

DEVELOPMENT AGREEMENT

**between
CITY OF DULUTH
and**

**AMITY BLUFFS LLC;
BRUCE UELAND, PATTY UELAND AND COREY UELAND;
HEIDI L. WALTERS;
AMY BROSE AND BENJAMIN BROSE;
THERESA WECKERLY;
STEPHEN AND SUSAN AULIE JOINT REVOCABLE
TRUST AGREEMENT DATED APRIL 17, 2019;
KNUTSACICH, LLC;
RICHARD KANGAS; AND
TRA DEVELOPMENT GROUP, LLC**

Dated as of _____, 2026

DEVELOPMENT AGREEMENT

THIS AGREEMENT, effective as of the date of attestation hereof by the City Clerk, by and between the City of Duluth, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota (“City”), and Amity Bluffs LLC, a limited liability company created and existing under the laws of the State of Minnesota (“Developer”); Bruce Ueland and Patty Ueland, a married couple, and Corey Ueland, a single person (collectively, “Ueland”); Heidi L. Walters, a single person (“Walters”); Amy Brose and Benjamin Brose, a married couple, (collectively, “Brose”); Theresa Weckerly, a single person (“Weckerly”); Stephen Berger Aulie and Susan Kay Aulie, as Trustees of the Stephen and Susan Aulie Joint Revocable Trust Agreement dated April 17, 2019 (the “Aulie Trust”); Knutsacich, LLC, a limited liability company created and existing under the laws of the State of Minnesota (“Knutsacich”); Richard Kangas, a single person (“Kangas”); and TRA Development Group, LLC, a limited liability company created and existing under the laws of the State of Minnesota (“TRA”). Ueland, Walters, Brose, Weckerly Aulie Trust, Knutsacich, Kangas and TRA are collectively referred to as the “Additional Owners.”

RECITALS

WHEREAS, Developer proposed to create a single-family residential housing development on a 25-acre plat titled “Amity Bluffs” consisting of 15 lots and two outlots located east of Woodland Avenue and north of Vassar Street in Duluth, Minnesota (the “Development”); and

WHEREAS, the real property that was platted by the Developer and subject of the Development is legally described on the attached Exhibit A (the “Property”); and

WHEREAS, Developer desires to conduct site development activities at the Property, including installation of a public street with sidewalk and street trees accessed from Woodland Avenue, installation of public water, sanitary sewer, storm sewer utilities connecting to Woodland Avenue, installation of public storm water management facilities, and certain other site improvements (the “Project”) to facilitate the Development; and

WHEREAS, on December 12, 2023, the City Planning Commission approved the Plat hereinafter defined (file no. PL 23-162) subject to certain conditions, one of which required Developer to enter into a Development Agreement with City; and

WHEREAS, Developer has agreed to dedicate to the public for public use the rights-of-way, Drainage Easements and Utility Easements, shown on the Plat, to construct the Road Improvements, Sidewalks, and the stormwater facilities and

the public utilities as described in the hereinafter-referenced Memorandum of Understanding (“MOU”); and

WHEREAS, Developer has agreed to make certain other improvements to the Property and contributions to the City as a condition attached to the City’s approval of the Plat;

WHEREAS, City and Developer entered into an unrecorded development agreement dated February 25, 2025, regarding the Property and Project (the “Original Development Agreement”);

WHEREAS, Developer has since conveyed some of the Property to the Additional Owners, but before the recordation of the Original Development Agreement in the real estate records of St. Louis County, Minnesota; and

WHEREAS, the parties desire to amend and restate the Original Development Agreement in its entirety so that: (i) the Property can be subject to the terms and conditions of this Agreement and (ii) this Agreement can be recorded with the real estate records of St. Louis County, Minnesota.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter contained, the parties covenant and agree for themselves and their successors and assigns as follows:

AGREEMENT

1. Definitions. The following term and phrases shall have the meanings hereinafter ascribed to them:
 - A. Director: shall mean the City’s Director of Planning and Economic Development.
 - B. Drainage Easements: shall mean the drainage easements as shown on the Plans and Plat.
 - C. Easements: shall mean, collectively, the rights-of-way as shown on the Plans and Plat, the Drainage Easements, and Utility Easements.
 - D. Lots: shall mean the lots as shown and legally described on the Plat.
 - E. Memorandum of Understanding or MOU: shall mean that Memorandum of Understanding entered into between the City’s City Engineer and Developer for the construction and implementation of the Required Improvements.
 - F. Plans: shall mean the plans and specifications for the construction and installation of all elements of the Required Improvements approved by the Director and City Engineer and incorporated into the MOU.

