



# City of Duluth

411 West First Street  
Duluth, Minnesota 55802

## Meeting Agenda

### Duluth Economic Development Authority.

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Wednesday, August 24, 2022

5:15 PM

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#### CALL TO ORDER

#### PUBLIC TO ADDRESS THE COMMISSION

#### PUBLIC HEARINGS

[22D-51](#) RESOLUTION AUTHORIZING PURCHASE AGREEMENT WITH CIRRUS DESIGN CORPORATION D/B/A CIRRUS AIRCRAFT CONVEYING THE MRO BUILDING.

**Attachments:** [22D-51-Cirrus - Duluth - Purchase Agreement](#)  
[22D-51-Exhibit H](#)

[22D-52](#) RESOLUTION AUTHORIZING BUSINESS SUBSIDY AGREEMENT WITH CIRRUS DESIGN CORPORATION D/B/A CIRRUS AIRCRAFT RELATED TO THE MRO BUILDING.

**Attachments:** [22D-52-Business Subsidy Agreement with Cirrus](#)

#### APPROVAL OF MEETING MINUTES

[\\*\\*\\*\\*\\*](#) REGULAR MEETING MINUTES-JULY 27, 2022

**Attachments:** [07-27-22 DEDA Meeting Minutes-draft](#)

#### APPROVAL OF CASH TRANSACTIONS

[---](#) JULY 1, 2022 TO JULY 31, 2022

**Attachments:** [DEDA Monthly Cash Activity July 2022](#)

#### NEW BUSINESS

#### RESOLUTIONS FOR APPROVAL

[22D-40](#) RESOLUTION APPROVING A DEVELOPMENT AGREEMENT WITH INDEPENDENT SCHOOL DISTRICT NO. 709 AND APPROVING FINDINGS CONCERNING PARCELS WITHIN THE PROPOSED PLAT OF CENTRAL OVERLOOK

**Attachments:** [22D-40-New Central High School Redev Agreement- 8-4-22](#)

[22D-48](#) RESOLUTION ELECTING A VICE PRESIDENT

[22D-49](#) RESOLUTION AUTHORIZING FIRST AMENDMENT TO AGREEMENT WITH THE CITY OF DULUTH AMENDING PROPERTY DESCRIPTION

**Attachments:** [22D-49-First Amend to DA for Lester Park](#)  
[22D-49-Lester River Golf Course Subdivision - Legal Land Description - REV 1](#)

[22D-50](#) RESOLUTION APPROVING A PROJECT ON BEHALF OF ST PAPER 1, LLC AND CONSENTING TO THE ISSUANCE OF TAXABLE CONDUIT REVENUE BONDS BY THE PUBLIC FINANCE AUTHORITY

**Attachments:** [22D-50- ST Paper Bonds-EXHIBIT A](#)

[22D-51](#) RESOLUTION AUTHORIZING PURCHASE AGREEMENT WITH CIRRUS DESIGN CORPORATION D/B/A CIRRUS AIRCRAFT CONVEYING THE MRO BUILDING.

**Attachments:** [22D-51-Cirrus - Duluth - Purchase Agreement](#)  
[22D-51-Exhibit H](#)

[22D-52](#) RESOLUTION AUTHORIZING BUSINESS SUBSIDY AGREEMENT WITH CIRRUS DESIGN CORPORATION D/B/A CIRRUS AIRCRAFT RELATED TO THE MRO BUILDING.

**Attachments:** [22D-52-Business Subsidy Agreement with Cirrus](#)

[22D-53](#) RESOLUTION AUTHORIZING SIDE LETTER AGREEMENT WITH CIRRUS DESIGN CORPORATION D/B/A CIRRUS AIRCRAFT RELATED TO THE MRO BUILDING.

**Attachments:** [22D-53-Cirrus - Duluth - Side Letter with DEDA](#)

[22D-54](#) RESOLUTION ESTABLISHING THE BUILDING BACK BETTER BUSINESS MARKETING ASSISTANCE PROGRAM, APPROVING PROGRAM GUIDELINES AND ALLOCATING \$200,000 TO FUND SAID PROGRAM.

**Attachments:** [22D-54-Duluth Building Back Better Business Marketing Assistance Program Gi](#)

## DISCUSSION

## ADJOURN

**MEETING OF THE  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY  
WEDNESDAY, JULY 27, 2022 – 5:15 P.M.  
COUNCIL CHAMBERS-CITY HALL  
MINUTES**

**Present:** Matt Cartier, Arik Forsman, Ellie Just, Tim McShane

**Absent:** ChaQuana McEntyre, Roz Randorf, Terese Tomanek

**Others Present:** Amanda Anderson, Chris Fleege

**1. CALL TO ORDER:** The July 27, 2022 meeting of DEDA was called to order by President Cartier at 5:16 p.m.

**2. PUBLIC TO ADDRESS THE COMMISSION**

No comment.

**3. PUBLIC HEARINGS**

**RESOLUTION 22D-41: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

No public comment.

**RESOLUTION 22D-42: RESOLUTION AUTHORIZING SIXTH AMENDMENT TO AGREEMENT WITH LAKEWALK PROPERTIES LLC MODIFYING THE INTEREST RATE PAYABLE AND ESTABLISHING UPDATED PROJECT START DATE REQUIREMENT.**

No public comment.

**RESOLUTION 22D-44: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH MERGE, LLC**

No public comment.

**APPROVAL OF MEETING MINUTES**

**JUNE 22, 2022 MEETING MINUTES**

No discussion.

**VOTE TO APPROVE THE JUNE 22, 2022 SPECIAL MEETING MINUTES:** (Forsman/McShane) Vote: Passed (4-0).

## **APPROVAL OF CASH TRANSACTION**

**JUNE 1, 2022 TO JUNE 30, 2022**

No discussion.

**VOTE TO APPROVE THE JUNE 1 to JUNE 30, 2022 CASH TRANSACTIONS:** (McShane/Just) Vote: Passed (4-0).

## **NEW BUSINESS**

### **4. RESOLUTIONS FOR APPROVAL**

#### **RESOLUTION 22D-41: RESOLUTION AUTHORIZING THE CONVEYANCE OF PROPERTY TO ONE ROOF COMMUNITY HOUSING FOR DEVELOPMENT OF AFFORDABLE HOUSING**

**Staff:** Director Fleege provided the property being conveyed is in the West Duluth neighborhood on 3<sup>rd</sup> Street. This is a property that One Roof will develop. This is a vacant infill site and a home will be built there and will become a part of the Community Trust Fund for individuals who qualify.

**Discussion:** No discussion.

**Vote to approve resolution 22D-41:** (McShane/Just) Vote: Passed (4-0).

#### **RESOLUTION 22D-42: RESOLUTION AUTHORIZING SIXTH AMENDMENT TO AGREEMENT WITH LAKEWALK PROPERTIES LLC MODIFYING THE INTEREST RATE PAYABLE AND ESTABLISHING UPDATED PROJECT START DATE REQUIREMENT.**

**Staff:** In May the TIF amount was increased by \$1.3 million. The challenge for the project has been escalating interest rates. To secure the financing gap, the TIF amount will not be increased (\$7.5 million). Just the interest on the note will be changing to help close the financing gap. The amendment has construction starting by September and the building permits would be issued by November. This is a market rate project with 190 units across from the Vision Northland project.

