

MEMORANDUM OF UNDERSTANDING

CITY OF DULUTH

HALLETT DOCK NO 7 LLC.

THIS MEMORANDUM OF UNDERSTANDING, entered into this ____ day of May, 2022, by and between NOAH SCHUCHMAN ("Schuchman"), in his capacity as Chief Administrative Officer of the City of Duluth (the "City") and HALLETT DOCK 7, LLC, a limited liability company under the laws of the State of Minnesota, hereinafter referred to as "Hallett".

WHEREAS, Hallett is the owner and operator of that property and facility known as "Hallett Dock No. 7", as generally shown on attached Exhibit A (the "Dock") on the St. Louis River waterfront which is generally used as a commercial interface facility between marine, rail and road commerce in the Duluth Harbor; and

WHEREAS, the Dock walls have suffered deterioration over the years and are in need of substantial renovation; and

WHEREAS, the U.S. Army Corps of Engineers (the "Corps") is in need to disposal facilities for dredge spoils from dredging operations in the Duluth Superior Harbor; and

WHEREAS, Hallett has requested that the City act as sponsor of a Maritime Administration, Dot Ma-Pid-22-001 2022 Port Infrastructure Development Program Grant in the amount of up to \$12.85 million (the "Grant") to refurbish said Dock and provide dredge spoils depository facilities (the "Project") as hereinafter set forth; and

Based on the City's approval of Resolution No. 22-0389, Schuchman is willing to commit the City do so, subject the City's receipt of the Grant and the City Council's acceptance thereof and to approval by the City Council of an agreement between the City and Hallett committing Hallett to the terms and conditions hereinafter set forth in a manner approved by the Council.

NOW THEREFORE, Schuchman and Hallett hereby agree that:

1. Pursuant to the approval of City Resolution No. 22-0389, the City shall apply as sponsor of the Grant and will agree to serve as sponsor of the Grant if awarded. Such sponsorship shall include serving as fiscal agent for the Grant funds awarded, overseeing the design of the Project, bidding and awarding the bid for the construction of the

Project, oversee the construction of the Project, causing all parties being paid with Grant funds to be paid as provided for in contracts for their work, and administering the Grant funds and other funds necessary to pay Project costs, subject to the availability of Grant Funds and Hallett funds to pay said costs.

2. Hallett agrees that it will contract for and pay all costs of all engineering services required for the Project, including but not limited to design fees, environmental and soils testing, materials testing and construction supervision for the Project.
3. In addition, Hallett agrees and commits that it will provide the local, matching share required by the Grant and will, in addition, reimburse the City for all other costs of the Project incurred or owed by City not paid for with Grant funds or in excess of the Grant amount.
4. This MOU is contingent on the approval and execution of an agreement between the City and Hallett, satisfactory to the City's City Attorney, implementing Hallett's commitments set forth in this MOU.
5. The party executing this Agreement on behalf of Hallett hereby represents that they are authorized to sign this Agreement on behalf of Hallett and that Hallett is hereby bound to the terms and conditions set forth above

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

NOAH SCHUCHMAN

HALLET DOCK 7 LLC., a Minnesota
Limited liability company

By: _____

Its: _____