

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT,
DATED JULY 11, 2017**

This First Amendment to Development Agreement, dated July 11, 2017 (the “First Amendment”) is made this 22nd day of January, 2019, by and between the City of Northfield, Minnesota, a municipal corporation organized under the laws of the State of Minnesota (the “City”), and Schmidt Endeavors, Inc., a corporation under the laws of the State of Minnesota (the “Developer”); (collectively referred to herein as the “parties”).

WHEREAS, the City and the Developer entered into a Development Agreement, dated July 11, 2017 (the “Development Agreement”), covering the Hills of Spring Creek 8th Addition subdivision in the City of Northfield, Minnesota (the “Project”) on the Development Property legally described in Exhibit A (the “Development Property”), which is attached hereto and incorporated herein by reference, and filed for record in the office of the Rice County Recorder, Rice County, Minnesota, on September 18, 2017, as Document No. T55314; and

WHEREAS, the Development Agreement is incorporated herein by reference; and

WHEREAS, the Developer has requested an extension of the time period for the Developer to complete certain Improvements as part of the Project on the Development Property, which are required in the Development Agreement, based upon rainy weather conditions during the summer months of 2018 that prevented the Developer from timely completing the required Improvements; and

WHEREAS, the City and the Developer entered into an Escrow Agreement, dated July 6, 2017 (the “Escrow Agreement”), providing the security required to be posted by the Developer pursuant to the Development Agreement for timely completion of the required Improvements for the Project; and

WHEREAS, the Escrow Agreement is incorporated herein by reference; and

WHEREAS, the remaining Improvements required to be completed by the Developer include the sidewalks and the final asphalt lift for the Project on the Development Property (the "remaining improvements"); and

WHEREAS, the remaining improvements were required to be completed by October 1, 2018 pursuant to the Development Agreement; and

WHEREAS, paragraph 12 of the Development Agreement provides in part that the Developer may request an extension of time for completion of the Improvements from the City; and

WHEREAS, the Developer has now requested and the City is willing to grant an extension of the time for performance for the Developer to complete the remaining improvements until October 1, 2019 under the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the premises and of the mutual promises and conditions hereinafter contained, IT IS AGREED AS FOLLOWS:

1. That numbered paragraph 12 of the Development Agreement is hereby amended as follows:

12. **TIME OF PERFORMANCE.** The Developer shall install all required public improvements and other work required by this Agreement by November, 2017, with the exception of the final wear course of asphalt on streets. The sidewalks and the final wear course on streets shall be installed between May 15th and October 1st, 2019 ~~the first summer after the base layer of asphalt has been in place one freeze thaw cycle.~~ Any deficiencies in the base, asphalt, curb or other improvements in the judgment of the City Engineer must be repaired by the Developer at its own cost prior to final paving. The Developer may, however, request an extension of time from the City. If an extension is granted, it shall be conditioned upon updating the security posted by the Developer to reflect cost increases and the extended completion date. Final wear course placement outside of this time frame must have the written approval of the City Engineer.

2. Within 60 days of full execution of this First Amendment by the parties, the security posted by the Developer as required in the Development Agreement and Escrow Agreement shall be updated by the Developer to reflect the costs of completing the remaining improvements, retainage and the extended completion date for the remaining improvements as provided herein above.
3. The final wear course placement outside of the original time frame required by the Development Agreement as provided herein shall be approved in writing by the City Engineer.
4. All warranty periods and security as provided in the Development Agreement and Escrow

Agreement pertaining to the completion of the remaining improvements shall be correspondingly updated and extended for the equivalent period as provided herein.

5. The recitals hereto are made a part hereof.
6. Except as modified by this First Amendment, the Development Agreement and Escrow Agreement shall remain unimpaired and in full force and effect.

IN WITNESS WHEREOF, the City and Developer have caused this First Amendment to be executed on the day and year first above written.

CITY OF NORTHFIELD

By: _____
Rhonda Pownell, It Mayor

By: _____
Deb Little, It City Clerk

SCHMIDT ENDEAVORS, INC.

By:  _____
Steven U. Schmidt, Its President

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing was acknowledged before me this _____ day of _____, 20____, by Rhonda Pownell and Deb Little, the Mayor and City Clerk of the City of Northfield, a Minnesota municipal corporation, on behalf of the corporation and pursuant to the authority granted by its City Council.

Notary Public

STATE OF MINNESOTA)
) ss.
COUNTY OF RICE)

The foregoing was acknowledged before me this 16th day of January, 2019,
by Steven J. Schmidt, the President of Schmidt Endeavors, Inc., a Minnesota municipal
corporation, on behalf of the corporation and pursuant to the authority granted by its Board of
Directors.


Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
FLAHERTY & HOOD, P.A.
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St. Paul, MN 55103
(651) 225-8840

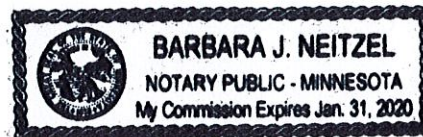


EXHIBIT A

Legal Description of Development Property

Outlot O Hills of Spring Creek, City of Northfield, Rice County, Minnesota