- G. Plat: shall mean the Plat of Amity Bluffs approved by Planning Commission (file no. PL 23-162) recorded in the Office of the St. Louis County Recorder as Document No. 1508131.
- H. Project: shall mean the development of a residential single-family housing project, the platting of 25 acres into 15 building lots, and the installation of public utilities and street with sidewalk as further described as the Required Improvements and as shown on the Plat and the Plans.
- I. Property: shall mean the real property legally described on Exhibit A attached hereto and made a part hereof.
- J. Required Improvements: shall mean the Road Improvements, Sidewalks, public utilities, including water and sanitary sewer, and the implementation of the Stormwater Management Plan, all in accordance with the MOU.
- K. Road Improvements: shall mean the construction of the public roads, Katherine Lane and Amity Drive cul du sac to Woodland Avenue meeting City Engineering standards.
- L. Stormwater Improvements: shall mean the Stormwater Management Plan and the Drainage Easements as shown on the Plans and the Plat.
- M. Sidewalks: shall mean a public sidewalk along at least one side of the entire length of James Street in the Woodland Avenue Gardens Second Addition plat, now known as Katherine Lane from Woodland Avenue and, along Amity Drive.
- N. Stormwater Management Plan: shall mean that Plan conforming to the requirements of § 50-18.1 E of the Duluth City Code, 1959 (the "Code"), as amended, as such plan is required as part of the MOU.
- O. Utility Easements: shall mean the utility easements as shown on the Plans and Plat.
- P. Wetland Boundary Signs: shall mean the installation of permanent boundary marker signs around the perimeter of all wetlands on the Property that are not approved for impact according the approved wetland replacement plan (file no. PL 23-071).
- Q. Wetland Protections – Temporary: shall mean the installation of temporary construction fencing a minimum of 3 feet tall along the perimeter of wetlands which are to be preserved to isolate the preserved portion from the portion permitted to be impacted by any duly issued permit under the Wetland Conservation Act. Developer shall maintain said fencing during the course of all construction that could impact said wetlands.

2. Developer and Additional Owners' Duty and Compliance: Developer and Additional Owners agree to the following:

- A. Developer's Duty and Compliance: Development of the Lots must be in compliance with all applicable ordinances, rules, regulations and laws of the City and State of Minnesota. Developer or Additional Owners, as

applicable, shall be responsible for obtaining all approvals and permits of any kind required to implement the Project from any governmental agency having jurisdictions with regard thereto, including but not limited to roadway access permits, wetland permits, storm water management permits, utility construction permits, fill and grading permits, erosion and sediment control permits, and building permits.

B. Additional Owners' Duties. The Additional Owners hereby agree to the dedication of the Easements on the Plat. Additional Owners further agree to grant Developer and Developer's agents, contractors, and subcontractors a license to enter the respective portions of the Property owned by each Additional Owner for the sole purpose of completing the Project and constructing the Required Improvements.

3. Pre-conditions to Issuance of Permits for Site Work: Prior to the issuance of any permits needed to implement development of the Property in the Plat as permitted under the Plat and prior to the commencement of any construction work of any kind, including but not limited to site work having the purpose of implementing the development of said Lots, the following actions shall be taken by the City and the Developer:

A. Recording of the Agreement: The City shall have caused this Agreement to have been recorded against the Property in the Office of the County Recorder and/or Registrar of Titles for St. Louis County, Minnesota. Developer agrees not to convey any additional portions of the Property that it still owns as of the date of this Agreement or further encumber the Property until the City has recorded the Agreement. Developer agrees to reimburse the City for any and all costs, including staff time, incurred by the City that result if the Developer conveys any additional portion of the Property or further encumbers the Property prior to the recording of this Agreement.

B. Wetlands Protections - Temporary: Developer shall provide photographic evidence to the Director documenting that Developer has installed construction fencing around those parts of wetlands which are to be preserved to isolate the preserved portion from the portion permitted to be impacted by any duly issued permit under the Wetland Conservation Act. Developer and Additional Owners, as applicable, shall maintain said fencing during the course of all construction that could impact said wetlands.

