

RESOLUTION 14D-28

**RESOLUTION AUTHORIZING A THIRD AMENDMENT TO THE
DEVELOPMENT AGREEMENT WITH IKONICS CORPORATION RELATING
TO THE FORMER ATLAS CEMENT PLANT SITE**

RESOLVED, by the Duluth Economic Development Authority ("DEDA") that the proper DEDA officials are hereby authorized to enter into a Third Amendment to the Development Agreement (Contract No. 08 860 539³), substantially in the form of that attached hereto, with Ikonics Corporation ("Ikonics") removing a portion of land from the agreement, at the former Atlas Cement Plant site.

Approved by the Duluth Economic Development Authority this 28th day of May, 2014.

ATTEST:

Executive Director



STATEMENT OF PURPOSE: The purpose of this resolution is to facilitate the sale of property to Wisconsin Central Ltd. ("WCL") for the furtherance of its completion of the Steelton Hill Project., which requires a third amendment to the development agreement with Ikonics Corporation ("Ikonics"). The development agreement provides for the development of Ikonics-owned property over which DEDA maintains some control until the completion of said development as well as a 4-acre parcel of property identified for the future expansion of Ikonics that DEDA owns but on which Ikonics maintains an option to purchase. In order to complete the land sale transaction with WCL and to maintain the rights granted the parties under the development agreement with respect to control over relevant property, a third amendment to the development agreement with Ikonics is necessary to remove the portions of land that WCL wishes to purchase from both the Ikonics-owned and DEDA-owned parcels identified in the development agreement.

**DEVELOPMENT AGREEMENT
IKONICS CORPORATION
THIRD AMENDMENT**

THIS THIRD AMENDMENT entered into as of _____, 2014, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes Chapter 469, ("DEDA"), and IKONICS CORPORATION ("Developer"), a Minnesota corporation.

RECITALS:

A. The parties entered into a development agreement dated April 7, 2008, and filed for record in the Office of the St. Louis County Registrar of Titles on April 9, 2008, as Document No. 851364, pursuant to which Developer acquired certain property from DEDA legally described therein (the "Property"), for the purpose of redeveloping the site for Developer's production and office facilities. Pursuant to the development agreement, in the event the Developer offers to convey any portion of the Property, DEDA first has the option to repurchase said portion at a price set forth in the development agreement (the "Repurchase Option").

B. The parties entered into a first amendment to the development agreement dated February 6, 2009, and filed for record in the Office of the St. Louis County Registrar of Titles on May 20, 2010 as Document No. 884806, extending the time within which the parties were to identify a four-acre parcel for expansion of Developer's operations (the "Future Expansion Parcel").

C. The parties entered into a second amendment to the development agreement dated March 2, 2011, and filed for record in the Office of the St. Louis County Registrar of Titles on June 23, 2011 as Document No. 901435, further extending the time within which the parties were to identify the Future Expansion Parcel and clarifying that DEDA's Executive Director was authorized to identify, along with the Developer, the Future Expansion Parcel.

D. By letter dated December 22, 2011, the parties identified the Future Expansion Parcel (the development agreement, first amendment, second amendment and December 22, 2011 letter hereinafter referred to as the "Development Agreement").

E. Wisconsin Central Ltd. (the "Railroad") desires to acquire a portion of the Property and the Future Expansion Parcel for purposes of its Steelton Hill Project.

F. The parties desire to amend the Agreement in order to assist the Railroad with its Steelton Hill Project.

NOW, THEREFORE, in consideration of mutual covenants and conditions hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Future Expansion Parcel is hereby amended to remove that portion legally described in Exhibit A and depicted in Exhibit B attached hereto and incorporated herein.

2. The Repurchase Option is hereby amended to remove from the option that portion legally described in Exhibit C and depicted in Exhibit D attached hereto and incorporated.

3. Upon execution of this Third Amendment by the parties, Developer agrees to record this Third Amendment in the Office of the St. Louis County Registrar of Titles and to pay all costs associated therewith. Upon recordation, Developer shall immediately submit to DEDA an executed original of this Third Amendment showing the date and document number of record, or a duly certified copy of the filed original.

4. Except as provided for in this Third Amendment, all terms and provisions of the Agreement shall remain in force and effect.

