

EXHIBIT I

FIRST AMENDMENT TO DEVELOPMENT AGREEMENT BETWEEN CITY OF DULUTH AND LOTUS REALTY SERVICES, INC.

This FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”), effective as of the date of attestation by the City Clerk, is entered into by and between the CITY OF DULUTH, a municipal corporation under the laws of the State of Minnesota (“City”) and LOTUS REALTY SERVICES, INC., a Minnesota corporation (“Developer”). City and Developer are referred to in this First Amendment collectively as the “Parties.”

WHEREAS, the City and Duluth Gospel Tabernacle, a Minnesota non-profit corporation (“Owner”), entered into a Development Agreement dated April 5, 2019 (the “Development Agreement”) and registered in the Office of the St. Louis County Registrar of Titles on January 23, 2020 as Document No. 1019871;

WHEREAS, the purpose of the Development Agreement is to set forth certain terms and conditions regarding the development of the plat of Harbor Light, St. Louis County, Minnesota (the “Property”);

WHEREAS, at the time the Development Agreement was signed, Duluth Gospel Tabernacle was the fee owner of the Property, but certain portions of the Property have since been sold or conveyed to other parties, including Outlot A, Harbor Light, St. Louis County, Minnesota, which is currently owned by Developer, and Outlot A remains subject to the terms and conditions of the Development Agreement;

WHEREAS, Developer constructed certain stormwater improvements on Outlot A (the “Stormwater Improvements”) pursuant to Section 8.F. of the Development Agreement and Developer has been operating and maintaining the Stormwater Improvements pursuant to that certain Storm Water Maintenance Agreement dated November 23, 2020, registered in the Office of the St. Louis County Registrar of Titles on December 1, 2020 as Document No. 1032870 (the “Maintenance Agreement”);

WHEREAS, Section 7.D. of the Development Agreement requires Developer to convey Outlot A to the City, at no cost, for storm water drainage purposes after the Stormwater Improvements were constructed and the Stormwater Improvements were constructed within a portion of Outlot A;

WHEREAS, the City has determined that it does not need the entirety of Outlot A for storm water drainage purposes and that an easement would suffice to grant the City the proper rights to own, operate, maintain, repair and replace the Stormwater Improvements;

WHEREAS, Section 8.G. of the Development Agreement requires the delineated wetlands on the Property are preserved, however, it has been discovered that the delineated wetlands within Outlot A: (i) have been impacted due to development within the Property; and (ii) no longer exist;

WHEREAS, current conditions of the Property make it difficult to restore wetlands and, therefore, Developer or a successor owner of Outlot A (the “Subsequent Owner”) will be required to purchase wetland credits to mitigate the loss of wetlands on Outlot A;

WHEREAS, pursuant to Ordinance 18-031-O passed by the City Council on July 9, 2018, the Property is to have a regulating plan governing land uses and development of the Property (the “Regulating Plan”); and the Regulating Plan has not yet been finalized and now needs to be updated to reflect the location, type and intensity of existing development with the Property, as well as future development;

WHEREAS, City and Developer have agreed to modify certain requirements in the Development Agreement relating to the Stormwater Improvements, wetland credits, the Regulating Plan and Outlot A; and

WHEREAS, the Parties desire to amend the Development Agreement with this First Amendment in order to address the issues outlined in the recitals above.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements hereinafter contained, City and Developer agree to amend the Development Agreement as follows:

1. The foregoing recitals are hereby incorporated by reference and made a part of this First Amendment. Capitalized terms used but not defined in this First Amendment shall have the same meanings ascribed to them as in the Development Agreement.

2. Section 1 of the Development Agreement is amended by the addition of the following definitions at the end of Section 1:

S. Developer: shall mean Lotus Realty Services, Inc., a Minnesota corporation.

R. Outlot A: shall mean the following described real property in St. Louis County, Minnesota:

OutLot A HARBOR LIGHT

EXCEPT minerals and mineral rights in that part thereof formerly described as part of Lots 29 through 38 Block 4 Kensington Place Addition to Duluth and EXCEPT minerals in the remainder of Outlot A. That part of Outlot A formerly described as part of Lots 18-22 Block 4 Kensington Place Addition to Duluth is SUBJECT to mineral rights reserved by the State of Minnesota by deed filed for record as Document No 301818 and Microfilm Document No 19639 in the office of the Register of Deeds