**Discussion:** President Cartier clarified they would be starting the project in September of 2022.

**Vote to approve resolution 22D-42:** (Forsman/Just) Vote: Passed (4-0).

**RESOLUTION 22D-43: RESOLUTION AUTHORIZING PROFESSIONAL SERVICES AGREEMENT WITH NORTHLAND SMALL BUSINESS DEVELOPMENT SERVICES (SBDC) FOR GENERAL SERVICES RELATED TO PROGRAM CONSULTING FOR SMALL BUSINESS AND ENTREPRENEURS LOCATED IN DULUTH, MINNESOTA IN THE AMOUNT OF \$20,000**

**Staff:** The University of Minnesota: Lebovitz School used to sponsor this program until it moved to the Northland Foundation. This is DEDA's second year contributing funding to the program. An additional attachment was added that shows the number of businesses that were serviced in 2021 and year to date for 2022 and it is broken down by segments. Funding for the agreement runs from July 1<sup>st</sup> thru June 30<sup>th</sup>. There are other partners as well for the program and this is DEDA's way to help some of the smaller businesses. It is likely that the investment will increase in the future. The Northland Foundation will likely attend a DEDA meeting to give an update to the Board.

**Discussion:** N/A

**Vote to approve resolution 22D-43:** (Just/McShane) Vote: Passed (4-0).

**RESOLUTION 22D-44: RESOLUTION AUTHORIZING A LAND SALE AGREEMENT WITH MERGE, LLC**

**Staff:** Director Fleege explained the resolution aggregates a number of properties between Wheeler and the ball fields. County, City held and DEDA acquired properties are being combined. Brett Crecelius provided the proposed project is 80 units at 3401 Grand by Wheeler Field. 40% at 60% AMI and 60% at 80% AMI. This land sale agreement will go hand in hand with the HRA's proposed creation of a TIF district. There will be a development and ARPA agreement, both with stipulations on what is going to be built. This will be in place when they go to Planning Commission to get variances so they have site control.

**Discussion:** Commissioner Forsman asked how the purchase price was arrived at. Brett Crecelius explained how the purchase price was decided upon. \$12,000 was spent on obtaining the lots. \$100,000 was the number that was determined to work in their proforma and would still give DEDA a return.

**Vote to approve resolution 22D-44:** (McShane/Just) Vote: Passed (4-0).

**RESOLUTION 22D-45: RESOLUTION AUTHORIZING THE EXECUTION OF A PURCHASE AGREEMENT WITH THE CITY OF DULUTH FOR THE ACQUISITION OF CERTAIN REAL PROPERTY IN THE FAIRMOUNT NEIGHBORHOOD**

**Staff:** Last month, County and City parcels were brought together for this project. This is the purchase agreement for that project. This was approved by Council and is being brought to DEDA for approval. This is approximately a five-and-a-half-acre site out in the former DWP roundhouse area. There is a developer who is interested for 100 units of market-rate housing.

**Discussion:** N/A

**Vote to approve resolution 22D-45:** (Forsman/Just) Vote: Passed (4-0).

**RESOLUTION 22D-46: RESOLUTION AUTHORIZING A FIRST AMENDMENT TO THE LAND SALE AGREEMENT WITH ANACHI, LLC RELATED TO THE REBUILD DULUTH PROGRAM**

**Staff:** There is a one-year extension to complete the construction. It has been challenging in this market because of pricing.

**Discussion:** N/A

**Vote to approve resolution 22D-46:** (Just/McShane) Vote: Passed (4-0).

**RESOLUTION 22D-47: RESOLUTION AUTHORIZING A SECOND AMENDMENT TO A PROFESSIONAL SERVICES AGREEMENT WITH ENTRYPOINT LLC FOR ADDITIONAL PROFESSIONAL SERVICES TO EXPAND THE SCOPE OF WORK, INCREASE THE CONTRACT AMOUNT BY \$11,000 FOR A NEW TOTAL AMOUNT NOT TO EXCEED \$76,000 AND EXTEND THE TERMINATION DATE TO DECEMBER 31, 2022**

**Staff:** Council was asked to approve the \$76,000. There was a timing issue of when DEDA meetings were vs. when Council meetings were. The intention was to extend the contract out far enough. It is likely Entry point will only be utilized through October, but staff has been working with them on an application to DEED for the Boarder to Boarder grant of \$3.2 million for Broadband. Entry point has been providing some technical expertise to pull the application together.

**Discussion:** N/A

**Vote to approve resolution 22D-47:** (McShane/Just) Vote: Passed (4-0).

**DISCUSSION**

Director Fleege thanked Vice President Tim McShane for his years of service with DEDA as he will be submitting his resignation after the July 27<sup>th</sup> meeting.

Update: Cirrus intends to purchase the MRO and they are getting very close to an agreement (hoping to have that in August).

The Mayor is conducting an economic development audit that she spoke on in her State of the City address. The focus will primarily be on City staff and processes. There likely will be involvement from the DEDA Board as well. Baker Tilly was hired to do the audit work. There will be a number of involved stakeholders.

Some ideas will be brought forward from the developer on Lot D.

**9. ADJOURN:** President Cartier adjourned the July 27, 2022 meeting of DEDA 5:37 p.m.

Respectfully submitted,

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Chris Fleege--Executive Director

# Duluth Economic Development Authority

## July 2022 Cash Activity - all DEDA Funds

ACCUMULATED TRANSACTION LISTING, G/L Date Range 07/01/22 to 07/31/22 (as of 08/11/22)

