

**FIRST AMENDMENT TO OPTION AGREEMENT
LINCOLN LOT PROPERTY
DULUTH ECONOMIC DEVELOPMENT AUTHORITY, SELLER
UNION GOSPEL MISSION, INC., PURCHASER**

THIS FIRST AMENDMENT (the “First Amendment”) entered into this _____ day of _____, 2026 (the “Effective Date”), by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision organized and existing under the laws of the State of Minnesota, hereinafter referred to as "DEDA" and Union Gospel Mission, Inc., a Minnesota non-profit corporation hereinafter referred to as “Developer”.

WHEREAS, on DEDA and Developer entered into that certain Option Agreement dated December 16, 2024 (DEDA Contract No. 24 860 042) (the “Option Agreement”) granting an Option to Developer for the purpose of encouraging Developer to make the investment in time, money and effort to determine whether the Project is feasible;

WHEREAS, Developer requests an extension of the Option Term as Developer is continuing to pursue additional financing options including an award of low-income housing tax credits from the Minnesota Housing Finance Agency or any applicable sub-allocator; and

WHEREAS, DEDA desires to grant the extension to the Option Term.

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

1. All capitalized terms used but not defined in this First Amendment shall have the meanings assigned to them in the Option Agreement.
2. That consideration for the extension of the Option Term in this First Amendment shall be equal to the Option Fee.
3. That Article I, Section F of the Option Agreement is hereby amended as follows:
Option Term: shall mean a date commencing on the effective date of this Option Agreement and terminating 4:30 P.M. CST on ~~June 30, 2026~~June 30, 2027, unless sooner exercised or terminated as hereinafter provided. Notwithstanding the foregoing,

if Minnesota Housing Finance Agency does not award low-income housing credits or other funding to Developer sufficient, in Developer's reasonable opinion, to proceed with the Project by ~~March 31, 2026~~March 31, 2027, this Option Agreement shall automatically terminate and neither party shall thereafter have any obligation to proceed.

4. That Article II, Section F is hereby amended by deleting "December 31, 2025" and substituting therefor, "December 31, 2026."
5. Upon execution hereof, Developer agrees to cause this First Amendment to be recorded in the office of the St. Louis County Recorder and to pay all costs, including but not limited to recording fees and state deed tax, associated therewith.
6. Except as provided in this First Amendment, all terms and conditions of the Option Agreement shall remain in force and effect.

[Remainder of page intentionally left blank. Signature pages to follow.]

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

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 _____, 2026, by Connor Randall, President of the Duluth Economic Development Authority, a public body, corporate and political subdivision organized and existing under the laws of the State of Minnesota, 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 _____, 2026, by _____, Secretary of the Duluth Economic Development Authority, a public body, corporate and political subdivision organized and existing under the laws of the State of Minnesota, on behalf of the Authority.

Notary Public