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

DULUTH ECONOMIC DEVELOPMENT IKONICS CORPORATION
AUTHORITY

By _____
President

By _____
Its President and CEO

By _____
Secretary

EXHIBIT A

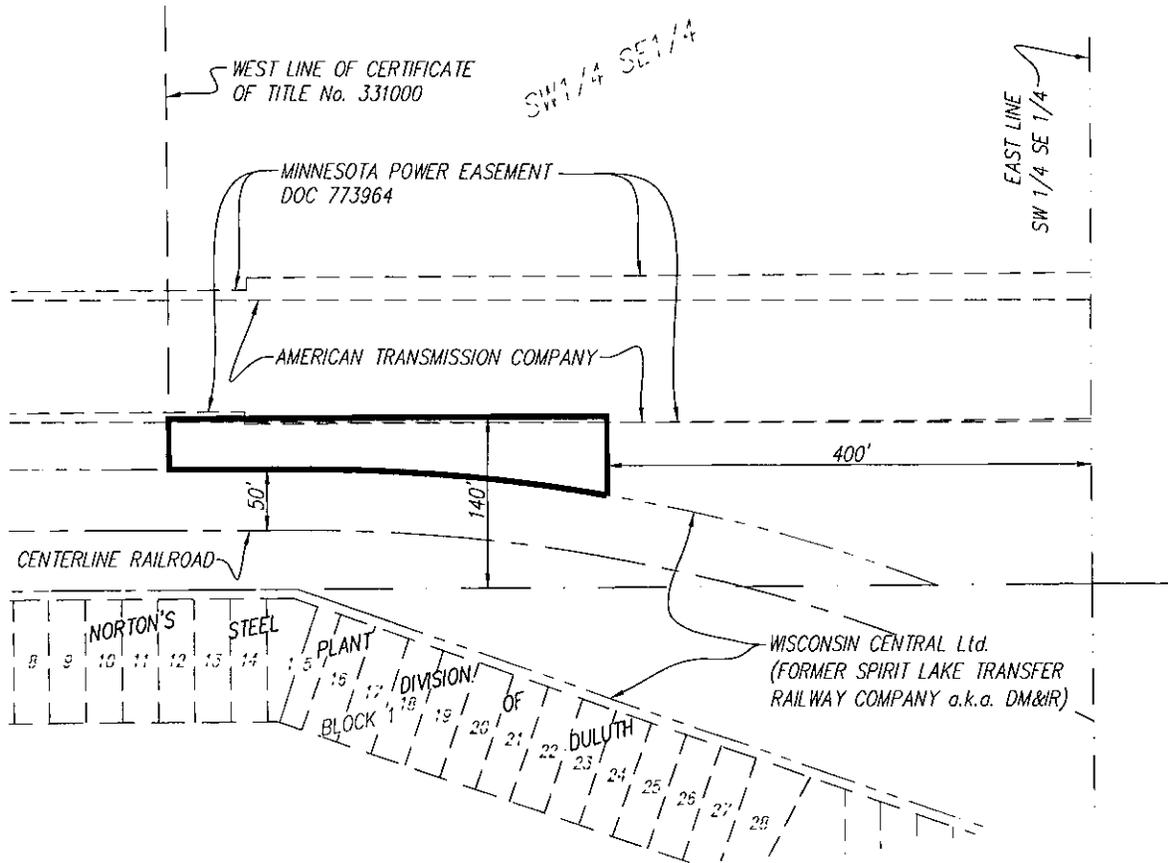
That property in St. Louis County, Minnesota, legally described as follows:

The South 140.00 feet of the of Southwest One-quarter of Southeast One-quarter (SW 1/4 of SE 1/4) of Section 34, Township 49 North, Range 15 West of the Fourth Principal Meridian affecting Certificate of Title No. 331000 as recorded in the Registrar of Titles Office, St. Louis County, Minnesota EXCEPT the East 400.00 feet thereof and further excepting that portion lying south of a line parallel with and 50 feet distant northerly of the centerline of the track of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company).

EXHIBIT B

DULUTH ECONOMIC DEVELOPMENT AUTHORITY

Being part of the SW1/4 of the SE1/4 of Section 34, T.49N., R.15W. 4th P.M.
PID: 010-2746-01310

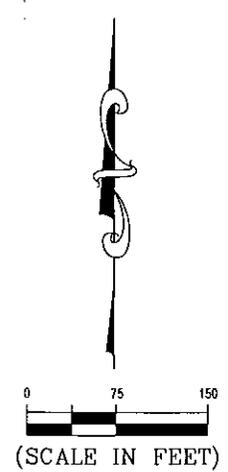


LEGAL DESCRIPTION:

The South 140.00 feet of the of Southwest One-quarter of Southeast One-quarter (SW 1/4 of SE 1/4) of Section 34, Township 49 North, Range 15 West of the Fourth Principal Meridian affecting Certificate of Title No. 331000 as recorded in the Registrar of Titles Office, St. Louis County, Minnesota EXCEPT the East 400.00 feet thereof and further excepting that portion lying south of a line parallel with and 50 feet distant northerly of the centerline of the track of the Wisconsin Central Ltd. (f.k.a. Spirit Lake Transfer Railway Company).

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 17,070 Sq. Feet or 0.392 Acres, more or less.



(SCALE IN FEET)
Basis of Bearing is Grid North,
St. Louis County Transverse
Mercator 96 Coordinate System.