3. Section 7.D. of the Development Agreement is amended and completely replaced with the following Section 7.D.:

D. Developer shall convey or cause to be conveyed to the City, in trust for the benefit of the public, an easement for utility, stormwater and drainage purposes, substantially in the form attached as Exhibit 1, over, under and across that portion of Outlot A legally described on Exhibit A attached to Exhibit 1 (the “Stormwater Easement Area”), at no cost to the City (the “Stormwater Easement”). City shall record the Stormwater Easement in the Office of the St. Louis County Registrar of Titles at Developer’s expense. Developer represents and warrants to City that it has marketable fee title to Outlot A free and clear of all mortgages, liens and other encumbrances and that it has the right to dedicate the Stormwater Easement to City free and clear of any encumbrances. Concurrent with the execution of the Stormwater Easement, Developer and City shall terminate the Maintenance Agreement, substantially in the form attached as Exhibit 2.

4. Section 8.F. of the Development Agreement is amended by adding the following sentence to the end of the paragraph as follows:

The Parties acknowledge that the Stormwater Improvements have been constructed and Developer shall have no further obligations regarding construction of the Stormwater Improvements as of the First Amendment Effective Date (hereinafter defined).

5. Section 8.G. of the Development Agreement is amended by adding the following sentence to the end of the paragraph as follows :

The Parties acknowledge that the delineated wetlands within Outlot A: (i) have been impacted due to development within the Property; and (ii) no longer exist. Current conditions of the Property make it difficult to restore wetlands and, therefore, Developer or Subsequent Owner will be required to purchase wetland credits to mitigate the loss of 14,683 square feet of wetlands on Outlot A (“Wetland Credits”). The Wetland Credits shall be purchased on a replacement ratio of 2:1, as well as any applicable fees, by Developer or Subsequent Owner on or before December 1, 2026, and shall provide documentation to City evidencing such purchase.

6. The following Section 26 is hereby added to the Development Agreement:

26. Regulating Plan. Developer or Subsequent Owner shall finalize the Regulating Plan on or before December 1, 2026, as evidenced by the approval by the City’s Land Use Supervisor. Developer is responsible for obtaining the consent of the Regulating Plan by all owners within the Property before it is submitted to the City for final approval.

7. The following Section 27 is hereby added to the Development Agreement:

27. Outlot A. Notwithstanding any prior obligation to convey Outlot A to City, Developer may convey fee title to Outlot A to Subsequent Owner, subject to the Stormwater Easement and the following restrictive covenant (the “Restrictive Covenant”):

Developer, Subsequent Owner, and their successors and assigns, shall maintain Outlot A consistent with the Regulating Plan or as undeveloped open space and shall not construct or place temporary or permanent buildings, structures, or storage containers on Outlot A. Consistent with the Regulating Plan, Developer, Subsequent Owner and its successors and assigns, are permitted to use Outlot A, except in the Stormwater Easement Area, for stormwater management purposes, including the placement of a biofiltration basin with native plant species planted within the basin and inslopes (the “Stormwater Facility”). The area surrounding the Stormwater Facility shall be planted with native plant species and shall have trees planted at 15 feet on center of the south and west sides. Motor vehicles are prohibited from entering, crossing, or parking on any portion of Outlot A. The Stormwater Facility and adjacent vegetation shall be designed and installed in accordance with the standards of the City Engineer for such facilities. Developer, Subsequent Owner and its successors and assigns, agree that, so long as the Stormwater Facility is placed within Outlot A, Developer, Subsequent Owner, and its successors and assigns will not sell, transfer or convey title to or ownership of Outlot A to any third party without selling, transferring, or conveying in the same manner the same interest in Lot 2, Block 1 HARBOR LIGHT.

Developer agrees that City shall sustain irreparable harm and damages if the Restrictive Covenant is violated and, therefore, the City shall have the right to a temporary restraining order, a temporary injunction and a permanent injunction in order to enforce the Restrictive Covenant. The Restrictive Covenant may be amended or modified only by the express written agreement of the City, in its sole discretion, which agreement must be recorded with the St. Louis County Registrar of Titles. The Restrictive Covenant shall run with and burden Outlot A and shall be deemed a covenant that touches and concerns Outlot A and benefits the City. However, the Restrictive Covenant shall not restrict the City’s or the public’s use of Outlot A for the Stormwater Easement or any future easements over, under or across Outlot A in favor of the City.

Developer may not convey fee title to Outlot A until the Stormwater Easement has been accepted by the City Council and registered with the St. Louis County Registrar of Titles.

8. Except as specifically amended pursuant to this First Amendment, the Development Agreement remains in full force and effect, and all terms, conditions, and provisions of the Development Agreement not modified herein are hereby ratified and confirmed in all

respects. In the event of a conflict between the provisions of this First Amendment and the provisions of the Development Agreement, the provisions of this First Amendment shall govern.

