

INDIAN POINT CAMPGROUND OPERATION AND MANAGEMENT AGREEMENT

THIS OPERATION AND MANAGEMENT AGREEMENT (this "Agreement"), is made by and between SPIRIT LAKE DEVELOPMENT, LLC, a Minnesota limited liability company, ("Spirit Lake") and the CITY OF DULUTH, a municipal corporation organized and existing under the laws of the State of Minnesota (the "City").

The parties acknowledge the following:

WHEREAS, the City owns real property located at 7000 Pulaski Street, Duluth, MN and legally described as (the "City Property"):

Lots Five (5) through Eleven (11), inclusive, Block Twenty-one (21); Lots One (1) through Thirty-two (32), inclusive, Block Twenty-two (22); and Lots One (1) through Ten (10), inclusive, Block Twenty-three (23), HUNTER'S GRASSY POINT ADDITION TO DULUTH SECOND DIVISION; and

Lots Fourteen (14) through Twenty (20), inclusive, Block Twenty-seven (27); Lots One (1) through Sixteen (16), inclusive, Block Twenty-nine (29); Lots One (1) through Thirty-two (32), inclusive, Block Thirty (30); and Outlots K, L, M, and N, Block Forty-two (42), HUNTER AND MARKELL'S GRASSY POINT ADDITION TO DULUTH.

WHEREAS, a portion of the City Property is more commonly known as "Indian Point Park and Campground" (the "Premises" or the "Campground"), and it is used as follows: users rent campsites and other amenities, such as bicycles, kayaks, and boats, and use the Campground for recreational purposes.

WHEREAS, Spirit Lake has operated and managed the Campground since 2012 when the City issued a Request for Proposal for the operation and maintenance of the Campground (the "Services").

WHEREAS, the City issued an RFP for the next campground operator, to which Spirit Lake responded as a qualified and willing provider of the Services, and the City selected Spirit Lake to provide the Services.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

I. PREMISES

A. The City grants to Spirit Lake, subject to all provisions of this Agreement, the right to the full access and operation of the Campground, including all buildings and related site facilities and amenities located at 7000 Pulaski Street, Duluth, Minnesota 55807. The Campground is outlined in red and depicted on the attached Exhibit A.

II. TERM

Notwithstanding the date of execution of this Agreement, this Agreement shall commence on January 1, 2026, and shall continue through the end of the day on December 31, 2030 (the "Term").

III. OPERATION AND MAINTENANCE

A. Spirit Lake shall be diligent in the operation and maintenance of the Premises and will provide the Services in the best interest of the City and users of the Premises.

B. Spirit Lake shall operate the Campground according to the following schedule:

The "Summer Season" shall commence on the second weekend in May and end with the close of business on the third Sunday in October, unless otherwise approved in writing by the Parks Manager, during each year of the Term. During the Summer Season: (i) the Campground shall be open on a 24/7 basis, with on-site staff in sufficient numbers; (ii) the Campground's office will be open daily from 9:00 a.m. to 9:00 p.m. for camper check-in and checkouts and general assistance as requested or needed; and (iii) staff of the Campground must be available on site 24 hours per day for late night check-in and to provide assistance to campground patrons in need of emergency services.

C. Spirit Lake shall be responsible for the routine maintenance of the Campground during the Summer Season, including but not limited to the ongoing daily routine cleaning/maintenance of all indoor and outdoor spaces, washrooms, showers, lawn areas, campsites, picnic tables, campfire rings, office, etc. Spirit Lake shall maintain all grass and turf areas in the Campground in a properly mowed condition, not to exceed two inches (2") in height at any time while the Campground is in operation. Spirit Lake is also responsible for yearly extermination for bugs, spiders, rodents, and removal of other pests that may be required, minor plumbing, electrical, carpentry, and repairs.

D. During the Summer Season, Spirit Lake shall keep washroom facilities cleaned and maintained a minimum of once each day and more often as needed. During the Winter Season washroom facilities shall be closed and winterized. The "Winter Season" is defined as that portion of the Term exclusive of the Summer Season.

