

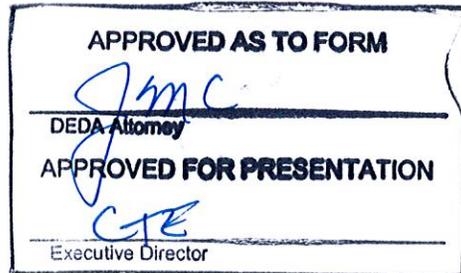
RESOLUTION 15D-18

**RESOLUTION AUTHORIZING A SECOND AMENDMENT TO THE
DEVELOPMENT AGREEMENT WITH BLUESTONE COMMONS, LLC.
RELATED TO THE BLUESTONE COMMONS PROJECT**

RESOLVED, by the Duluth Economic Development Authority (DEDA) that the proper DEDA officials are hereby authorized to enter into a second amendment to the development agreement substantially in the form of that attached hereto (Contract No. 12 865 676²) with BlueStone Commons, LLC. related to the development of the Bluestone Commons Project in the area of the former Woodland Middle School.

Approved by the Duluth Economic Development Authority this 27th day of May, 2015.

ATTEST:



Executive Director

STATEMENT OF PURPOSE: On June 27, 2012, DEDA agreed to provide assistance to Bluestone Commons, LLC which involved the acquisition of the Woodland Middle School building located at 201 Clover Street and adjacent property in the City of Duluth and the development/redevelopment of the site into residential, commercial, and educational buildings.

This amendment allows for Bluestone Commons LLC. to sell a portion of the land in the development area for a new construction project to consist of at least \$7,000,000 which will begin construction in the Summer of 2015 and such assignment if the purchaser of the land and/or the owner of the facilities to be constructed on said land assumes Developer's outstanding obligations under this Agreement which are applicable to such Phase or Phases, or portions thereof, being sold and to waive rebuilding obligations, given the circumstances and the amount of investment and construction to date, if deemed by the Executive Director to not be material to the purpose and intent of this Agreement.

Except as provided for in this Second Amendment, the terms and conditions of the Agreement, as previously amended, shall remain in force and effect.

**DEVELOPMENT AGREEMENT
DULUTH ECONOMIC DEVELOPMENT AUTHORITY
BLUESTONE COMMONS, LLC
BLUESTONE COMMONS PROJECT
SECOND AMENDMENT**

THIS SECOND AMENDMENT is entered into this _____ day of June, 2015, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority created and existing under Minnesota Statutes (1989) Chapter 469, whose address is 402 City Hall, 411 West First Street, Duluth, MN 55802 (hereinafter referred to as "DEDA") and BLUESTONE COMMONS, LLC., a Minnesota limited liability company, whose address is 333 North Main Street, Ste. 110, Stillwater, MN 55082 (hereinafter referred to as "Developer").

WHEREAS, the parties entered into an agreement dated June 27, 2012 (the "Agreement"), pursuant to which DEDA agreed to provide assistance to Developer's project which involved the acquisition of the Woodland Middle School building located at 201 Clover Street and adjacent property in the City of Duluth and the development/ redevelopment of the site into residential, commercial, and educational buildings;

WHEREAS, a First Amendment to the Agreement was adopted on November 20, 2013; and

WHEREAS, the parties desire to further amend the Agreement to further clarify that unrelated entities can incur eligible project costs and that, under certain circumstances, the Executive Director may waive certain of the requirements that obligations of the Developer be assumed by an assignee.

NOW, THEREFORE, the parties agree as follows:

1. An additional paragraph is hereby added to Paragraph B of ARTICLE VIII, Transfers Prior to Issuance of a Certificate of Completion, as follows:

It is further agreed that, in the event of a Project demonstrated to the Executive Director to involve total construction costs of at least \$7,000,000 and in recognition of the Development completed to date, the Executive Director is authorized, in the event of a sale prior to a Certificate of Completion being issued for a Phase or Phases, to also approve such

assignment if the purchaser of the land and/or the owner of the facilities to be constructed on said land assumes Developer's outstanding obligations under this Agreement which are applicable to such Phase or Phases, or portions thereof, being sold and to waive rebuilding obligations, given the circumstances and the amount of investment and construction to date, if deemed by the Executive Director to not be material to the purpose and intent of this Agreement.

2. Except as provided for in this Second Amendment, the terms and conditions of the Agreement, as previously amended, shall remain in force and effect.

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

DULUTH ECONOMIC DEVELOPMENT
AUTHORITY

BLUESTONE COMMONS, LLC.,
A MINNESOTA LIMITED LIABILITY
COMPANY

By _____
Its President

By _____
Its President

By _____
Its Secretary

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

The foregoing instrument was acknowledged before me this ____ day of June, 2015, by _____ and _____, the President and Secretary, respectively, of the Duluth Economic Development Authority of Duluth, an economic development authority created and existing under Minnesota Statutes, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of June, 2015, by Mark W. Lambert, the President of BlueStone Commons, LLC., a Minnesota limited liability company, for and on behalf of the company.

Notary Public

This instrument was drafted by:

Joan M. Christensen
Attorney for the Duluth Economic
Development Authority
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