### **ATTACHMENT 1**

# TEMPORARY CONSTRUCTION EASEMENT AND CONSTRUCTION AGREEMENT

THIS AGREEMENT, effective as of the date of attestation thereto by the Duluth City Clerk, by and between the CITY OF DULUTH, a municipal corporation created and existing under the law of the State of Minnesota, hereinafter referred to as "City", and Zenith Asset Company, LLC, a California Limited Liability Company, hereinafter referred to as "Owner".

WHEREAS, Owner is the owner of that property, hereinafter referred to as the "Property" legally described on Exhibit A attached hereto and made a part hereof, which Property will be materially impacted by the City's impending Superior Street Reconstruction Project (the 'Project") which is anticipated to be constructed from 2018 through 2020; and

WHEREAS, in order for the City to be able to construct the Project on and in the vicinity of the Property, City will require a construction easement on the Property as hereinafter described on and the right to construct certain improvements on and to the Property as hereinafter described; and

WHEREAS, Owner has agreed to grant the referenced construction easement and has approved the City constructing the referenced improvements under the terms and conditions of this Agreement.

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

#### 1. Definitions

The following terms and phrases shall have the meanings hereinafter ascribed to them:

- A. <u>Construction Easement</u>: shall mean a temporary easement for construction purposes over and across that portion of the Property described on Exhibit B and depicted on Exhibit C, which easements are attached hereto and made a part hereof
- C. Engineer: shall mean the Duluth City Engineer or such other person as she may have designated from time to time in writing.

- D. Plans: shall mean the plans and specifications for the construction of the improvements to be constructed on the Property. Which plans and specifications are attached hereto and made a part hereof as Exhibit D.
- E. Project: shall mean the reconstruction of Superior Street from Mesaba Avenue to 4<sup>th</sup> Avenue East including all utilities to be constructed during 2018 through 2020.
- F. Property: shall mean the property in St. Louis County, Minnesota described on Exhibit A.

### 2. Construction Easement

Owner hereby grants to City a temporary Construction Easement over that portion of the Property described on Exhibits B and C attached hereto and made a part hereof for the purpose of constructing the improvements on the Property as shown on the Plans. The duration of this temporary Construction Easement shall run from the effective date of this Agreement until October 31, 2019 or until the City Engineer certifies in a document in recordable form that the Project has been completed, whichever is sooner; provided that Owner shall have the right but not the obligation to extend the term of said easement for an additional term by written authorization therefor given by an authorized person representing Owner to the City. The City acknowledges that this Agreement will not be recorded on any public title record related to the Property.

### 3. City to Construct Improvements

In consideration of the above grant of easement by Owner, City hereby agrees to cause to be constructed the improvements substantially as described on Sheets RW29 to RW36 attached as Exhibit D, provided that City may cause to be made minor modifications to the plans for the Improvements determined to be reasonable and prudent by the City's City Engineer without seeking approval of Owner, so long as Owner's rights under this Agreement are not materially altered. In the event that City wishes to make modifications to the Plan as shown on Exhibit D which would materially adversely affect the Owner or the Property, City shall provide a revised Exhibit D showing such changes. Owner shall have ten (10) business days from the date the City provides a request for such modification and provides such revised Exhibit D to approve or disapprove such proposed revisions of the Improvements. If Owner approves of the modification in writing or fails to object to such modification within said ten (10) day period, City shall have the right to have the improvements constructed in accordance with the revised Exhibit D. If the Owner disapproves of the proposed revisions, City and Owner agree to meet as expeditiously as possible and to negotiate in good faith to reach an agreement with regard to modification of Exhibit D. The constructed

improvements (retaining wall) have been designed to the standard as detailed in a letter from LHB, Inc. dated January 17, 2019 attached as Exhibit E

### 6. Construction Costs

City agrees that it will be solely responsible for paying all of the costs of constructing the improvements as shown on Exhibit D and as the same may be modified by City and approved by Owner as provided for in Paragraph 3 above, including any unforeseen costs associated therewith.