E. Spirit Lake shall furnish all supplies necessary to maintain safe and sanitary conditions at the Campground, including but not limited to toilet tissue, paper towels, floor detergents, sanitizing solutions, and all other supplies necessary for maintaining the washroom facilities, the remainder of the wash building and the office building in a clean and sanitary manner.

F. The City shall provide all necessary major repairs and non-routine maintenance to the structural and mechanical components of all existing buildings and plumbing and electrical systems. Subject to availability of the City's staff, the City shall maintain all road surfaces into, within, and out of the Campground. Spirit Lake shall make all minor repairs incidental to normal reasonable maintenance. Non-routine maintenance shall be defined as repair or replacement of whole systems, major building and/or assembly or upgrade of any fixed asset, road repair, locks and key changes, and winterizing water systems. If the City's budget allows and upon request, the City may deliver fill to the Premises to be used for low areas that pool with water during times of rain. However, the City cannot guarantee that fill will be available and, if available, cannot guarantee a specific quantity. The City shall be responsible for all major forestry services, including tree trimming, removal, and planting. If approved in writing by City, Spirit Lake may contract out such services to a qualified/licensed contractor. Should a qualified/licensed contractor perform such work, the payment for these services shall be documented and deducted from the revenue payment to the City.

G. Spirit Lake shall notify the City's Property and Facilities Manager or their designee (the "Facilities Manager") about any problems relating to the City's maintenance responsibilities in a timely manner.

H. Spirit Lake shall provide adequate security at the Campground.

I. Spirit Lake shall use best efforts to comply with the City's recycling efforts, including the recycle guidelines established by the City's garbage hauler and the Western Lake Superior Sanitary District.

J. Spirit Lake shall not permit the use of tobacco or illegal drugs whatsoever in any building on the Premises.

K. Neither party shall be responsible for snow removal on the Premises because the Campground is only open during the Summer Season.

IV. COMMUNICATIONS

The parties agree that a full and complete exchange of information is necessary for a successful relationship, and each party agrees to communicate openly and regularly with the other with regard to any services or other activities contemplated under this Agreement.

V. CITY ACCESS

A. Spirit Lake shall permit the City, its officials, employees, or agents to access and inspect the Premises at any time. Spirit Lake shall not change the locks or otherwise prohibit or inhibit the City's access to any portion of the Premises. The Facilities Manager shall be exclusively responsible for the design of keying systems, lock changes, key fabrication and key distribution, and Spirit Lake shall abide by the City's Key Control Policy, a copy of which shall be provided to Spirit Lake. Spirit Lake shall promptly return all keys to the Facilities Manager upon termination of this Agreement.

B. The City shall have full access to the Premises for maintenance, repairs, and upgrades to the Premises.

VI. CONCESSIONS

A. Spirit Lake shall have the right to sell ice, soda, firewood, confections, ice cream, coffee, laundry detergent, recreational vehicle supplies, liquid propane and similar items associated with the operation of the Campground, and any other item that is approved for sale by the Parks Manager. At no time shall there be sold on the Premises by Spirit Lake, or with its knowledge, acquiescence, or consent, anything that is prohibited by law or prohibited without proper license or permit.

B. Spirit Lake shall have the right to rent bicycles, watercraft, and other recreational equipment to the general public during the Summer Season. Spirit Lake shall be responsible to provide maintenance and repairs of all the rental equipment as well as any docks or supporting infrastructure such equipment may require. Spirit Lake shall carry insurance to cover such rental operations, and the hold-harmless and indemnification provisions of Section XV below shall apply to all aspects of such rental operation.

C. Spirit Lake shall secure all necessary permits and licenses as required by law from the applicable governing agency including but not limited to the State of Minnesota, Department of Natural Resources, Department of Health, and the City Treasurer. The current City and State tax on all gross revenues shall be applied to the sale of all concession items and shall be collected by Spirit Lake and remitted to the City and the State.