[Remainder of this page is intentionally left blank.]

EXHIBIT 1

UTILITY, STORMWATER AND DRAINAGE EASEMENT

This UTILITY, STORMWATER AND DRAINAGE EASEMENT is made by LOTUS REALTY SERVICES, INC., a Minnesota corporation (“Grantor”), in favor of the CITY OF DULUTH, a municipal corporation and political subdivision created and existing under the laws of the State of Minnesota (the “City”).

RECITALS

A. Grantor owns the real property in St. Louis County, Minnesota legally described as follows (the “Property”):

OutLot A HARBOR LIGHT


EXCEPT minerals and mineral rights in that part thereof formerly described as part of Lots 29 through 38 Block 4 Kensington Place Addition to Duluth and EXCEPT minerals in the remainder of Outlot A. That part of Outlot A formerly described as part of Lots 18-22 Block 4 Kensington Place Addition to Duluth is SUBJECT to mineral rights reserved by the State of Minnesota by deed filed for record as Document No 301818 and Microfilm Document No 19639 in the office of the Register of Deeds

B. Grantor wishes to grant the City a utility, stormwater and drainage easement over, under and across that portion of the Property legally described and depicted on the attached Exhibit A (the “Easement Area”) in trust for the benefit of the public and at no cost to the City (the “Easement”).

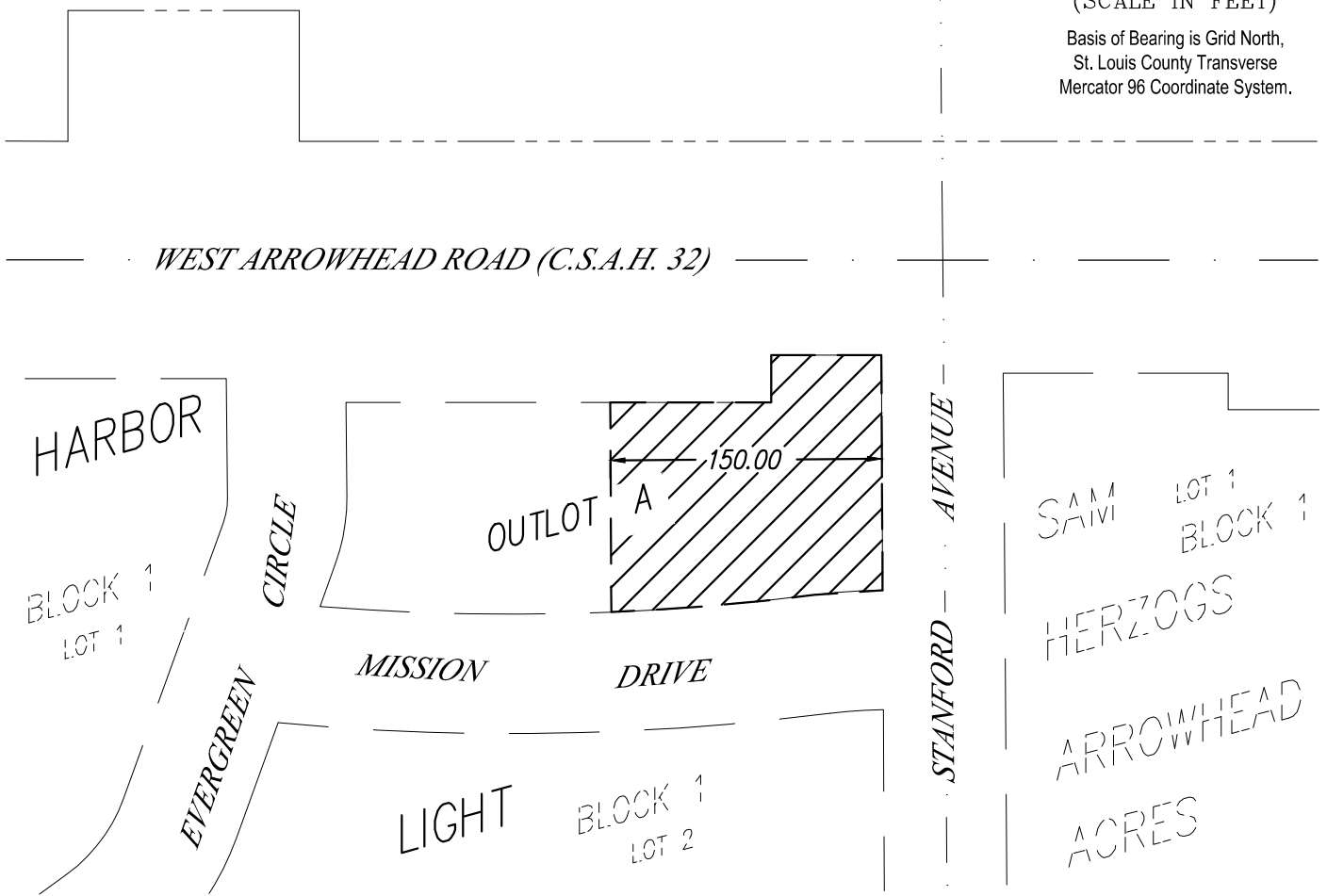
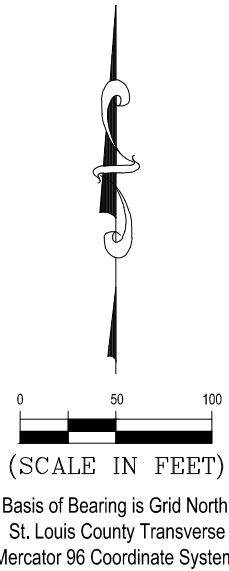
NOW, THEREFORE, for good and valuable consideration, Grantor grants to the City, in trust for the benefit of the public, a perpetual easement for utility, stormwater and drainage purposes over, under and across the Easement Area for the sole and exclusive benefit of the City. The Easement shall extend to and bind the heirs, successors and assigns of Grantor and the City