C. Tree Restrictive Covenant: Developer and Additional Owners covenant and commit that as a pre-condition of the sale, conveyance, transfer or grant of any form of right to develop each lot within the Plat or to construct thereon any structure or improvements of any kind, Developer or Additional Owners will require that any party to whom such rights granted or otherwise develop a lot within the Plat execute and record

with the St. Louis County, Minnesota Recorder a Restrictive Covenant in a form acceptable to the Director guarantying the preservation, replacement and maintenance of trees on said lot as shall be more specifically set forth therein. Said Restrictive Covenant shall implement the requirements of Section 25.9 B of the Code and shall run with the land and be binding on said grantee and his, her or its heirs, successors and assigns. City acknowledges that Developer and Additional Owners have satisfied the obligations set forth under this paragraph 3.C, as demonstrated by that certain Declaration of Protective Covenants recorded in the Office of the St. Louis County Recorder as Document No. 1511431.

- D. Improvement Security: Developer shall have provided financial security in the form of an automatically renewing, irrevocable Letter of Credit, cash escrow, or such other form as is acceptable to the Director in the amount of not less than \$50,000.00 to guarantee completion of construction of the Required Improvements and Wetland Boundary Signs in conformance with the requirements of this Agreement and the MOU, and authorizing the Director to exercise said security and to use the proceeds to complete construction of the Required Improvements and Wetland Boundary Signs if the Developer has not completed such Public Improvements and Wetland Boundary Signs before December 12, 2029.
- E. MOU: Developer shall enter into a MOU in the form acceptable to the City Engineer committing to the design and construction of the Required Improvements prior to construction of the public improvements. Said MOU shall specifically provide that the City will not accept as “public” any of the Required Improvements unless all such improvements described in the MOU have been completed to the satisfaction of the City Engineer.

4. Pre-conditions to Issuance of Building Permits: Developer and Additional Owners agree that prior to the issuance of any building permits for the construction of any structure on the Property, the following shall have been completed:

- A. Plat: Developer shall provide to the City Engineer two copies of Plat on mylar medium along with evidence of recording of the Plat.
- B. Wetland Boundary Signs: Developer shall install signs identifying the perimeter of wetlands shown by the Plat and provide photographic evidence of the installation to the Director. The signs shall be permanent metallic markers on rigid metal signposts that are installed so that the top of the sign is at an elevation of 4 feet above grade. Signposts shall be located at all lot boundaries and at points where the wetland boundary changes direction or no more than a distance greater than 50 feet between signs, whichever is less. Marker signs shall be no

less than 48 square inches, and signs on Lots 1-4, Block 1 in the Plat, and Lots 1, 6, 10, and 11, Block 2 in the Plat, shall state "WETLAND PROTECTION AREA – GRADING OF THE LAND AND REMOVAL OF NATURAL VEGETATION BETWEEN THIS SIGN AND THE PROPERTY BOUNDARY IS PROHIBITED BY PLAT (APPROVAL FILE NUMBER PL23-162) Marker signs on Lots 3, 4, 7, 8, 9, Block 2, shall state "WETLAND PROTECTION CORRIDOR – GRADING OF THE LAND AND REMOVAL OF NATURAL VEGETATION BETWEEN SIGNS IS PROHIBITED BY PLAT (APPROVAL FILE NUMBER PL 23-162)." Developer shall require that any subsequent owner of any lot and their successors and assigns maintain, repair, and replace, as needed, demarcation, signposts, and signage required by this subparagraph.

C. Plans: Developer shall present the Plans to the Director for approval as to compliance with this Agreement and applicable City ordinances.

5. Financing. Developer assumes all risks and agrees to bear all costs and fees related to the design and construction of all roads, sidewalks, utilities including implementation of the storm water management plan and other public improvements as shown on the Plans. Additional Owners assume all risks and agree to bear all costs and fees relating to the design and construction of any housing unit or related structure on each portion of the Property that each Additional Owner owns.