VII. PAYMENTS TO CITY

A. Spirit Lake shall pay to the City, on a monthly basis, the following amounts each year of the Term, which shall be the sum of the deposit and the camping fees for the reservation:

1. For the period January 1, 2026 through December 31, 2026, thirty-six percent (36%) of the total gross revenues from all camping fees received in this calendar year.

2. For the period January 1, 2027 through December 31, 2027, thirty-seven percent (37%) of the total gross revenues from all camping fees received in this calendar year.

3. For the period January 1, 2028 through December 31, 2028, thirty-eight percent (38%) of the total gross revenues from all camping fees received in this calendar year.

4. For the period January 1, 2029 through December 31, 2029, thirty-nine percent (39%) of the total gross revenues from all camping fees received in this calendar year.

5. For the period January 1, 2030 through December 31, 2030, forty percent (40%) of the total gross revenues from all camping fees received in this calendar year.

6. During the Term, fifteen percent (15%) of the annual total gross revenues from concession sales, equipment rentals, and special services.

7. During the Term, twenty-five percent (25%) of Spirit Lake's total sales from third-party coin-operated and card-based vending equipment. This includes but is not limited to laundry services, food/beverage vending machines, etc.

8. During the Term, fifteen percent (15%) of the total gross revenues from special event fees collected for hosting special events, pavilion rentals, etc.

9. Deposits collected each year of the Agreement shall remain with Spirit Lake until the reservation associated with the camping fee is complete except when section XIX. Termination and/or Expiration of Agreement applies.

B. The above payments shall be paid on or before the twentieth (20th) day of each month and shall cover all sales for the preceding month. Payment shall be made to the City of Duluth and directed to: Parks and Recreation Division at 411 W. First Street, Ground Floor, Duluth, Minnesota 55802. All payments shall be deposited into Fund No. 205-130-1220-4626 (Parks Fund, Community Resources, Parks Capital, Indian Point Campground Fees).

C. In addition to the above terms, Spirit Lakes agrees on an annual basis to pay City an additional two-and-one-half percent (2.5%) of all camping fees combined that exceed \$375,000 annually as documented by Spirit Lake's accounting software. This payment shall be paid on or before the first day of February following the year where the exceedance was accounted for. Payment shall be made to the City of Duluth and directed to: Parks and Recreation Division at 411 W. First Street, Ground Floor, Duluth, Minnesota 55802. All payments shall be deposited into Fund No. 205-130-1220-4626 (Parks Fund, Community Resources, Parks Capital, Indian Point Campground Fees).

D. All payments must be accompanied by a fully completed Exhibit B and a monthly occupancy report.

VIII. MARKETING AND ADVERTISING

A. Spirit Lake shall be diligent in the marketing and advertising of the services available on the Premises. Spirit Lake will utilize appropriate marketing and advertising outlets, such as electronic/web based media, magazine advertising, brochures, etc. to maximize the Campground's exposure and rental potential.

B. All marketing and advertising shall be at Spirit Lake's cost and expense.

C. All marketing efforts must comply with all applicable laws, rules and guidelines governing such activities.

D. Advertising documentation and any other marketing and advertising in other sources chosen by Spirit Lake must be provided to the Parks Manager.

E. The domain www.duluthindianpointcampground.com shall remain the property of the City. Spirit Lake shall host, manage, and maintain a website on this domain. All content placed on the website must be limited to information related to Indian Point Campground only. Placement of any non-Campground related information is prohibited. All content must be approved by the Parks Manager.