G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<b>FUND 860 - OPERATING FUND</b>			<b>Beginning Balance</b>	<b>\$ 2,712,186.22</b>	
07/01/22	2022-00000202	GL	Cost Allocation - DEDA	(33,333.33)	Cost Allocation - DEDA
07/05/22	2022-00005076	AP	Timothy P McShane	(35.00)	DEDA Meeting 6/22/22
07/05/22	2022-00005076	AP	Matthew T Cartier	(35.00)	DEDA Meeting 6/22/22
07/05/22	2022-00005076	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 4/30/22-5/31/22
07/05/22	2022-00005076	AP	Duluth News Tribune	(13.33)	DEDA Ad 63735-0514-1321 5/14/22
07/05/22	2022-00005076	AP	Engineering Systems Inc.	(2,345.00)	Extend Scope of work from contract 21-860-125
07/05/22	2022-00005076	AP	Greater Downtown Council	(650.00)	Sponsorship - 37th Annual Celebration
07/05/22	2022-00005076	AP	Rozalind Randorf	(35.00)	DEDA Meeting 6/22/22
07/05/22	2022-00005076	AP	St Louis County Recorder	(138.00)	Resolutions 1444147 & 148 Agreement 1444149
07/05/22	2022-00005076	AP	St Louis County Recorder	(198.00)	Resolutions 1057150 & 151 Agreement 1057152
07/05/22	2022-00005076	AP	St Louis County Recorder	(92.00)	Resolution 1057136 Agreement 1057137
07/05/22	2022-00005076	AP	Duluth Public Utilities - Comfort Systems	(1,706.57)	902 Railroad St 5/5/22-6/3/22
07/05/22	2022-00005076	AP	Terese Marie Tomanek	(35.00)	DEDA Meeting 6/22/22
07/05/22	2022-00005076	AP	GEI Consultants Inc	(4,000.00)	Wetland Delineation Mapping Report - Lester Golf Course
07/05/22	2022-00005159	RA	Unique Construction LLC	184.00	Invoice #2022-00000048 Invoice #2022-00000049
07/05/22	2022-00005159	RA	Pay Group OReilly LLC	463.71	Building Rent
07/08/22	2022-00005281	GL	JE 2022-4245 to Allocate 2022 DEDA Fund 860 Annual IT Maint Expense to General Fund	(6,289.47)	Annual IT/MIS Fee for DEDA
07/14/22	2022-00005459	RA	Passport Labs	12,031.32	Parking Revenue for June 2022
07/14/22	2022-00005491	AP	US Bank	(345.10)	Jun 2022 USB
07/15/22	2022-00005499	RA	Interstate Parking	50,521.58	Parking Revenue for June 2022
07/15/22	2022-00005499	RA	Red Wagon Popcorn	1,402.51	June Rent
07/18/22	2022-00005446	AP	St Louis County Recorder	(138.00)	Filing Fees Docs 1445334 144535 144536
07/18/22	2022-00005446	AP	St Louis County Recorder	(92.00)	Wadena Opt Agreement Docs 01444544 1444545
07/18/22	2022-00005446	AP	Upper Midwest Film Office	(2,000.00)	22-860-105 Consult Services for the Duluth Prod Incentive
07/18/22	2022-00005446	AP	Council of Great Lakes Governors, Inc.	(1,250.00)	Partnership Dues - Cruise the Great Lakes 7/1/20-6/30/21
07/18/22	2022-00005446	AP	Barr Engineering Co	(1,212.00)	21-860-119 Environmental permitting assistance
07/18/22	2022-00005446	AP	Duluth Public Utilities - Comfort Systems	(914.72)	335 W Superior St 6/1/22-6/30/22
07/18/22	2022-00005446	AP	Duluth News Tribune	(12.88)	DEDA Ad 72808-0611-1321
07/28/22	2022-00005811	RA	Three D I, LLC	66.00	Invoice #2021-00000348
07/31/22	2022-00005853	GL	Investment Earnings for July	3,530.00	Investment Earnings for July
<b>FUND 860 - OPERATING FUND</b>			<b>Ending Balance: 07-31-2022</b>	<b>2,724,600.22</b>	<b>TB</b>



G/L Date	Journal Number	Sub Ledg	Name	Net Amount	Description
<b><u>FUND 861 - DEBT SERVICE</u></b>			<b><i>Beginning Balance</i></b>	<b><i>(697.50)</i></b>	
07/05/22	2022-00005136	GL	Receipt 1st Half 2022 Tax Payment	1,473,372.89	Receipt 1st Half 2022 Tax Payment
07/13/22	2022-00005394	GL	Adj from Fund 264 for TIF #23 Overpaid Sect108 loan 2nd half 21	1,769.00	Adj from Fund 264 for TIF #23 Overpaid Sect108 loan 2nd half 21
07/30/22	2022-00005737	GL	Record 1st Half 2022 Medical Dist TIF #22 Trans - Ramp Debt	(419,292.86)	Record 1st Half 2022 Medical Dist TIF #22 Trans -Ramp Debt
07/31/22	2022-00005853	GL	Investment Earnings for July	2,793.00	Investment Earnings for July
<b>FUND 861 - DEBT SERVICE</b>			<b>Ending Balance: 07-31-2022</b>	<b>1,057,944.53</b>	<b>TB</b>
<b><u>FUND 865 - CAPITAL PROJECTS</u></b>			<b><i>Beginning Balance</i></b>	<b><i>1,764,432.47</i></b>	
07/31/22	2022-00005853	GL	Investment Earnings for July	2,297.00	Investment Earnings for July
<b>FUND 865 - CAPITAL PROJECTS</b>			<b>Ending Balance: 07-31-2022</b>	<b>1,766,729.47</b>	<b>TB</b>
<b><u>FUND 866 - MRO FACILITY</u></b>			<b><i>Beginning Balance</i></b>	<b><i>391,502.16</i></b>	
07/05/22	2022-00005076	AP	Jamar Company	(3,453.27)	MRO Fire Extinguishers & Emergency Light Inspections
07/05/22	2022-00005076	AP	Electric Scientific Co Inc	(1,043.00)	MRO Power Supply Service Call
07/05/22	2022-00005076	AP	Duluth Public Utilities - Comfort Systems	(1,735.64)	4600 Stebner Rd - Water - 5/3/22-6/1/22
07/05/22	2022-00005076	AP	Duluth Public Utilities - Comfort Systems	(1,155.81)	4600 Stebner Rd - Gas - 5/3/22-6/1/22
07/05/22	2022-00005076	AP	CenturyLink - Phoenix	(199.61)	Data Service
07/05/22	2022-00005076	AP	Minnesota Power	(9,075.52)	5447119029 4/30/22-5/31/22
07/08/22	2022-00005326	RA	Lake Superior Helicopter	413.28	Invoice #2022-00000138
07/18/22	2022-00005446	AP	Minnesota Power	(9,039.65)	5447119029 5/31/22-6/30/22
07/26/22	2022-00005735	RA	Cirrus Aircraft	57,700.00	Invoice #2022-70000079 Invoice #2022-00000177
07/31/22	2022-00005853	GL	Investment Earnings for July	500.00	Investment Earnings for July
<b>FUND 866 - MRO FACILITY</b>			<b>Ending Balance: 07-31-2022</b>	<b>424,412.94</b>	<b>TB</b>
<b><u>FUND 867 - STOREFRONT LOANS</u></b>			<b><i>Beginning Balance</i></b>	<b><i>433,939.67</i></b>	
07/12/22	2022-00005365	RA	North Shore Bank	664.41	Women in Construction June Loan Payment
07/19/22	2022-00005572	RA	Alerus Financial	1,037.10	Old City Hall July Loan Payment
07/31/22	2022-00005853	GL	Investment Earnings for July	566.00	Investment Earnings for July
<b>FUND 867 - STOREFRONT LOANS</b>			<b>Ending Balance: 07-31-2022</b>	<b>436,207.18</b>	<b>TB</b>

*Draft: 8/3/2022*

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**DEVELOPMENT AGREEMENT**

**by and between**

**DULUTH ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**INDEPENDENT SCHOOL DISTRICT NO. 709**

**dated as of**

**August \_\_\_\_\_, 2022**

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## DEVELOPMENT AGREEMENT

This DEVELOPMENT AGREEMENT (the “Agreement”) entered into this \_\_\_\_\_ day of August, 2022, by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision created and existing under Minnesota Statutes, Chapter 469 (“DEDA”) and INDEPENDENT SCHOOL DISTRICT NO. 709 (“Developer”).