6. Property Conveyance and Easements. Developer agrees to convey Outlot A on the Plat ("Outlot A") to the City and to dedicate to the City in trust for the general public all easements for streets, sidewalks, storm water management, and utilities as shown on the Plat. Developer warrants and represents to City that it has marketable fee title to the Property free and clear of all mortgages, liens and other encumbrances, other than that certain Mortgage dated May 20, 2025, and recorded on May 23, 2025 as Document No. 01510870 in the Office of the St. Louis County Recorder and that it has the right to convey said Outlot A and to dedicate the easements to the City free and clear of any encumbrances or shall have established to the satisfaction of the Director, in the exercise of his or her sole discretion that Developer has the right to so convey and dedicate such interests.

7. Inspections. All Required Improvements shall be made in accordance with applicable City construction design standards and specifications and shall be subject to the inspection by and approval of the City. Developer and Additional Owners hereby grant City, its agents, employees and contractors a limited license to enter the Property and perform all inspections which the Director in the exercise of his or her reasonable discretion deems appropriate in connection with this Agreement.

8. Developer's Default. In the event Developer or Additional Owners fail to comply with or perform any terms, conditions, undertakings, or obligations

under this Agreement, which is not cured following thirty (30) days' written notice from the City, or such longer period of time as may be reasonably required to cure such default provided Developer or Additional Owners, as applicable, is proceeding with diligence to cure such default, the parties hereto agree that no award of damages to City could constitute an adequate remedy for such default, Therefore, City may, in addition to and not in lieu of any other remedies or rights available to it by law or equity:

- A. Institute an action for specific enforcement to compel Developer and Additional Owners to perform any or all of its obligations under this Agreement. Developer acknowledges that the rights of City to performance of the obligations of Developer pursuant to this Agreement are special and unique, and that, in the event Developer violates, fails or refuses to perform any condition, agreement or provision herein, City may be without an adequate remedy at law.
- B. At its option, draw on the security described in Section 3 above and perform the work described in Section 4B above, provided the Developer and Additional Owners are first given written notice of the default not less than seven (7) days in advance. This Agreement is a limited license for the City to enter onto any portion of the Property necessary to perform said work, and it shall not be necessary for the City to seek a Court order for permission to enter the land.
- C. Refuse to issue building permits for construction on the Project or on the Property.
- D. Exercise any other remedy available to the City in law or in equity. No remedy conferred in this Agreement is intended to be exclusive. The election of any one or more remedies shall not constitute a waiver of any other remedy. City may, but is not obligated to, exercise any of the remedies referred to in this paragraph.

9. Insurance. Developer agrees to purchase and maintain, or cause its contractors to purchase and maintain, during the term of this Agreement, insurance in the form of Workers Compensation and Employers Liability, Commercial General Liability and Automobile Liability covering operations associated with the Required Improvements and the Project, and Property insurance covering real and personal property interests at or near the Property, with the following limits:

Workers' Compensation	Statutory (MN)
Employers' Liability	\$1,500,000
Auto Liability (owned, hired and non-owned)	\$1,500,000
Commercial General Liability (including Contractual Liability)	

Each Occurrence	\$2,000,000
Aggregate	\$4,000,000
Property Insurance Value	To Replacement

Prior to commencement of construction, Developer agrees to deliver to the City a Certificate of Insurance, naming the City as an Additional Insured, as evidence that the above coverages are in full force and effect.

10. General Indemnity. Developer agrees that it shall defend, indemnify and hold harmless City and its officers, agents, servants and employees from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of City or Developer, by reason of death of or injury to person or persons or the loss of or damage to property arising out of Developer's performance of its obligations under this Agreement, except to the extent caused exclusively by the willful misconduct or negligence of the City, or someone acting on its behalf, or a breach of this Agreement by the City. On ten (10) days written notice from City, Developer will appear and defend all lawsuits against City relating to or arising from such injuries or damage.

11. Environmental Indemnity. Developer and Additional Owners agree that it shall defend, indemnify and hold harmless City and its officers, agents, servants and employees from and against any liability, loss, damage, fine, judgment, penalty, fee, cost, interest, or expense arising out of any condition existing on the Property prior to commencement of construction of the Required Improvements or the Project relating in any way to the environment, preservation or reclamation of natural resources, the presence, management, release or threatened release of any Hazardous Material (any and all explosive or radioactive substances or wastes and hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any environmental law) or to health and safety matters.