EXHIBIT A

DESCRIPTION:
THE EAST 150.00 FEET OF OUTLOT A, HARBOR LIGHT, CITY OF DULUTH,
ST. LOUIS COUNTY, MINNESOTA.

 = EASEMENT AREA

APPROVED BY: _____
CITY ENGINEER



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: 5/01/2026

DATE PREPARED: 5/01/26
PROJ NO: 260002
FILE: 260002vESMT.
SHEET 1 of 1 SHEETS



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

EXHIBIT 2

TERMINATION OF STORM WATER MAINTENANCE AGREEMENT

This TERMINATION OF STORM WATER MAINTENANCE AGREEMENT (the “Termination”), effective as of the date of attestation by the City Clerk, is made by and between Lotus Realty Services, Inc., a Minnesota corporation (“Lotus Realty”) and the City of Duluth, a municipal corporation under the laws of the State of Minnesota (the “City”). Lotus Realty and the City are collectively referred to as the “Parties.” Capitalized terms used in this Termination but not herein defined shall have the same meanings ascribed to them in the Maintenance Agreement (hereinafter defined).

WHEREAS, Lotus Realty is the owner of real estate (“Outlot A”) in the City of Duluth, St. Louis County, Minnesota and legally described as: Outlot A, HARBOR LIGHT;

WHEREAS, Outlot A is subject to that certain Storm Water Maintenance Agreement dated November 23, 2020, registered in the Office of the St. Louis County Registrar of Titles on December 1, 2020 as Document No. 1032870 (the “Maintenance Agreement”);

WHEREAS, Lotus Realty will be granting to the City a permanent easement for utility, stormwater and drainage purposes (the “Easement”) over, under and across a portion of Outlot A (the “Easement Area”); and upon execution of the Easement by the City, the City will assume ownership, operation and maintenance of the Improvements constructed within the portion of the Easement Area and Lotus Realty will be relieved of its obligations under the Maintenance Agreement; and

WHEREAS, the Parties desire to terminate the Maintenance Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the Parties agree as follows:

1. The above recitals are incorporated by reference.
2. The Maintenance Agreement is hereby terminated in its entirety and shall have no further force or effect.
3. This Termination constitutes the entire agreement between the Parties regarding the

Improvements and supersedes all prior written and oral agreements and negotiations between the Parties relating to said Improvements. This Termination shall be binding upon and for the benefit of the parties, their successors and assigns.

4. Unless otherwise stated herein, this Termination does not affect requirements and obligations regarding Outlot A in that certain Development Agreement dated April 5, 2019 between the City and Duluth Gospel Tabernacle, a Minnesota non-profit corporation, registered in the Office of the St. Louis County Registrar of Titles on January 23, 2020 as Document No. 1019871, as amended from time to time or the Memorandum of Understanding dated May 15, 2019 between the City, Lotus Realty and Duluth Gospel Tabernacle.

5. This Termination may be executed in counterparts, which together shall form one original.

IN WITNESS WHEREOF, the Parties have executed this Termination the day and date described above.

[Signature pages to follow.]