### RECITALS

WHEREAS, Developer owns certain real property more particularly described in Exhibit A hereto and made a part hereof and which is diagrammed on Exhibit A-1 (which property as so described is hereinafter referred to as the “Development Property”), on which are located two buildings, one of which is the former Central High School building located on the Development Property (the hereinafter-defined “Building”) and the second of which is the former Secondary Technical Center building located on the Development Property (the “Tech Center”) and on which are also located related improvements such as parking lots and the football/track facilities (the “Additional Improvements”);

WHEREAS, Developer intends to demolish the Building which DEDA has determined to be a structurally substandard building as defined by M.S. 469.174 Subd. 10(b) and (c) that is required to be cleared to remove an incompatible and obsolete building not suitable improvement or conversion and to provide land to be developed by a third party which may construct, at a future date, UDC compliant developments (the “Project”);

WHEREAS, the Building is located on that parcel of the Development Property listed on **Exhibit A** as Parcel B;

WHEREAS, DEDA and Developer anticipate that the Project may require the creation of a Redevelopment Tax Increment Financing District under Minnesota Statutes, Section 469.174, Subd. 10 (the “TIF District”) proposed to include all or a portion of the Development Property, including all or a portion of the hereinafter-defined Parcels;

WHEREAS, the deteriorated condition of the Building and the development of Developer's Project necessitates the demolition and removal of the Building prior to creation of the TIF District;

WHEREAS, Minnesota Statutes, Section 469.174 provides that an economic development authority may create a tax increment financing district as a “redevelopment district” if the authority finds by resolution that parcels consisting of 70% of the area of the TIF District are occupied by buildings, streets, utilities or other improvements, and more than 50% of the buildings, not including out-buildings, are structurally substandard to a degree requiring substantial renovation or clearing;

WHEREAS, Minnesota Statutes, Section 469.174, Subd. 10(a), provides, among other terms, that a parcel may be deemed to be occupied by a structurally substandard building if (1) the parcel or parcels were occupied by a substandard building within three (3) years of the filing

of the request for certification of the parcel as part of the TIF District with the county auditor; (2) the substandard building was demolished or removed by the authority, the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority; and (3) the authority found by resolution, before the demolition or removal that the parcel was occupied by a structurally substandard building and that after demolition and clearance, the authority intended to include the parcel within the TIF District;

WHEREAS, DEDA has found by Resolution adopted on August 24, 2022, that (i) Parcel B set forth on Exhibit A hereto contains the Building and the Tech Center which are substandard buildings meeting the requirements of Minnesota Statutes, Section 469.174, Subd. 10(b) and (c); and (ii) that the Parcels meet the requirements of Minnesota Statutes, Section 469.174, Subd. 10(a)(1) as Parcels consisting of 93.6% of the area of the proposed TIF District contain buildings, street, utilities, paved or gravel parking lots, or other similar structures;

WHEREAS, this Agreement regarding demolition of the Building will allow DEDA to accomplish its goal of demolition of a substantial building and the avoidance of the spread of blight, while preserving Developer's and its assigns, the ability to request future assistance for the Project; and

WHEREAS, DEDA believes that the redevelopment of the Development Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the proposed project will be undertaken.

## AGREEMENT

NOW, THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them hereby covenant and agree as follows:

### ARTICLE I DEFINITIONS; EXHIBITS

**Section 1.1 Definitions.** As used in this Agreement, the following terms have the following respective meanings:

*“Act”* means Minnesota Statutes, Sections 469.090 through 469.108, as amended.

*“Agreement”* means this Development Agreement, as originally executed or as it may from time to time be modified, amended or supplemented pursuant to the provisions hereof.

*“Building”* means the Central High School Building located on Parcel B of the Development Property.

*“Board”* means the Board of Commissioners of DEDA.

*“County”* means St. Louis County, Minnesota.

“*DEDA*” means the Duluth Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota.

“*Demolition Work*” means the demolition and removal of the Building, including without limitation, removal of all demolition debris and backfilling Parcel B so that such Parcel is left in a safe condition.

“*Developer*” means Independent School District No. 709, or its permitted assigns.

“*Development Property*” means all of or a portion of the real property described in **Exhibit A** of this Agreement and as diagramed on **Exhibit A-1** of this Agreement.

“*Parcels*” means the individual parcels A, B and C and adjacent right-of-way identified on **Exhibit A** hereto and as identified on **Exhibit A-1** of this Agreement.

“*Project*” means the demolition of the Building located on Parcel B and improvements which may be constructed by a third party at a future date consisting of UDC compliant developments on the Development Property.

“*TIF Act*” means Minnesota Statutes, Sections 469.174 to 469.1799, as amended.

**Section 1.2 Exhibits.** The Exhibits to this Agreement are the following:

- (a) Exhibit A: Legal Description of Development Property
- (b) Exhibit A-1: Diagram of Development Property
- (c) Exhibit B: Form of Certificate of Date of Commencement of Demolition of the Building.

## **ARTICLE II – REPRESENTATIONS AND WARRANTIES**

**Section 2.1 Representations, Warranties and Covenants by DEDA.** DEDA represents, warrants and covenants that:

(a) DEDA has all the powers of an economic development authority under the laws of the State, including the Act, as limited by DEDA’s Enabling Resolution, and has the power to enter into this Agreement and carry out its obligations hereunder.

(b) No part of this Agreement shall be construed as a representation or warranty of DEDA as to the condition (including soil condition) of the Development Property or as to its suitability for Developer’s purposes and needs.

(c) DEDA will act in a timely manner, consistent with statutory and DEDA’s procedural requirements, with regard to all approvals required under this Agreement.

**Section 2.2 Representations, Warranties and Agreements by Developer.** Developer represents, warrants and agrees that:

(a) Developer owns and will own the Building prior to and during the Demolition Work on such Building.

(b) Developer will demolish the Building which is located on a portion of the Development Property in accordance with the terms of this Agreement, and all local, state, and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) With regard to the Demolition Work, Developer agrees:

(i) Developer shall provide to DEDA a certificate in the form of **Exhibit B**, setting out the date that Demolition Work commenced on the Building;

(ii) Developer hereby certifies that the Building is not occupied for residential or business uses; and

(iii) Developer shall be responsible for all permits necessary for the completion of the Demolition Work, and all other matters concerning coordination of and procurement of the Demolition Work.

(iv) Developer agrees that the Demolition Work shall have been completed by June 30, 2023 unless said date is extended by DEDA's Executive Director in writing.

(d) Developer will cooperate with DEDA with respect to any litigation commenced with respect to the Demolition Work on the Development Property, except for litigation in which DEDA and Developer are adverse parties.

### **ARTICLE III – ADDITIONAL PROVISIONS**

**Section 3.1 Titles of Articles and Sections.** Any titles of the several parts, Articles and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of the provisions hereof.

**Section 3.2 Notices and Demands.** Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under the Agreement by one party to the others shall be sufficiently given or delivered if sent by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) In the case of Developer, is mailed to or delivered personally to Independent School District No. 709, 4316 Rice Lake Road, Suite 108, Duluth, MN 55811; Attention Manager of Facilities;

(b) In the case of DEDA, is mailed to or delivered personally to 411 West 1<sup>st</sup> Street, Room 418, Duluth, Minnesota 55802; Attention: Executive Director;

or at such other address with respect to either such party hereto as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

**Section 3.3 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

**Section 3.4 Law Governing.** This Agreement will be governed by and construed in accordance with the laws of the State of Minnesota.

**Section 3.5 Amendments.** This Agreement may be amended in writing upon mutual agreement of DEDA and Developer.

(remainder of page intentionally left blank)



IN WITNESS WHEREOF, DEDA and Developer have caused this Agreement to be duly executed as of the date first above written.