12. Notices. Any notice, demand or other communication under this Agreement by either party to the other shall be deemed to be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid to:

In the case of the City: City of Duluth
 Attn: Director of Planning and Economic
 Development
 411 West First Street, Room 160
 Duluth, MN 55802

In the case of Developer: Amity Bluffs LLC
5331 Howard Gnesen Road.
Duluth, MN 55803

In the case of Ueland: 126 Mesaba Ave., Apt. 323, Duluth, MN 55811

In the case of Walters: 18091 Settlers Way, Eden Prairie, MN 55347

In the case of Brose: 2108 Dunedin Ave., Duluth, MN 55803

In the case of Weckerly: 32 Hill Drive, Milford, IA 51351

In the case of Aulie Trust: 2024 Water St., Apt. 6, Duluth, MN 55812

In the case of Knutsacich: 4736 Rice Lake Road, Duluth, MN 55803

In the case of Kangas:

In the case of TRA:

13. Binding Effect. This Agreement shall be deemed to run with the land and shall inure to the benefit of the parties hereto and to their successors and assigns.
14. Term. The term of this Agreement shall commence upon the date of attestation by the City Clerk and shall continue until the Director and City Engineer have certified in writing that all Public improvements required under this Agreement have been constructed in accordance with the requirements herein contained and Developer has conveyed Outlot A and dedicated the Easements as are required hereunder.

At Developer's request, City will issue a written certificate of completion in recordable form acknowledging that the Required Improvements have been completed. Any obligations and duties which by their nature extend beyond the expiration or termination of this Agreement shall survive the expiration or termination of this Agreement.

15. Assignment. Developer may not assign this Agreement without the written approval of the City, which approval shall not be unreasonably withheld, conditioned or delayed, provided, however, that Developer may assign this Agreement to an entity controlling, controlled by or under common control with the Developer or its owners and shall provide the City with notice thereof.
16. Governing Law, Jurisdiction, and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota, and all questions concerning the meaning, intention or validity of the terms of this Agreement, as well as the performance of the parties hereto, shall be determined and resolved in accordance therewith. The Parties agree to submit to the exclusive jurisdiction of the State and Federal Courts sitting in St. Louis County, Minnesota, and waive any objections to such location based on jurisdiction, venue or inconvenient forum.
17. Construction of Agreement. Developer, Additional Owners and City have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement is to be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
18. Severability. In the event any provision herein shall be deemed invalid or unenforceable, the remaining provision shall continue in full force and effect and shall be binding upon the parties to this Agreement.
19. Counterparts. This Agreement may be executed, acknowledged and delivered in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
20. Entire Agreement. This Agreement, including the exhibits, constitutes the entire agreement between the parties and supersedes all prior written and oral agreements and negotiations between the parties relating to the Property and the subject matter hereof. This Agreement amends, restates and replaces the Original Development Agreement in its entirety.

[Signature pages follow]

This instrument was drafted by:
Office of the City Attorney
Room 440 City Hall
411 West 1st Street
Duluth, MN 55802-1198

OWNERS OF LOT 1, BLOCK 2:

Amy Brose

Benjamin Brose

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____, 2026, by **Amy Brose and Benjamin Brose**, wife and husband.

Notary Public

**SUBORDINATION BY MORTGAGEE
TO DEVELOPMENT AGREEMENT**

NORTH SHORE BANK OF COMMERCE, a banking corporation under the laws of the State of Minnesota, as Mortgagee in that certain Mortgage dated May 20, 2025, and recorded on May 23, 2025 as Document No. 01510870 in the Office of the St. Louis County Recorder (the "Mortgage") does hereby subordinate its interest, and that of its successors and assigns, in the Mortgage to this Agreement. Mortgagee represents to the City that the individual(s) executing this document on behalf of Mortgagee have the requisite authority to execute this document, and to bind Mortgagee thereto.

NORTH SHORE BANK OF COMMERCE

By _____
Its: _____

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on _____,
2026, by _____ as the _____ of
North Shore Bank of Commerce, a banking corporation under the laws of the State of
Minnesota.

Notary Public

Exhibit A
Legal Description of Property

Lots 1, 2, 3 and 4, Block 1;

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, Block 2;

Outlot A; and

Outlot B,

All in AMITY BLUFFS, St. Louis County, Minnesota.