#### 7. Insurance

As part of the City's process of contracting for the construction of the Improvements, the City will require that the City's contractor agree to indemnify the Owner and that the Owner be named as additional insureds as to any portion of the work being constructed on their properties respectively. Such indemnification and insurance shall be the same indemnification and insurance required by the City for its protection.

### 8. Maintenance and Operation of Improvements

After the wall is constructed, the Owner shall install a prefabricated assembly consisting of a 16" slip on pipe flange welded to a section of 16" sch. 40 black pipe capped with a 16" weld cap bolted to the wall to protect the end of the water service stubbed through the wall.

Upon completion of the construction of the improvements, ownership of and title to the Improvements shall be deemed to be solely in the Owner. Thereafter, City shall have no obligations to maintain or to operate the improvements or the property upon which they are located and responsibility for the maintenance and operation thereof shall be solely that of the Owner.

### 9. <u>Independent Contractor</u>

It is agreed that nothing herein contained is intended or shall be construed in any manner as creating or establishing a relationship of co-partners between the parties hereto or of constituting Owner as an agent, representative or employee of City for any purpose or in any manner whatsoever. Neither Owner nor any officers or employees thereof shall be considered an employee of City, and any and all claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of Owner while so engaged and any and all claims whatsoever on behalf of Owner arising out of employment or alleged employment, including without limitation, claims of discrimination against City, its officers, agents, contractors or employees shall in no way be the responsibility of City. Owner and its officers, agents, contractors and employees shall not be entitled to any

compensation or rights or benefits of any hospital care, sick leave and vacation pay, Workers' Compensation, Unemployment Insurance, disability pay or severance pay. Furthermore, City shall not, in any way, be responsible to defend, indemnify or save harmless Owner from liability or judgments arising out of the intentional or negligent acts or omissions of Owner while performing the work specified by this Agreement.

#### 10. Default and Remedies

In the event that any party shall fail to perform any obligation of said party owed to another party hereunder, the non-defaulting party may give notice in writing to the defaulting party setting forth the obligation or obligations which the defaulting party shall have failed to perform in conformance with the requirements of this Agreement and upon receipt thereof the defaulting party shall immediately commence to cure any such default or, if cure cannot be reasonably commenced immediately, shall commence such cure as soon as reasonably practical and shall complete such cure as soon as is reasonably practical. If cure of such default shall not be so commenced and completed, the non-defaulting party shall be entitled to seek damages for any damages resulting from such failure to cure, injunctive relief to compel performance of any obligation under the Agreement with regard to which the defaulting party is in default or both.

### 11. Notices

Notices to be given hereunder shall be deemed to be sufficient if deposited in the U.S. Mail, postage prepaid to the address set forth below or if sent by overnight mail to the address set forth below unless a party shall send notice to the other party as herein provided directing that such notices shall be sent to a different address:

In the case of City:

Director of Public Works and Utilities

City of Duluth

411 West First Street, Room 211B

Duluth, MN 55802

In the case of Owner:

Zenith Asset Company, LLC

1855 Olympic Blvd, Suite 300

Walnut Creek, CA 94596

ttorvinen@zmchotels.com

rickh@hallequitiesgroup.com

### 12. Civil Rights Assurances

Owner, for themselves and their officers, agents, servants and employees as part of the consideration under this Agreement, does hereby covenant and agree that:

- A. No person on the grounds of race, color, creed, religion, national origin, ancestry, age, sex, marital status, status with respect to public assistance, sexual orientation and/or disability shall be excluded from any participation in, denied any benefits of or otherwise subjected to discrimination with regard to the work to be done pursuant to this Agreement.
- B. That all activities to be conducted pursuant to this Agreement shall be conducted in accordance with the Minnesota Human Rights Act of 1974, as amended (Chapter 363), Title 7 of the U.S. Code and any regulations and executive orders which may be affected with regard thereto.

### 13. Rules and Regulations

Owners agree to observe and comply with all laws, ordinances, rules and regulations of the United States of America, the State of Minnesota and City and their respective agencies which are applicable to its activities under this Agreement.