IX. CAMPING FEES

A. Spirit Lake shall charge camping fees which, considering operating costs and a reasonable profit, are reasonable, appropriate, and comparable to campgrounds with similar facilities and services. Spirit Lake will assess taxes as applicable in addition to the camping fees. Camping fees for the 2026 season shall be as follows:

Per Night Fee Range	2026	2027	2028	2029	2030
Campsites With:					
Water, Electric & Sewer	\$65-95	\$70-100	\$75-105	\$80-110	\$85-115
Water & Electric	\$60-85	\$65-90	\$70-95	\$75-100	\$80-105
Electric Only	\$55-75	\$60-80	\$65-85	\$70-90	\$75-95
Tent only – no hook-up	\$45-65	\$50-70	\$55-75	\$60-80	\$65-85
Each extra tent	\$20-25	\$25-30	\$30-35	\$35-40	\$40-45
Extra vehicle	\$5	\$6	\$7	\$8	\$9
Extra person	\$5	\$6	\$7	\$8	\$9

Weekly Fee Range (6 nights)	2026	2027	2028	2029	2030
Campsites With:					
Water, Electric & Sewer	\$390-570	\$420-600	\$450-630	\$480-660	\$510-690
Water & Electric	\$360-510	\$390-540	\$420-570	\$450-600	\$480-630
Electric Only	\$330-450	\$360-480	\$390-510	\$420-540	\$450-570
Tent only – no hook-up	\$270-390	\$300-420	\$330-450	\$360-480	\$390-510
Each extra tent	\$120-150	\$150-180	\$180-210	\$210-240	\$240-270
Extra vehicle	\$30	\$36	\$42	\$48	\$54
Extra person	\$30	\$36	\$42	\$48	\$54

One Time Fee (Per Stay)	2026	2027	2028	2029	2030
Campsites With:					
Extra dog	\$5	\$6	\$7	\$8	\$9

B. Spirit Lake shall require and collect a deposit equal to one night's camping fee to hold reservations, which will be applied to the camping fees at time of check-in.

C. Spirit Lake shall maintain, publish on website, and post in hard copy on the premises, all policies associated with the operations and use of the campground. Policies shall align with City Ordinance, and at minimum address pets, number of persons, equipment, and vehicles per site, campground rules, quiet hours, and other site-specific and/or industry standard policies to ensure the safe and enjoyable experience of campground customers. Policies must clarify if and when extra fees (tent, vehicle, person, pet) shall apply to the total Camping Fee. Copies of all policies and any updates shall be provided to the Parks Manager. The City reserves the right to require amendments or additions to any and all policies.

D. If Spirit Lake provides online reservations, then Spirit Lake shall provide a secure socket layer website for on-line reservations and shall be in compliance with all applicable laws, rules and guidelines governing such transactions. Spirit Lake shall maintain a reputable vendor to provide an internet credit card transaction gateway.

E. Spirit Lake acknowledges and agrees that all reservations and all reservation data collected during the Term is the property of the City. Spirit Lake shall hold all information associated with the reservations in strict confidence and Spirit Lake shall not use the information except to fulfill its obligations under this Agreement. Spirit Lake shall not utilize reservation information stored by Spirit Lake and provided by the City to communicate with any individual except to provide stay-related information to the individual.

X. SPECIAL EVENTS

A. All requests for special events to be held at the Premises shall be directed to Spirit Lake. Spirit Lake shall be responsible for approving any special event requests and coordinating all aspects of the special event including ensuring that the necessary permits and insurance are obtained in accordance with the City's standard operating procedures. Fees for special events shall be approved in writing by the Parks Manager.

B. All special events requiring insurance shall name the City and Spirit Lake as additional insureds. Spirit Lake shall be responsible for obtaining a copy of the Certificate of Insurance evidencing such coverage. Spirit Lake shall be responsible to provide, at least two working days prior to the commencement of the special event, copies of said Certificates of Insurance to the Parks Manager.

C. From time to time, the City may wish to host special events within the campground, along the perimeter trail, and/or on the fishing pier at no cost to Spirit Lake. Such event approvals shall be made in writing by the Parks Manager after consultation with Spirit Lake.

