaintiffs in the Action are valid or that DEDA, the City, or any of the other Released Persons is liable to RSH or Ringsred.

12. No provision of this Settlement Agreement shall inure to the benefit of any third person who is not a Released Person so as to give such person status of a third-party beneficiary of this Settlement Agreement or of any of its terms.

13. This Settlement Agreement is the final expression of the parties hereto and the complete and exclusive statement of the agreed-upon terms. It shall supersede all prior negotiations, understanding, and agreements concerning the matters contained herein. There are no representations, warranties, or stipulations, oral or written, not contained herein.

14. Each person executing this Settlement Agreement on behalf of an organization represents that the person is authorized to execute this Settlement Agreement on behalf of the organization.

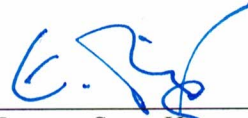
(rest of page left intentionally blank)

PLAINTIFFS



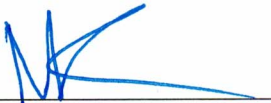
Eric J. Ringsred, MD, pro se

Date: 1/16/25



Respect Starts Here

Date: 1/16/25



Miles J. Ringsred, Esq.
Attorney for Respect Starts Here

Date: 1/16/25

(rest of page left intentionally blank)

DEFENDANTS

Connor Randall
President of Duluth Economic
Development Authority

Date: _____

(rest of page left intentionally blank)

CITY OF DULUTH

By: _____
Mayor

Date: _____

Attest: _____
City Clerk

Date: _____

Countersigned:

City Auditor

Approved as to form:

City Attorney

(end of document)

EXHIBIT 1

CASE TYPE: Other Civil

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF ST. LOUIS

SIXTH JUDICIAL DISTRICT

Respect Starts Here, a membership organization, et al.,

Judge: Hon. Eric L. Hylden
Court File No. 69DU-CV-18-953

Plaintiffs,

**STIPULATION TO DISSOLVE
INJUNCTION AND TO
DISMISS ACTION WITH
PREJUDICE**

v.

Duluth Economic Development Authority, et al.,

Defendants.

WHEREAS, on October 6, 2020, the Court entered a temporary injunction in favor of Plaintiffs (the “injunction”) (Doc. 240); and

WHEREAS, on May 23, 2024, Plaintiffs and Defendants reach agreement on a proposed settlement of this action; and

WHEREAS, on [effective date], Plaintiffs and Defendants entered into a Settlement Agreement; and

WHEREAS, the Settlement Agreement provides for dissolution of the injunction; and

WHEREAS, the Settlement Agreement provides for dismissal of the action, with prejudice;

NOW, THEREFORE, Plaintiffs and Defendants stipulate that the injunction should be dissolved; and

Plaintiffs and Defendants further stipulate that the action should be dismissed, with prejudice.

Dated:

MILES RINGSRED (#0399640)
Attorney for Respect Starts Here,
a membership organization
1217 East First Street
Duluth, MN 55805

Dated:

Eric Ringsred, M.D., pro se

Dated:

TERRI L. LEHR, City Attorney

and

s/

ELIZABETH SELLERS TABOR (#0395652)
Assistant City Attorney
etabor@duluthmn.gov
Attorneys for Defendants
411 West First Street, Rm. 440
Duluth, MN 55802
Telephone: 218-730-5281

EXHIBIT 2

CASE TYPE: Other Civil

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF ST. LOUIS

SIXTH JUDICIAL DISTRICT

Respect Starts Here, a membership
organization, et al.,

Judge: Hon. Eric L. Hylden
Court File No. 69DU-CV-18-953

Plaintiffs,

[PROPOSED] ORDER

v.

Duluth Economic Development Authority, et al.,

Defendants.

Based on the parties' stipulation of [DATE] (Doc. []), and on the files, records, and proceedings herein, the Court hereby makes the following ORDER:

1. The temporary injunction entered October 6, 2020 (Doc. 240) is hereby DISSOLVED; and
2. The action is DISMISSED, with prejudice.

Dated: _____

BY THE COURT:

The Honorable Eric L. Hylden
Judge of District Court

EXHIBIT 3

Exhibit 3

The following protocol shall govern the procedures for DEDA's reimbursement of Plaintiffs for repairs to or rehabilitation on the buildings having the addresses of 110 East First Street, 114 East First Street, and 213-215 East First Street, in Duluth, Minnesota:

1. The Parties, through counsel, shall meet and confer before commencing work and again before submitting requests for reimbursements, in a good-faith attempt to reach agreement on the requests for reimbursement.

2. If the Parties reach agreement on a request for reimbursement, DEDA shall reimburse the requesting party no later than 30 days after that agreement, provided that no reimbursement shall issue until at least 60 days after the Effective Date.

3. If the Parties do not reach agreement on a request for reimbursement, then:

a. The requesting party shall submit a written request for reimbursement and any supporting documents to Steven Reyelts, DEDA, and the City, by e-mail.

b. DEDA and the City shall submit written objections and any supporting documents to Steven Reyelts and Plaintiffs by e-mail no later than 14 days after the request for reimbursement in Paragraph 3.a.

c. The requesting party may submit written response and any supporting documents to Steven Reyelts, DEDA, and the City by email no later than 7 days after the objections in Paragraph 3.b.

d. Steven Reyelts's decision on the request for reimbursement shall be final and binding. If Mr. Reyelts grants the request for reimbursement, DEDA shall reimburse the requesting party no later than 30 days after that decision.

e. Steven Reyelts's fees shall be paid by DEDA from the maintenance and repair fund pursuant to Paragraph 10 of the Settlement Agreement, and shall reduce the amount available for reimbursements.

4. The Parties and Steven Reyelts agree to the following rules:

a. If work requires permits, those permits must be obtained, the work must be performed in accordance with the permits, and the work must be approved by inspectors.

b. All work must be performed by licensed and bonded workers/contractors.

c. All work must be completed within 4 years after the Effective Date of the Settlement Agreement.