### 14. Waiver

Any waiver by either party of any provision of this Agreement shall not imply a subsequent waiver of that or any other provision.

### 15. Applicable Law

This Agreement, together with all of its paragraphs, terms and provisions is made in the State of Minnesota and shall be construed and interpreted in accordance with the laws of the State of Minnesota.

### 16. Severability

In the event any provision herein shall be deemed invalid or unenforceable, the remaining provisions shall continue in full force and effect and shall be binding upon the parties to this Agreement.

### 17. Entire Agreement

It is understood and agreed that the entire agreement of the parties is contained herein and that this Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any amendment to this Agreement shall be in writing and shall be executed by the same parties who executed the original agreement or their successors in office.

CITY OF DULUTH, a Minnesota Municipal Corporation	Zenith Asset Company, LLC a California Limited Liability Company
By:Emily Larson Its Mayor	By: Its:    That     That     By A 1854   Mand may
Attest:	
By: Chelsea J. Helmer Its City Clerk Date	
Approved:	=
Assistant City Attorney	
Countersigned:	

City Auditor

STATE OF MINNESOTA	)	
	) ss	
COUNTY OF ST. LOUIS	)	
, 2019, by Emily l	Larson and Che	vledged before me this day of elsea J. Helmer, Mayor and City Clerk ota municipal corporation on behalf of
		Notary Public
STATE OF	)	
COUNTY OF	) ss )	
The foregoing instrume Manay, 2019, by	ent was acknow	vledged before me this day of , the of Zenith Asset ity Company
		See Attached Notary Public
		Notary Public
Drafted by:		•
Robert E. Asleson		
Assistant City Attorney		
City of Duluth		
411 West First Street		
Room 410, City Hall		
Duluth, MN 55802		
(218) 730-5490		

#### **ACKNOWLEDGMENT**

A notary public or other officer completing this certificate verifies only the identity of the individual

paragraph is true and correct.

Signature

WITNESS my hand and official seal.

who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California Contra Costa

On 3/14/19 before me, W.Luis, Notary Public (insert name and title of the officer)

personally appeared Todd Torvinen who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing

(Seal)

W. LUIS Notary Public – California

Contra Costa County Commission # 2198474 My Comm. Expires May 29, 2021

### Exhibit A

Lot 22 Block 2 Central Division of Duluth

Lot 24 Block 2 Central Division of Duluth

St. Louis County, Minnesota

(Torrens Property Certificate of Title No. 302623.0)

### **EXHIBIT B**

#### **DESCRIPTION:**

Lot Twenty-two (22) and Lot Twenty-four (24), Block Two (2), CENTRAL DIVISION OF DULUTH, according to the recorded plat thereof on record in the Office of the St. Louis County Recorder, St. Louis County, Minnesota.

I hereby certify that this survey, plan, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the state of Minnesota.

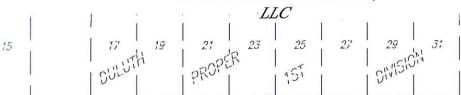
Paul A. Vogel-

Signed/

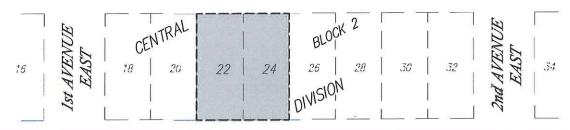
Date 1/27/2017 License No. 44075

## EXHIBIT C

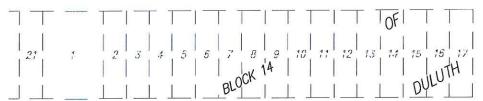
### ZENITHIASSET COMPANY,



### SUPERIOR STREET



#### MICHIGAN STREET





#### DESCRIPTION:

Lot Twenty—two (22) and Lot Twenty—four (24), Block Two (2), CENTRAL DIVISION OF DULUTH, according to the recorded plat thereof on record in the Office of the St. Louis County Recorder, St. Louis County, Minnesota.



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Basis of Bearing is Grid North, St. Louis County Transverse Mercator 96 Coordinate System.