DULUTH ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Secretary

(Signature page to Development Agreement by and between the Duluth Economic Development Authority and Independent School District No. 709)

INDEPENDENT SCHOOL DISTRICT NO.  
709

By \_\_\_\_\_  
Its Chair

By \_\_\_\_\_  
Its Clerk

**EXHIBIT A**  
**LEGAL DESCRIPTION**  
**OF**  
**DEVELOPMENT PROPERTY**

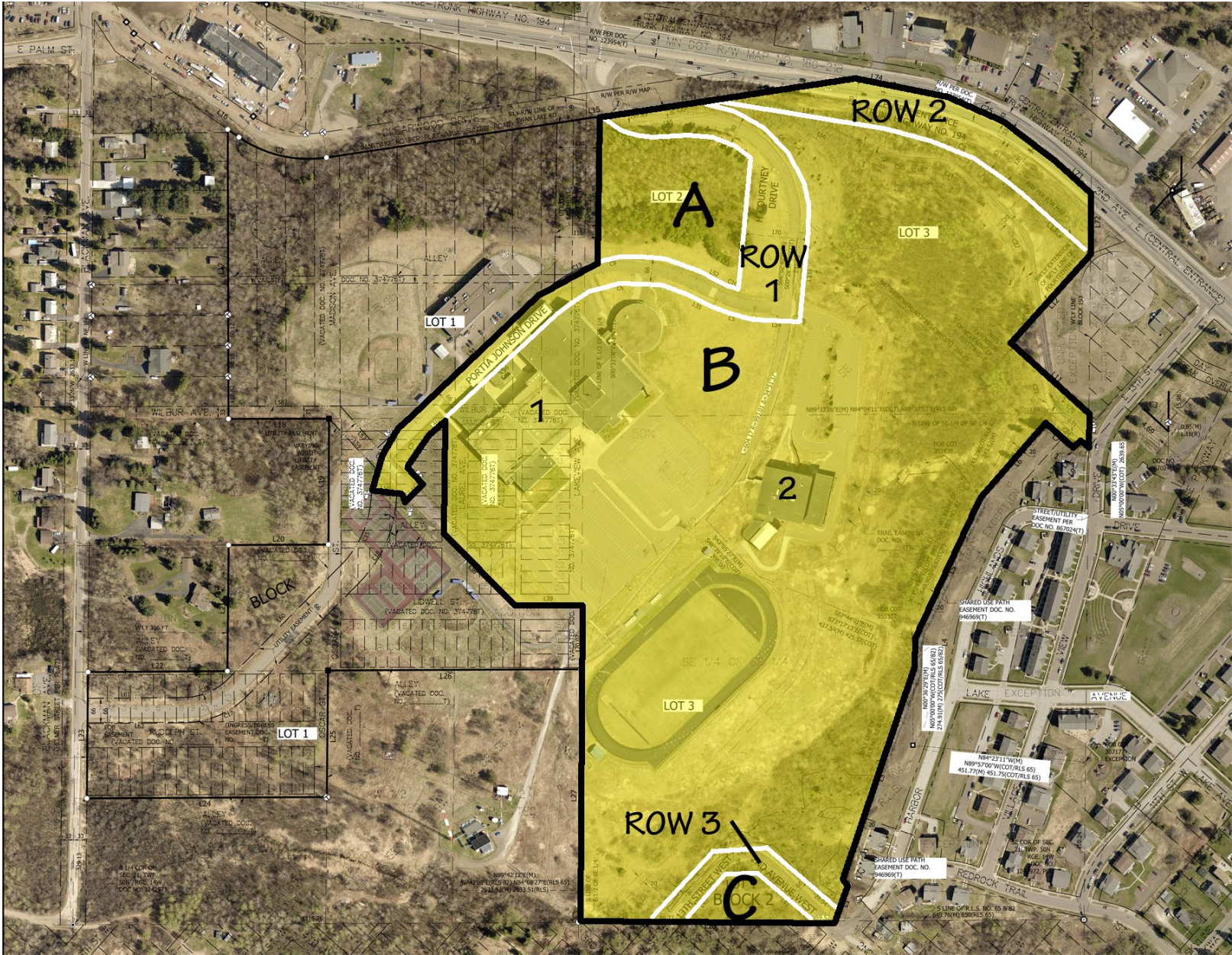
The following lots and adjacent right-of-way located in the Plat of Central Overlook, St. Louis County, Minnesota as follows:

Parcel A – Lot 2, Block 1

Parcel B – Lot 3, Block 1

Parcel C – Lot 1, Block 2

**EXHIBIT A-1  
DIAGRAM OF DEVELOPMENT PROPERTY**



**EXHIBIT B**  
**CERTIFICATE OR DATE OF COMMENCEMENT OF DEMOLITION**  
**PARCEL NO. 1**

WHEREAS, the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision of the State of Minnesota (“DEDA”), has entered into a Development Agreement dated as of August \_\_\_\_, 2022, with INDEPENDENT SCHOOL DISTRICT NO. 709 (“Developer”), regarding the demolition work on the land described on Exhibit A attached hereto in the County of St. Louis and the State of Minnesota (the “Building”).

I, the \_\_\_\_\_ of Developer hereby certify that the Demolition Work on the Building on Parcel B identified on Exhibit A thereto commenced on \_\_\_\_\_, 2022.

I hereby acknowledge that if the request for certification of the proposed tax increment district is not filed with the St. Louis County Auditor within three years of commencement of the demolition of the Blighted Building on the Parcel, the Parcel will not be deemed be occupied by a substandard building for purposes of qualifying the tax increment district as a redevelopment district.

INDEPENDENT SCHOOL DISTRICT NO.  
709

By \_\_\_\_\_  
Its \_\_\_\_\_



EXHIBIT A  
to  
FORM OF CERTIFICATE OF COMMENCEMENT OF DEMOLITION WORK

Legal Description

Lot 3, Block 1, Plat of Central Overlook, St. Louis County, Minnesota (Parcel B)

**FIRST AMENDMENT TO DEVELOPMENT AGREEMENT  
BETWEEN  
CITY OF DULUTH  
AND  
DULUTH ECONOMIC DEVELOPMENT AUTHORITY**

WHEREAS, this FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (this “First Amendment”) is entered into by and between the CITY OF DULUTH, a municipal corporation and political subdivision under the laws of the State of Minnesota (“City”) and the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under Minnesota Statutes Chapter 469 (“DEDA”). City and DEDA are referred to in this Agreement collectively as the “Parties.”

WHEREAS, the Parties entered into a Development Agreement dated January 26, 2022 relating to certain real property owned by City and located in St. Louis County, Minnesota (the “Development Agreement”). The Development Agreement was registered in the Office of the St. Louis County Registrar of Titles on February 15, 2022 as Document No. 1053375.

WHEREAS, the Parties desire to amend the Development Agreement with this First Amendment to correct certain errors in the legal description included on Exhibit A to the Development Agreement.

NOW, THEREFORE, City and DEDA agree to amend the Development Agreement as follows:

1. Exhibit A of the Development Agreement is amended and completely replaced with the attached Exhibit A.
2. Except as specifically amended pursuant to this First Amendment, the Development Agreement remains in full force and effect. In the event of a conflict between the provisions of this First Amendment and the provisions of the Development Agreement, the provisions of this Development Agreement shall govern. Capitalized terms used but not defined in this First Amendment shall have the same meanings ascribed to them as in the Development Agreement.

*[Remainder of this page is intentionally left blank.]*





DULUTH ECONOMIC DEVELOPMENT AUTHORITY

By: \_\_\_\_\_  
Its President

By: \_\_\_\_\_  
Its Secretary

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Matt Cartier, the President of the Duluth Economic Development Authority, a public body, corporate and politic and political subdivision under Minnesota Statutes Chapter 469.