XI. UTILITIES

A. Spirit Lake shall be responsible for, at its own expense, all necessary utilities to the Premises, including but not limited to electric service, gas, City water service, sewage, and trash collection. Spirit Lake shall, upon request, provide monthly evidence of the timely payment of all utility bills. During the Winter Season, seasonal water will be discontinued and

discharge of grey water is limited to the main dump station. All utility and service accounts shall be in the name of Spirit Lake including but not limited to electric, gas, water, sewer, trash, telephone and internet.

XII. RECORDS

A. Spirit Lake shall maintain detailed, accurate, and complete records of all monies received and disbursed in the operation of the Campground and Spirit Lake's related activities. Such books and records shall be available to the City Auditor for inspection and audit upon request. The City agrees to provide a minimum of 24 hours' notice of such request. In addition, Spirit Lake shall prepare an itemized monthly financial report of all monies taken in and disbursed in the Campground operations and shall submit such detailed report in the form attached as Exhibit C to the City, together with all payments required by Section VII. Upon request, Spirit Lake shall provide to the City a copy of its Schedule C Federal Income Tax form as filed with the Internal Revenue Service, which shall include all applicable campground financial information from the previous year.

B. Spirit Lake agrees to maintain all records relating to the Services and the Premises during the Term and for six (6) years after this Agreement's termination, cancellation, or expiration, and to provide such records to the City upon request.

XIII. ALTERATIONS OR IMPROVEMENTS

A. Spirit Lake shall not make any alterations or improvements to the Property that are not herein described without the prior written consent of the Facilities Manager and then upon the terms and conditions which may be imposed by the Facilities Manager. Spirit Lake shall pay to the City upon demand the reasonable costs incurred by the City to repair any damage done to the Premises by Spirit Lake, its employees, volunteers, servants, agents, contractors, invitees, and licensees during the Term.

B. Spirit Lake may, at its sole cost and expense, make suitable improvements or alterations to the Premises upon advance written approval from the Facilities Manager. All such improvements (excluding appliances and equipment plugged into an electricity source) shall become the property of the City. Prior to commencing any improvements or alterations, Spirit Lake shall submit to the City a Project Proposal Request along with detailed plans. A copy of the Project Proposal Request is attached as Exhibit D. These documents shall be submitted to the Facilities Manager at least forty-five (45) days before the planned commencement of the work. No work may begin on any approved project until all necessary building permits are secured. All construction shall conform to state law and the Duluth City Code.

C. Not less than thirty (30) days prior to commencement of any construction, alteration or improvement on the Premises, Spirit Lake will provide the City with sufficient proof of required insurance, including worker's compensation, in form acceptable to the City's Claims Investigator and Adjuster.

XIV. INSURANCE

A. During the Term, Spirit Lake shall have such insurance coverage as will protect Spirit Lake and the City against risk of loss or damage to the Premises and any other property permanently located or exclusively used at the Premises and against claims that may arise or result from the operation, maintenance and use of the Premises during the Term. Spirit Lake shall procure and maintain continuously in force Automobile and Public Liability Insurance written on an "occurrence" basis under a Comprehensive General Liability Form in limits of not less than \$1,500,000 aggregate per occurrence for personal bodily injury and death and limits of \$1,500,000 for property damage liability. Insurance required by this Agreement shall be taken out and maintained in responsible insurance companies organized under the laws of the states of the United States and licensed to do business in the State of Minnesota. Insurance shall cover public liability including premises and operations coverage, independent contractors - protective contingent liability, personal injury, contractual liability covering the indemnity obligations set forth herein, and products – completed operations. Spirit Lake shall provide Certificates of Insurance to the City evidencing required insurance coverage, in form acceptable to the City Attorney, and shall contain a condition that the policy may not be cancelled without thirty (30) days' written notice to the City. The Certificates of Insurance shall name the City as an additional insured.

B. The City reserves the right to require Spirit Lake to increase the coverages set forth above and to provide evidence of such increased insurance to the extent that the liability limits as provided in Minn. Stat. § 466.04 are increased.