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Minnesota.

Print Name: Paul A. Vogel

License # 44075

Signature:

Date: \_11/27/2017

DATE PREPARED: 11/27/17

PROJ NO: 150714

FILE: 150714vSurv

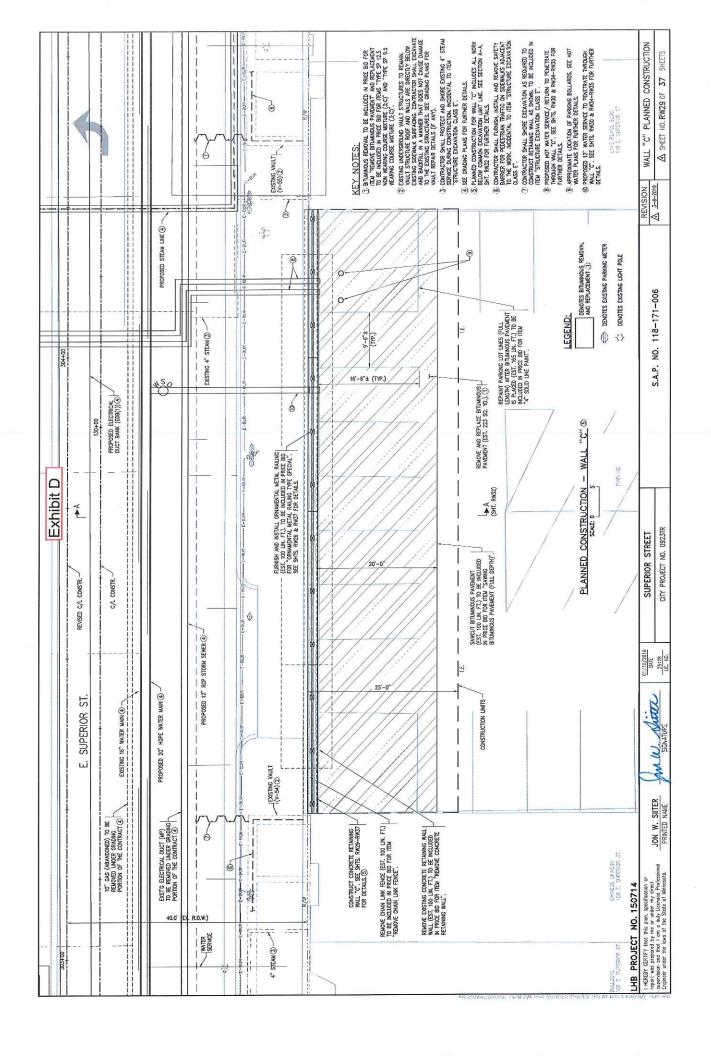
SHEET 1 of 1 SHEETS

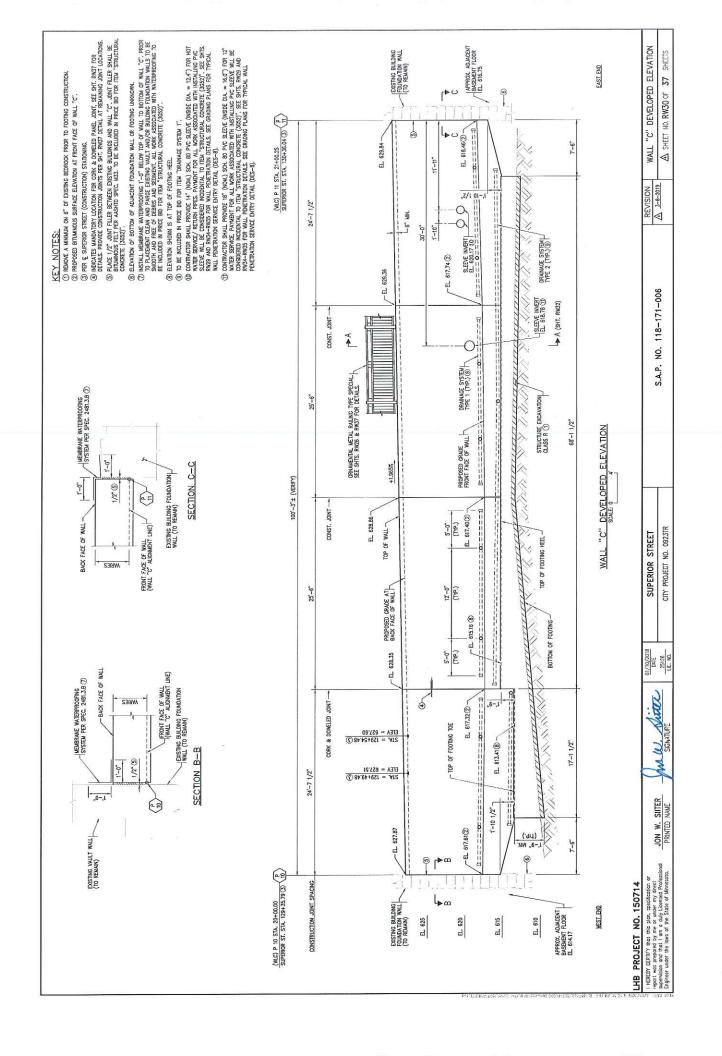


PERFORMANCE DRIVEN DESIGN.