\_\_\_\_\_  
Notary Public

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

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by Ellie Just, the Secretary of the Duluth Economic Development Authority, a public body, corporate and politic and political subdivision under Minnesota Statutes Chapter 469.

\_\_\_\_\_  
Notary Public

This instrument was drafted by:  
Office of the City Attorney  
Room 410 City Hall  
411 West 1st Street  
Duluth, MN 55802-1198



Building a Better World  
for All of Us®

EXHIBIT A (TO FIRST AMENDMENT)

City of Duluth  
Duluth Economic Development Authority  
Legal Land Description  
Lester River Golf Course Subdivision  
SEH No.: DEDA0 164215

Proposed Legal Land Description:

Lots 9 through 24, inclusive, Block 57; Lots 1 through 28, inclusive, Block 58; Lots 1 through 6, inclusive, Block 59; Lots 1 through 28, inclusive, Block 63; and Lots 9 through 30 inclusive, Block 64, EXCEPT all those parts of Lots 28, 29, and 30, said Block 64, lying southerly of the following described line:

BEGINNING at a point where the north line of vacated Oneida Alley intersects the common boundary line between Lots 8 and 9, Block 64, thence run easterly to a point where the north line of vacated Tioga Street intersects the common boundary line between Lots 27 and 28, Block 64, and said line there terminating; all in LESTER PARK FOURTH DIVISION, according to the recorded plat thereof, Saint Louis County, Minnesota;

AND

Lot 11, EDGEWATER, according to the recorded plat thereof, Saint Louis County, Minnesota;

AND

All those parts of Lots 10 and 13, EDGEWATER, and Lots 1 through 4, inclusive, and Lots 23 through 28, inclusive, Block 62, LESTER PARK FOURTH DIVISION, lying southerly of the following described line:

Commencing at the West Quarter Corner of Section 4, Township 50 North, Range 13 West, Saint Louis County, Minnesota, according to the US Government Survey thereof, thence North 1 degree 04 minutes 21 seconds West, assigned bearing, along the west line of said Section 4, a distance of 381.59 feet; thence North 89 degrees 27 minutes 39 seconds East a distance of 567.80 feet to a point on the west line of said Lot 10, EDGEWATER, said west line of Lot 10 being the centerline of Benson Road, according to said plat of EDGEWATER, said Benson Road now being known as Lester River Road, and said point being the POINT OF BEGINNING; thence continuing North 89 degrees 27 minutes 39 seconds East a distance of 961.27 feet to the northwesterly line of East Oneida Street, LESTER PARK FOURTH DIVISION; said line also being the southeasterly line of said Lot 13, EDGEWATER; thence continuing North 89 degrees 27 minutes 39 seconds East a distance of 511.49 feet, more or less, to the southeast line of said Lot 23, Block 62, LESTER PARK FOURTH DIVISION, and there terminating.

I:\DEVELOPMENT\PLAN\_DEV\BOARDS-COMMISSIONS\DEDA\AGREEMENTS\2022\22D-49-Lester River Golf Course Subdivision - Legal Land Description - REV 1 (final).docx

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 418 West Superior Street, Suite 200, P.O. Box 229, Duluth, MN 55801-0229

218.279.3000 | 888.722.0547 | 888.908.8166 fax | [sehinc.com](http://sehinc.com)

SEH is 100% employee-owned | Affirmative Action–Equal Opportunity Employer

**CERTIFICATION**

I hereby certify that this survey, plan, 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.



\_\_\_\_\_  
Chris A. Larsen, PLS  
Minnesota License No. 45848

July 19, 2022  
Date

**EXHIBIT A**

**[Not to Exceed \$100,000,000]  
Public Finance Authority  
Taxable Revenue Bonds, Series 2022  
(ST Paper 1, LLC Project)**

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**CERTIFICATE OF MAYOR  
OF CITY OF DULUTH, MINNESOTA**

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The Public Finance Authority (the “Authority”) proposes to issue not to exceed [\$100,000,000] principal amount of its taxable revenue bonds captioned above (the “Bonds”). The proceeds of the Bonds will be loaned to ST Paper 1, LLC, a Delaware limited liability company (the “Company”) to (i) finance a portion of the costs of acquiring, rehabilitating, improving, furnishing and equipping an existing pulp paper plant that will be used to produce bleached and unbleached paper products located at 100 North Central Avenue in the City of Duluth, Minnesota to be owned by the Company, (ii) fund capitalized interest on the Series 2022 Bonds, (iii) fund the Series 2022 Debt Service Reserve Account and (iv) pay issuance expenses (collectively, the “Project”).

Pursuant to Section 66.0304(11)(a) of the Wisconsin Statutes, prior to their issuance, bonds issued by the Authority must be approved by the governing body or highest-ranking executive or administrator of the political jurisdiction within whose boundaries the project is to be located.

The Company has requested that the Mayor of the City of Duluth, Minnesota approve the financing of the Project and the issuance of the Bonds in order to satisfy the requirements of Section 4 of the Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated as of September 28, 2010 (the “Joint Exercise Agreement”) and Section 66.0304(11)(a) of the Wisconsin Statutes.

The Mayor hereby approves the issuance of the Bonds by the Authority to finance the Project. It is the purpose and intent of the Mayor that this certificate constitutes approval of the issuance of the Bonds by the highest elected official of the City of Duluth, Minnesota, which is one of the governmental units having jurisdiction over the area in which the Project is located, in accordance with Section 66.0304(11)(a) of the Wisconsin Statutes and Section 4 of the Joint Exercise Agreement

The undersigned certifies that she is the highest elected official of the City of Duluth, Minnesota.

This certificate shall be conclusive proof, of the approval granted herein in connection with any proceedings relating to the issuance of the Bonds and may be relied upon any party thereto in connection therewith.

Dated: \_\_\_\_\_, 2022.

**CITY OF DULUTH, MINNESOTA**

By: \_\_\_\_\_  
Emily Larson, Mayor

## PURCHASE AGREEMENT

This Purchase Agreement is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 2022 (“**Effective Date**”), by and between DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 (“**Seller**”), and CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation (“**Purchaser**”).

Purchaser desires to purchase certain property owned by Seller, and Seller desires to sell such property to Purchaser pursuant to the terms and conditions set forth in this Agreement.

Accordingly, Seller and Purchaser agree as follows:

### Article 1. Definitions.

The following terms shall have the meanings set forth below:

1.1 Access Agreement. That certain Access Agreement between Purchaser and Seller dated May 10, 2022.

1.2 Agreement. This Agreement, including the following exhibits attached hereto and hereby made a part hereof:

Exhibit A:	Legal Description of Land
Exhibit B:	Description of Personal Property
Exhibit C:	Business Subsidy Agreement
Exhibit D:	Side Letter Agreement
Exhibit E:	Form of Seller’s Affidavit
Exhibit F:	Form of Estoppel Certificate
Exhibit G:	Environmental Reports
Exhibit H:	PFAS Remediation Plan

1.3 Broker. None

1.4 Business Subsidy Agreement. That Business Subsidy Agreement attached hereto and made a part hereof as Exhibit C.

1.6 Closing. Concurrently, the transfer of title to the Improvements to Purchaser, assignment of the Ground Lease to Purchaser, the payment to Seller of the Purchase Price, and the performance by each party of the other obligations on its part then to be performed, all in accordance with Article 4.