C. The City does not represent or guarantee that these types or limits of coverage are adequate to protect Spirit Lake's interests and liabilities.

D. The City shall not be liable to Spirit Lake for any injury or damage resulting from any defect in the construction or condition of the Premises, nor for any damage that may result from the negligence of any other person whatsoever.

XV. INDEMNIFICATION

A. To the fullest extent permitted by law, Spirit Lake shall defend, indemnify, and hold City and its employees, officers, and agents harmless from and against any and all costs or expenses, claims or liabilities, including but not limited to, reasonable attorney's fees and expenses, whether asserted by Spirit Lake or any third party, which are attributable to the acts, omissions, negligence, or misconduct of Spirit Lake or that of its agents, employees, or contractors. The obligations shall include, but not be limited to, the obligations to defend, indemnify, and hold harmless the City in all matters where claims of liability against the City are alleged to be or could be found to arise out of the negligent or otherwise wrongful act or omission of Spirit Lake or are passive, derivative, or vicarious of the negligent or intentional acts or omissions of Spirit Lake, including breach of any duty in this agreement by Spirit Lake. The obligations to defend, indemnify, and hold harmless shall be triggered upon the assertion of a claim for damages against City. This Section shall survive the termination of this Agreement for any reason. Spirit Lake shall not have the obligation to indemnify the City for its intentional,

willful, or wanton acts. Nothing in this provision shall affect the limitation of liability of the City as set forth in Minnesota Statutes Chapter 466.

B. Spirit Lake will indemnify the City for any damage to any City property on the Premises caused by Spirit Lake, its agents, volunteers, employees, and invitees.

XVI. TAXES

Spirit Lake shall pay all licenses, fees, taxes, and assessments of any kind whatsoever that arise because of, out of, or in the course of Spirit Lake's operations of the Premises, including but not limited to real property and sales taxes, if applicable. It is further agreed that City may pay the same on behalf of Spirit Lake and immediately collect the same from Spirit Lake. Spirit Lake shall collect and/or pay any sales and use taxes imposed by any governmental entity entitled to impose such taxes on or before the date they are due and to file all required reports and forms in proper form related thereto on or before their due date.

XVII. GOVERNMENT DATA PRACTICES

Spirit Lake must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the City under this contract, and as it applies to all data created, collected, received, stored, used, maintained or disseminated by Spirit Lake under this contract. Spirit Lake agrees to hold the City, its officers, and employees harmless from any claims resulting from Spirit Lake's failure to comply with this law. The civil remedies of Minnesota Statutes Section 13.08 apply to the release of the data referred to in this clause by Spirit Lake. If Spirit Lake receives a request to release the data referred to in this clause, Spirit Lake must immediately notify the City and consult with the City as to how Spirit Lake should respond to the request. Spirit Lake's response to the request must comply with applicable law.

XVIII. INCIDENT REPORTS

Spirit Lake shall notify the Facilities Manager in writing of any incident of injury or loss or damage to the Premises or any of Spirit Lake's participants or invitees occurring within the Premises during the Term, except for damage to Spirit Lake's personal property. Such written report shall be in a form acceptable to the City's Claims Investigator and Adjuster. A copy of the City's current form of Incident Report is attached as Exhibit E.

XIX. TERMINATION AND/OR EXPIRATION OF AGREEMENT

A. Generally

1. Upon expiration or early termination of this Agreement for any reason, Spirit Lake shall remove all of its personal property from the Premises. Spirit Lake shall surrender possession of the Premises to the City in as good condition and state of repair as the Premises were in at the time Spirit Lake took possession, normal wear and tear excepted. All personal property remaining on the Premises after Spirit Lake surrenders possession to the City shall become the exclusive property of the City.