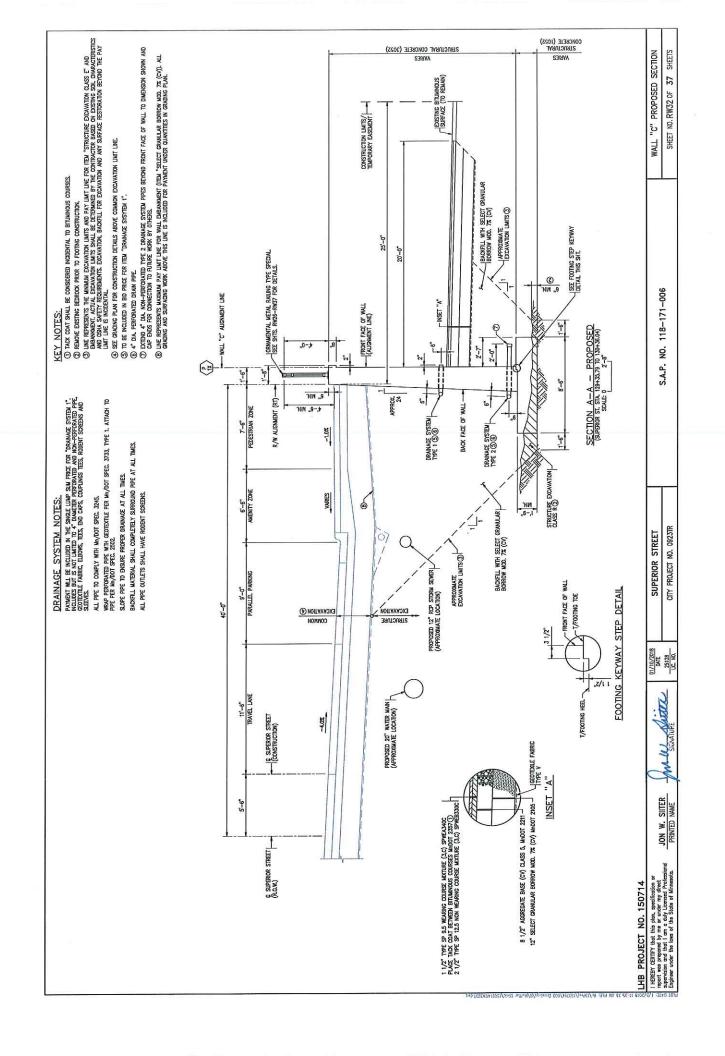
LHBcorp.com

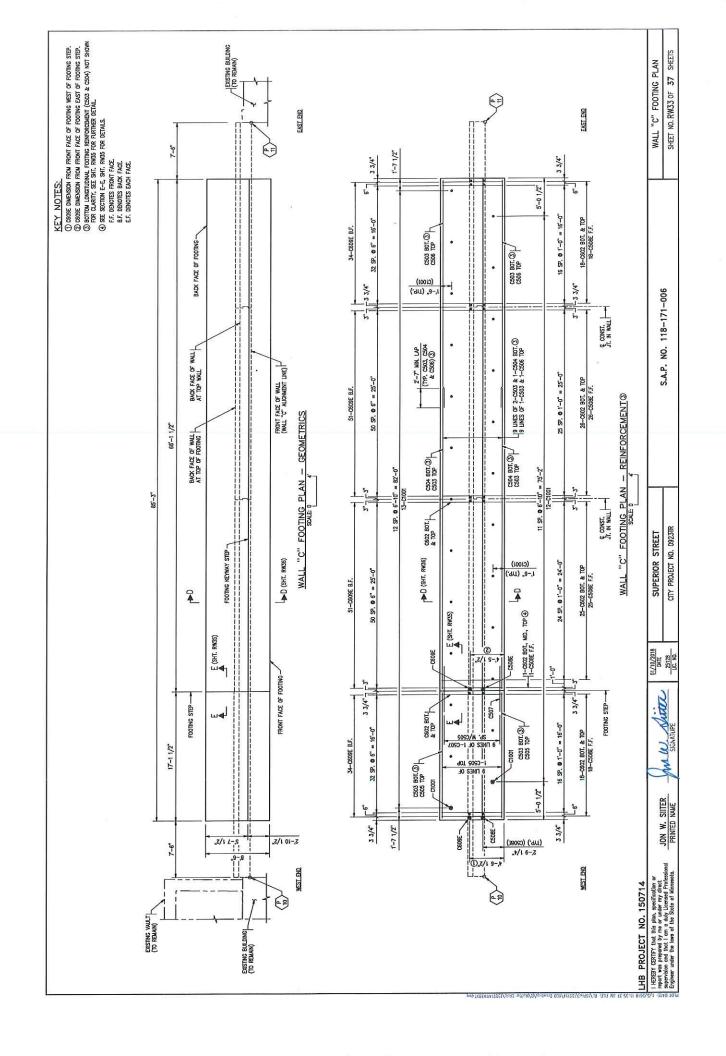
21 W. Superior St., Ste. 500 | Duluth, MN 55802 | 218.727.8446