1.7 Closing Date. The date on which the Closing shall occur as provided in Section 4.1, subject to Section 5.3 and any other provision of this Agreement which provides for postponement of the Closing Date.

1.8 Commitment. The title insurance commitment with respect to the Real Property described in Section 5.1.1.

1.9 Contingency Date. The date which is ninety (90) days after the date of this Agreement.

1.10 Executory Period. The period between the mutual execution and delivery of this Agreement and the Closing.

1.11 Ground Lease. That certain Ground Lease between the City of Duluth and Duluth Airport Authority, collectively as ground lessor, and Seller, as ground lessee, dated as of December 21, 1994, together with any amendments or modifications thereto.

1.12 Hazardous Material. Any substance, chemical, waste or material that is or becomes regulated under applicable law because of its toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness or reactivity, including asbestos, urea formaldehyde, polychlorinated biphenyls, nuclear fuel or materials, radioactive materials, explosives, known carcinogens, petroleum products and by-products and any substance, chemical, waste or material regulated by any Hazardous Material Law.

1.13 Hazardous Material Laws. Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Superfund Amendments and Reauthorization Act of 1986, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, as such acts may be amended from time to time, and any other Federal, state, county, municipal, local or other law, statute, code, ordinance, rule or regulation which relates to or deals with human health or the environment in the jurisdiction in which the Property is located.

1.14 Improvements. All buildings, structures, fixtures and improvements located on the Land, including, without limitation, the aircraft hangar.

1.15 Land. The real property located at the Duluth International Airport, in the City of Duluth, County of St. Louis, State of Minnesota, consisting of approximately thirty-nine (39) acres, said real property being legally described on Exhibit A, together with all easements, appurtenances and hereditaments thereto.

1.16 Permits. All licenses and permits in possession of or benefitting Seller relating to the Real Property or the Personal Property, including all certificates of occupancy and other permits, licenses or approvals issued under applicable law.

1.17 Permitted Exceptions. The easements, restrictions, reservations and other matters affecting title to the Property, which are determined to be Permitted Exceptions pursuant to Section 5.2.

1.18 Personal Property. All equipment, machinery, furnishings and other personal property, other than inventory, owned by Seller and located on the Real Property on the Closing Date.

1.19 Property. The Improvements, the Personal Property, the Ground Lease, the Permits, the Records and the Warranties, and Seller's interest in the Real Property, collectively.

1.20 Purchase Price. The purchase price for the Property described in Article 3.

1.21 Real Property. The Land and the Improvements, collectively.

1.22 Records. All records in Seller's possession or control relating to the Real Property, the Personal Property, the Leases, the Permits and the Warranties, including (a) all records regarding real estate taxes and assessments, insurance, maintenance, repairs, capital improvements and services, (b) all, reports and studies (including soil, engineering, environmental reports or tests, including all drafts and letters and other documents which order, describe or limit the scope of such tests, reports or studies, (c) all originals and copies of surveys, blueprints, plans and specifications regarding the Real Property and the Personal Property, and (d) equipment manuals.

- D.
- 1.23 Side Letter Agreement. That side letter attached hereto and made a part hereof as Exhibit
- 1.24 Survey. The survey of the Property described in Section 5.1.
- 1.25 Title Company. The Minneapolis office of First American Title Insurance Company.
- 1.26 Title Evidence. The title evidence with respect to the Property described in Section 5.1.
- 1.27 Warranties. All warranties and guaranties in Seller's possession or control given to, assigned to or benefiting Seller, the Real Property or the Personal Property, regarding the acquisition, construction, design, or operation of the Real Property or the Personal Property.

Article 2. Purchase, Sale and Assignment. Seller hereby agrees to sell, and Purchaser hereby agrees to purchase, upon and subject to the terms and conditions hereinafter set forth, the Improvements and the Personal Property and to assign the Ground Lease to Purchaser.

Article 3. Purchase Price. Purchaser shall pay to Seller as and for the Purchase Price for the purchase and assignment referenced in Article 2 above the sum of One Dollar (\$1.00). The Purchase Price shall be paid in cash or by certified or cashier's check or wire transfer of immediately available funds on the Closing Date.

Article 4. Closing.

4.1 Closing Date. The Closing shall occur on at least five (5) days' prior written notice from Purchaser to Seller, but in no event later than the first business day occurring ten (10) days after the Contingency Date. If Purchaser fails to deliver such notice on or before the Contingency Date, the Closing shall occur on the first business day that occurs ten (10) days after the Contingency Date. The Closing shall be an escrow closing and take place at the offices of Title Company or at such other place, date and time as Seller and Buyer may agree.

4.2 Seller's Closing Documents. At Closing, Seller shall execute, acknowledge (where appropriate), and deliver to Purchaser the following, each dated as of the Closing Date and in form and substance reasonably satisfactory to Purchaser:

4.2.1 A warranty bill of sale conveying to Purchaser the Improvements and Personal Property, subject only to Permitted Exceptions.

4.2.2 An assignment of the Ground Lease assigning to Purchaser all of Seller's right, title and interest in the Ground Lease, including any subordination agreements and other documents or instruments relating to the Ground Lease, security deposits (including any non-cash securities or documents deposited for such purposes) and accrued interest, and prepaid rents or collections regarding the Ground Leases, subject only to Permitted Exceptions (the "**Assignment**").

4.2.3 A general assignment assigning to Purchaser all of Seller's right, title and interest in the Permits and the Warranties, subject only to Permitted Exceptions.

4.2.4 A certificate certifying that the representations and warranties contained in Section 7.1 of this Agreement are true and correct as of the Closing Date.



4.2.5 An affidavit of Seller regarding liens, judgments, residence, tax liens, bankruptcies, parties in possession, survey and mechanics' or materialmen's liens in the form attached hereto as Exhibit E.

4.2.6 Notice to the ground lessor under the Ground Lease advising such ground lessor of the sale of the assignment of the Ground Lease.

4.2.7 A transferor's certification stating that Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code, and containing such additional information as may be required thereunder.

4.2.8 Any appropriate required Federal Income Tax reporting form.

4.2.9 All documents and instruments which (a) Purchaser or Title Company may reasonably determine are necessary to transfer the Improvements and Personal Property to Purchaser and assign the Ground Lease to Purchaser, subject only to the Permitted Exceptions, (b) Purchaser or Title Company may reasonably determine are necessary to evidence the authority of Seller to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant to this Agreement, (c) Title Company may require as a condition to issuing the title insurance policy described in Section 6.1.2, or (d) may be required of Seller under applicable law, including any revenue or tax certificates or statements, or any affidavits, certifications or statements relating to the presence (or absence) of wells about the Property, the presence (or absence) of storage tanks about the Property, or the extent of compliance of any of the Property with applicable law.

4.2.10 A settlement statement consistent with this Agreement.

4.2.11 The Side Letter Agreement.

4.2.12 The Estoppel required pursuant to Section 8.3, executed and delivered by the ground lessor under the Ground Lease.

4.2.13 The Business Subsidy Agreement.

4.3 Purchaser's Closing Deliveries. At Closing, Purchaser shall cause to be delivered to Seller:

4.3.1 The Purchase Price, in cash or by certified or cashier's check or by wire transfer of immediately available funds.

4.3.2 The Assignment.

4.3.3 All documents and instruments, each executed and acknowledged (where appropriate) by Purchaser, which (a) Seller or Title Company may reasonably determine are necessary to evidence the authority of Purchaser to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Purchaser pursuant to this Agreement, or (b) may be required of Purchaser under applicable law, including any purchaser's affidavits or revenue or tax certificates or statements.