2. Immediately upon expiration or early termination of this Agreement for any reason, Spirit Lake shall terminate or, upon the prior written approval of the Parks Manager, transfer all utility and service accounts that are in the name of Spirit Lake under Section XI.A. of this Agreement. All telephone and internet utility costs shall be prorated as of the date of expiration or termination of this Agreement.

3. Upon expiration or termination of this Agreement for any reason, Spirit Lake shall remit to the City within five (5) business days the following:

a. Dates, organization names, contact person(s), and contact information relating to all future events, rentals, permits and uses of the Premises or any portion of the Premises authorized by Spirit Lake;

b. Copies of any permits, agreements or other documents relating to all future events, rentals, permits and uses of the Premises or any portion of the Premises authorized by Spirit Lake;

c. Accounting of all fees collected relating to all future events, rentals, permits and uses of the Premises or any portion of the Premises authorized by Spirit Lake;

d. Check reimbursing the City in full for all fees collected and other amounts due to the City under this Agreement, including but not limited to deposits and fees relating to all future events, rentals, permits and uses of the Premises or any portion of the Premises authorized by Spirit Lake, except that Spirit Lake may retain \$5.00 per reservation for any future uses of the Premises;

e. Check reimbursing the City for any utility costs for which Spirit Lake is responsible based on the proration of utilities as of the date of expiration or termination of this Agreement; and

f. Such other information reasonably requested by the City.

4. In the event this Agreement is terminated by the City during the Winter Season, Spirit Lake shall be entitled to a reduction in the amount due to the City under Section XIX.3.d. above in an amount equal to Spirit Lake's total documented, out of pocket expenses incurred during the then-current Winter Season with respect to its activities under Section VIII above, but not including wages or employment benefits (the "Documented Expenses"). However, the City is not responsible to reimburse Spirit Lake in the event that the Documented Expenses exceed the amount due to the City under Section XIX.3.d. If this Agreement is terminated by the City during the Summer Season, there shall be no reduction in the amount due to the City under Section XIX.3.d.

B. Without Cause

This Agreement may be terminated without cause: (1) by either party by serving at least ninety (90) days' written notice of termination upon the other, or (2) immediately upon mutual written agreement of the parties.

C. Immediately

The City may unilaterally terminate or suspend this Agreement immediately if the City believes in good faith that the health, welfare or safety of the Premises, its occupants, users or neighbors would be placed in immediate jeopardy by the continuation this Agreement. The City, in addition to other rights or remedies it may have, shall have the immediate right of reentry to the Premises. In the event of immediate termination of this Agreement, the City may remove all persons and property from the Premises. All personal property remaining on the Premises after the five (5) days written notice shall become the exclusive property of the City.

D. For Cause

1. The City may terminate this Agreement: (i) if Spirit Lake fails promptly to pay to the City any amount due under this Agreement, or (ii) for the material breach by Spirit Lake of any provision of this Agreement, including its exhibits, if such breach is not cured to the satisfaction of the City within thirty (30) days of delivery of a written notice by the City (or such longer time as specified in the notice). The notice shall identify the breach and the necessary actions to remedy the breach. The City shall allow Spirit Lake thirty (30) days within which to cure or remedy any violations or defaults set forth therein. If such violation or default is not cured or remedied to the satisfaction of the City within thirty (30) days, then the City may immediately terminate this Agreement by serving written or personal notice to Spirit Lake. In the event of default by Spirit Lake, the City, in addition to other rights or remedies it may have, shall have the immediate right of reentry to the Premises. In the event of termination of this Agreement pursuant to this paragraph, the City may remove all persons and property from the Premises. All personal property remaining on the Premises after the five (5) days written notice shall become the exclusive property of the City.

2. Spirit Lake acknowledges and agrees that a default under this Agreement includes the receipt by the City of Significant Service Complaints (as hereinafter defined) from campers. For purposes of this Agreement, "Significant Service Complaints" means, in connection with any Summer Season, the receipt by the City of complaints regarding the quality, nature, or performance by Spirit Lake and/or its agents, vendors, contractors, subcontractors or employees of any services described in the Agreement from more than ten percent [10%] of the registered campers. In the case of Significant Service Complaints, the City shall have the right to terminate this Agreement. Complaints relating to the costs/rates for camping, concessions, or items sold on-site shall not constitute "Significant Service Complaints."