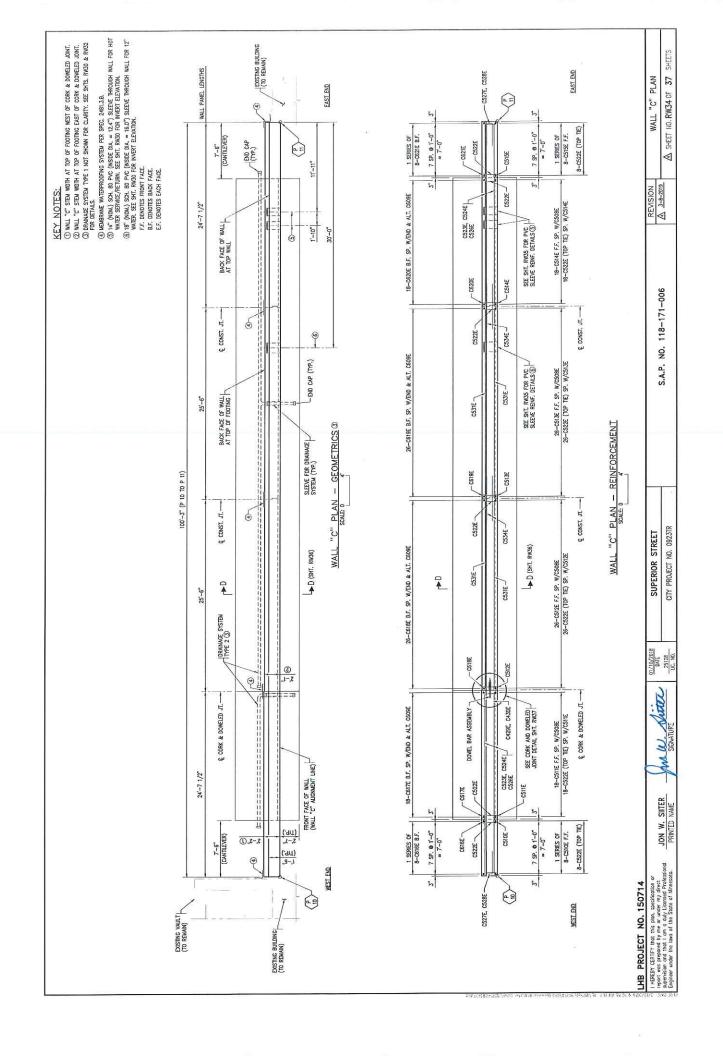


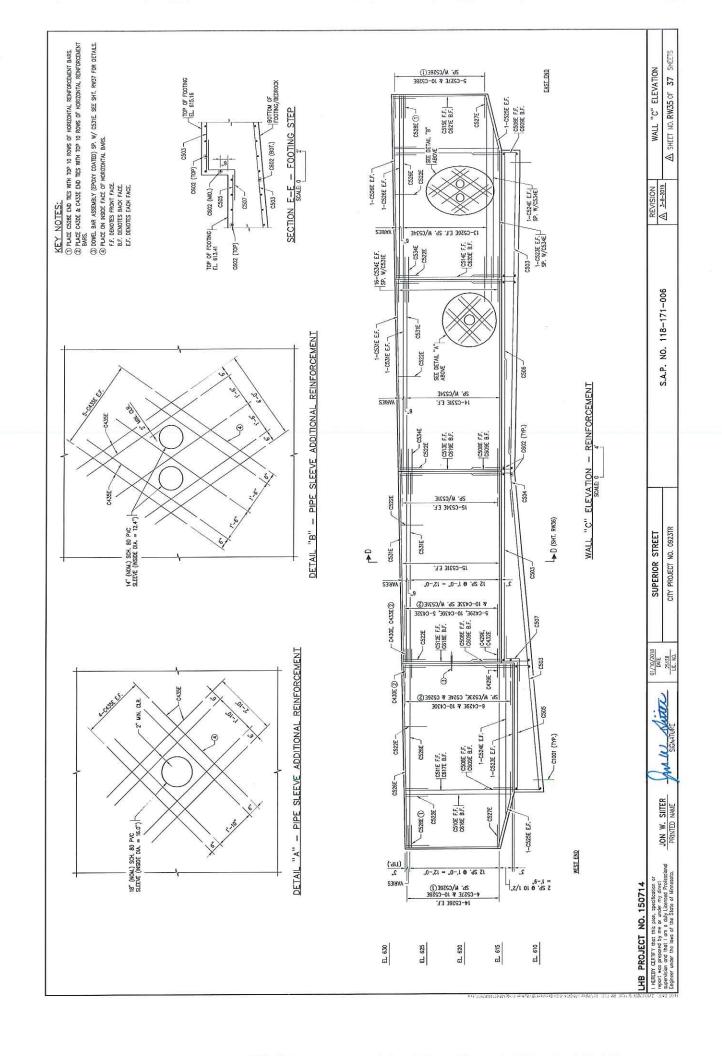


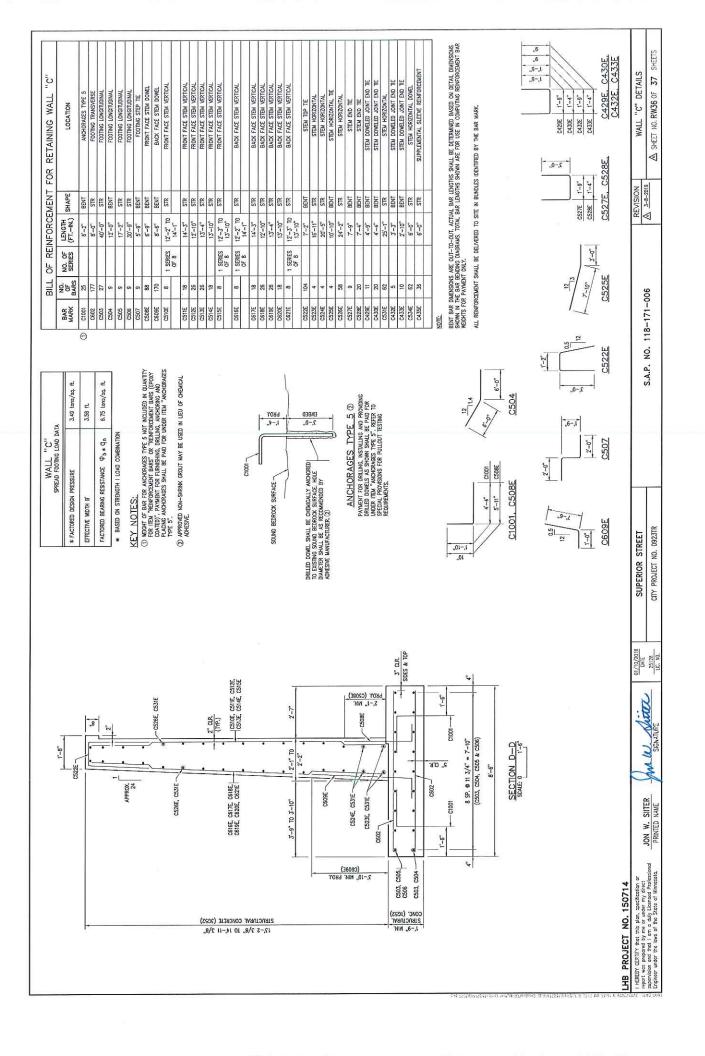
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-	WALL "C" ALIGNMENT SCUE O TO THE SCUE O TO T	SUPERIOR STREET CITY PROJECT NO. 0923TR
	Construction)  123+00  123+00	- MA LU MATTE OLIVOZOIS CITE NO. SIGNITUPE CITE NO.
	00+621.	LHB PROJECT NO. 150714  LHB PROJECT NO. 150714  LHEBRY ESTIFF that this plots, specification or supervision and fast I can a day Lemand Potential Engineer under the loss of the State of Marriagon.  JON W. SITER  PRINTED NAME  PRINTED NAME













January 17, 2019

Duncan C. Schwensohn, PE Senior Engineer City of Duluth 411 West First Street, Room 211 Duluth, MN 55802