DATE REVISED: 5/22/14 Updated Cert. No.
DATE REVISED: 4/1/14
DATE REVISED 3/21/14

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: *Paul A. Vogel* Date: 5/22/2014

DATE REVISED: 3/12/14
DATE PREPARED: 3/3/14
PROJ NO: 140017
FILE: 140017vSurv.
SHEET 1 of 1 SHEETS

**PERFORMANCE
DRIVEN DESIGN.**
LHBcorp.com

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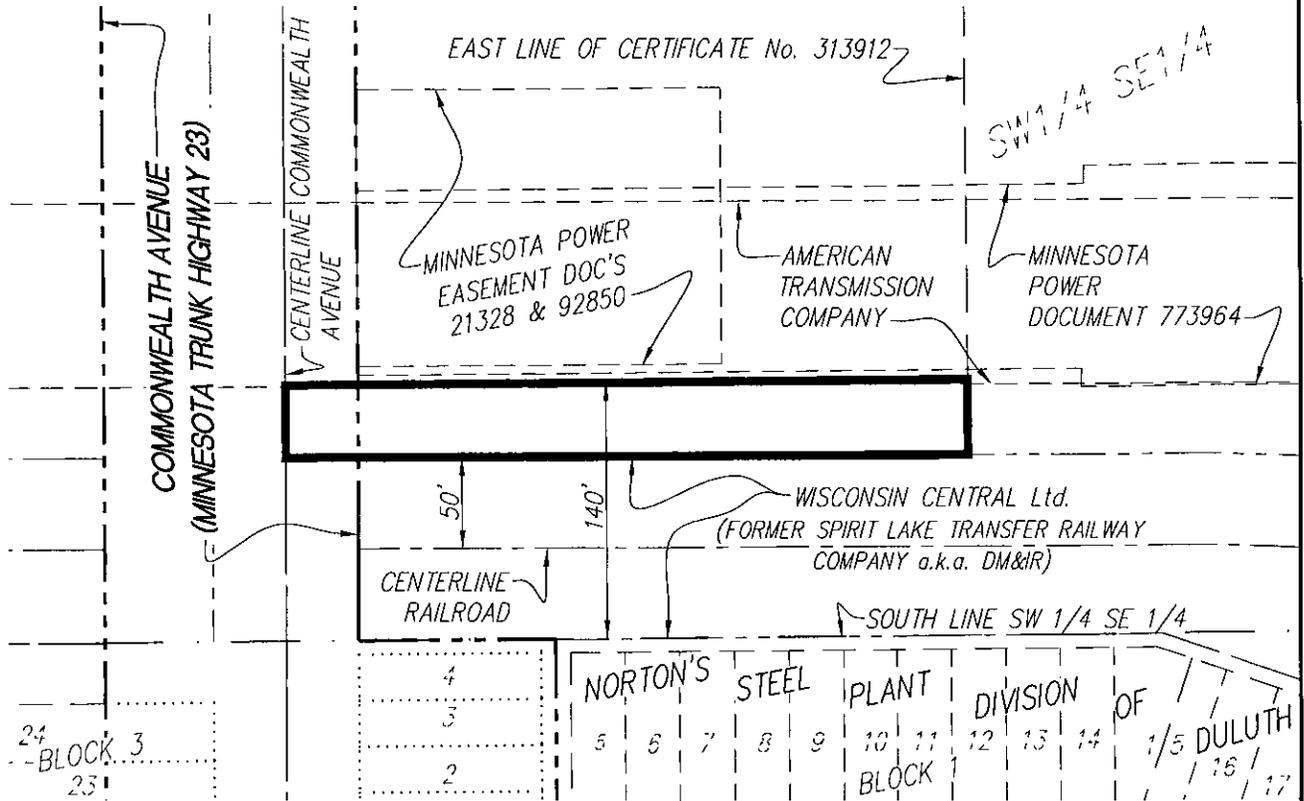
EXHIBIT C

The South 140.00 feet of the of Southwest One-quarter of Southeast One-quarter (SW 1/4 of SE 1/4) of Section 34, Township 49 North, Range 15 West affecting Certificate of Title No. 313912 as recorded in the Registrar of Titles Office, St. Louis County, Minnesota. Subject to the Right of Way of Commonwealth Avenue (a.k.a. Minnesota Trunk Highway No. 23).

EXHIBIT D

IKONICS CORPORATION

Being part of the SW1/4 of the SE1/4 of Section 34, T.49N., R.15W. 4th P.M.
PID: 010-2746-01311

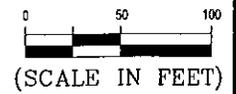


LEGAL DESCRIPTION:

The South 140.00 feet of the of Southwest One-quarter of Southeast One-quarter (SW 1/4 of SE 1/4) of Section 34, Township 49 North, Range 15 West affecting Certificate of Title No. 313912 as recorded in the Registrar of Titles Office, St. Louis County, Minnesota. Subject to the Right of Way of Commonwealth Avenue (a.k.a. Minnesota Trunk Highway No. 23).

SUBJECT to easements, restrictions or reservations of record, if any.

Containing 15,210 Sq. Feet or 0.349 Acres, more or less.



(SCALE IN FEET)
Basis of Bearing is Grid North,
St. Louis County Transverse
Mercator 96 Coordinate System.

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: *Paul A. Vogel* Date: 5/22/14

DATE REVISED: 5/22/14 Updated Cert. No.
DATE REVISED: 3/12/14
DATE PREPARED: 3/03/14
PROJ NO: 140017
FILE: 140017vSurv.
SHEET 1 of 1 SHEETS



**PERFORMANCE
DRIVEN DESIGN.**
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