XXI. INDEPENDENT RELATIONSHIP

A. Nothing contained in this Agreement is intended or should be construed in any manner as creating or establishing the relationship of copartners between the parties or as constituting Spirit Lake as agents, representatives or employees of the City for any purpose or in any manner whatsoever. The parties do not intend by this Agreement to create a joint venture or joint enterprise, and expressly waive any right to claim such status in any dispute arising out of this Agreement.

B. Spirit Lake and its employees shall not be considered employees of the City and any claims that may or might arise under the Workers' Compensation Act of the State of Minnesota on behalf of Spirit Lake's employees or agents while so engaged shall in no way be the responsibility of City.

XXII. NOTICES

Unless otherwise provided herein, notice to the City or Spirit Lake shall be sufficient if sent by regular United States mail, postage prepaid, addressed to the parties at the addresses hereinafter set forth or to such other respective persons or addresses as the parties may designate to each other in writing from time to time.

City of Duluth
Parks and Recreation Division
Attention: Manager
411 W. First Street, Ground Floor
Duluth, MN 55805
(218) 730-4300

Spirit Lake Development, LLC
Attn: Charlie Stauduhar
121 Spring Street
Duluth, MN 55808
(218) 349-3807

XXIII. GENERAL PROVISIONS

A. Two (2) campsites may be used by Spirit Lake at no cost for Spirit Lake's personnel.

B. Spirit Lake shall operate the Campground in strict compliance with the laws, rules, and regulations of the United States, of the State of Minnesota, St. Louis County and the City of Duluth.

C. Spirit Lake accepts total financial responsibility for any operating deficit incurred during its operation of the Campground pursuant to this Agreement.

D. Spirit Lake shall not assign this agreement, nor any of the rights given to it hereunder to any person, association, partnership, or corporation, without first obtaining the written consent of the Parks Manager, and any such assignment entered into without such consent shall be void.

E. The waiver by the City or by Spirit Lake of any breach of any term, covenant, or condition herein contained, shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition herein contained.

F. This instrument may be amended or modified only by an instrument of equal formality, signed by all duly authorized representatives of the parties.

G. The City shall not be responsible to Spirit Lake for any injury or damage resulting from any defect in the construction or condition of the Premises.

H. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. The appropriate venue and jurisdiction for any litigation hereunder shall be in a court located in St. Louis County, Minnesota. However, litigation in the federal courts involving the parties shall be in the appropriate federal court within the State of Minnesota.

I. Any terms of this Agreement that by their nature (including indemnification provisions) extend beyond termination of this Agreement shall survive and bind the parties and their successors and assigns.

J. Nothing in this Agreement shall be construed as a waiver by the City of any immunities, defenses, or other limitations on liability to which the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

K. This Agreement embodies the entire understanding of the parties and there are no further or other agreements or understandings, written or oral, in effect between the parties relating to the subject matter hereof.

L. No provision of this Agreement shall inure to the benefit of any third person so as to constitute any such person as a third-party beneficiary of this Agreement or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

M. If any term or provision of this Agreement is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular term or provision held to be invalid.

N. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Agreement transmitted by facsimile, by electronic mail in "portable document format" (".pdf"), or by any other electronic means which preserves the original graphic and pictorial appearance of the Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

[Remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their proper officers, duly authorized.

CITY OF DULUTH

SPIRIT LAKE DEVELOPMENT, LLC

By: _____
Mayor

By: Charles Stauduhar

Its: Vice President
Authorized Representative

ATTEST:

Printed Name Charles Stauduhar

Date: 10/4/2025

City Clerk
Date: _____

Approved as to form:

City Attorney

Countersigned:

City Auditor