### **RE: SUPERIOR STREET RECONSTRUCTION PROJECT** PROPOSED RETAINING WALL AT 112 E SUPERIOR ST

We have been requested to document the design basis for the proposed retaining wall to be constructed with the Superior Street project at 112 East Superior Street in Duluth, MN. This proposed retaining wall is detailed on Plan Sheets RW29-RW36 of the City of Duluth Superior Street Reconstruction plan set prepared by LHB Inc.

Design Basis: The proposed retaining wall has been designed in accordance with the 2017 AASHTO LRFD Bridge Design Specification. It has been designed as a cantilevered retaining wall with a spread footing. The spread footing is designed to be founded directly on competent bedrock. The wall has been designed as a "pure cantilever" in that for the design loads (backfill/ street surfacing and Superior Street live loading etc.) it does not require restraint for its stability other than what is imparted by its planned foundation on bedrock.

As the site fronting the wall is presently vacant we understand there is potential for a new building (development) to be built in front of the wall. Provided the development is designed and constructed in such a manner that it does not compromise the supporting bedrock upon which the proposed retaining wall relies or produce additional loading to the back (Superior Street) side of the retaining wall the wall should be unaffected by the development and thus will remain structurally stable and not require additional restraint or supporting features.

LHB.

Joseph D. Litman, PE | Public Works/Structures Leader

I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION, OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.

Sough D. Petman

1-17-2019

Joseph D. Litman, PE

Lic. No.

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Joseph D. Retman