4.3.4 A settlement statement consistent with this Agreement executed by Purchaser.

4.3.5 The Side Letter Agreement.

4.3.6 The Business Subsidy Agreement.

4.3.7 The Remediation Agreement, if required pursuant to Section 8.4.2.

4.4 Closing Escrow. Purchaser and/or Seller at their option may deposit the respective Closing deliveries described in Sections 4.2 and 4.3 with Title Company with appropriate instructions for recording and disbursement consistent with this Agreement.

4.5 Closing Adjustments. The following adjustments shall be made at Closing:

4.5.4 To the extent required to be paid by Seller under the Ground Lease, general real estate taxes applicable to any of the Property due and payable in the year of Closing shall be prorated between Seller and Purchaser on a daily basis as of the Closing Date based upon a calendar fiscal year, with Seller paying those allocable to the period prior to the Closing Date and Purchaser being responsible for those allocable subsequent thereto. Seller shall pay in full all “green acres”, catch-up or other deferred taxes applicable to any of the Property as of the Closing Date. Personal property taxes applicable to any of the Personal Property due and payable in the year of Closing shall be prorated between Seller and Purchaser on a daily basis as of the Closing Date based upon a calendar fiscal year, with Seller paying those allocable to the period prior to the Closing Date and Purchaser being responsible for those allocable subsequent thereto.

4.5.5 To the extent Seller is required to pay any special assessments under the Ground Lease, Seller shall pay in full all special assessments (and charges in the nature of or in lieu of such assessments) levied, pending or constituting a lien with respect to any of the Real Property as of the Closing Date.

4.5.6 Seller shall pay the cost of recording all documents, to be delivered by Seller to Purchaser, necessary to place record title to the Improvements in Seller in the condition required pursuant to Sections 5.2 and 5.3. Purchaser will pay the cost of recording all other documents.

4.5.7 Seller will pay the costs of the Commitment. Purchaser shall pay all premiums required for an owner’s and mortgagee’s title insurance policy.

4.5.8 Seller and Purchaser shall each pay one half (1/2) of any Closing fee payable to Title Company with respect to the transaction contemplated by this Agreement.

4.5.9 Except as provided in Article 13, Seller and Purchaser shall each pay its own attorneys’ fees incurred in connection with this transaction.

4.5.10 Subject to the terms of the Access Agreement, all utility expenses, including water, fuel, gas, electricity, telephone, sewer, trash removal, heat and other services furnished to or provided for the Real Property shall be prorated between Seller and Purchaser on a daily basis as of the Closing Date, with Seller paying those allocable to the period prior to the Closing Date and Purchaser being responsible for those allocable subsequent thereto. Seller agrees to have all meters with respect to any such utilities read as of the Closing Date.

4.5.9 Subject to the terms of the Access Agreement, all other operating costs of the Real Property and operating expenses under the Ground Lease shall be prorated between Seller and Purchaser on a daily basis as of the Closing Date, with Seller paying those allocable to the period prior to the Closing Date and Purchaser being responsible for those allocable subsequent thereto.

If any of the amounts allocated under this Section 4.5 cannot be calculated with complete precision at Closing because the amount or amounts of one or more items included in such calculation are not then known, then such calculation shall be made on the basis of the reasonable estimates of Seller and Purchaser, subject to prompt adjustment (by additional payment or refund, as necessary) when the amount of any such item or items become known.

4.6 Possession. Seller shall deliver exclusive legal and actual possession of the Real Property to Purchaser on the Closing Date, subject to the Ground Lease.

#### Article 5. Title Examination.

##### 5.1 Title Evidence.

5.1.1 Buyer has ordered a commitment to insure title to the Improvements and Buyer's leasehold interest under the Ground Lease issued by Title Company.

5.1.2 Purchaser, at its expense, may obtain a current survey of the Property in a form acceptable to Buyer in its sole and absolute discretion.

5.1.3 Purchaser may obtain a report of UCC searches of the Uniform Commercial Code records of the secretary of state, county recorder and any other applicable filing location in the jurisdiction in which the Property is located under the Uniform Commercial Code as adopted therein.

5.2 Purchaser's Objections and Requirements. Purchaser shall be allowed until the Contingency Date for examination of the Title Evidence and making any objections to the form and/or content of the same. Any objections not made within said period shall be deemed to be waived by Purchaser and shall be Permitted Exceptions. Notwithstanding the foregoing, Purchaser shall not be required to object to and Seller must remove at Closing any monetary liens or encumbrances, including tax liens or judgements arising by or through Seller or Seller's actions. Purchaser's objections may include, among other matters, additional requirements with regard to the Title Evidence based upon its initial review of the same, including requiring (a) satisfaction of Title Company's requirement as set forth in the Commitment, and (b) revisions to the Title Evidence as to any matters reasonably warranting additional investigation, affirmative insurance and/or certification. Purchaser shall have the renewed right to object to the Title Evidence as the same may be revised or endorsed from time to time.

5.3 Correction of Title. Seller shall be allowed thirty (30) days after the making of Purchaser's objections to cure the same and shall diligently proceed and use its best efforts to do so. Pending such cure, the Closing shall be postponed to the extent necessary to accommodate such time period; provided however, Seller shall not be allowed any additional time beyond the date specified for Closing in Section 4.1 to discharge or satisfy any mortgage, judgment or other monetary lien. Upon such cure, the Closing shall be held on the later of (a) the Closing Date, and (b) the first business day occurring ten (10) days after the date such cure is completed. If such cure is not completed within said thirty (30) day period, Purchaser shall have the option to do any of the following:

5.3.1 Terminate this Agreement.

5.3.2 Waive one or more of its objections and proceed to Closing, in which case such waived objections shall be Permitted Exceptions.

Article 6. Conditions Precedent.

6.1 Conditions in Favor of Purchaser. The obligation of Purchaser to close the transaction contemplated under this Agreement is contingent upon each of the following:

6.1.1 On or before the Contingency Date, Purchaser shall have determined that the matters and conditions disclosed by the reports, investigations and tests received or performed by Purchaser pursuant to Section 8.1 and with its review and analysis of the Permitted Exceptions and the records, including, without limitation, its review of the Ground Lease, and Purchaser has otherwise found the Property to be in a condition satisfactory to proceed to Closing.

6.1.2 On the Closing Date, Title Company shall be irrevocably committed to issue to Purchaser a lessee's policy of title insurance pursuant to the Commitment with respect to the Real Property and any appurtenant easements designated by Purchaser pursuant to Section 5.2, subject only to the Permitted Exceptions and otherwise in a form approved by Purchaser pursuant to Sections 5.2 and 5.3.

6.1.3 On the Closing Date, Purchaser shall have received the Estoppel from ground lessor under the Ground Lease as required pursuant to Section 8.3, and Purchaser shall have determined that it is satisfied with the matters described thereby.

6.1.5 On the Closing Date, each of the representations and warranties of Seller in Section 7.1 shall be true and correct as if the same were made on the Closing Date.

6.1.6 On the Closing Date, Seller shall have performed all of the obligations required to be performed by Seller under this Agreement as and when required under this Agreement.

If any conditions in this Section 6.1 have not been satisfied on or before the applicable date set forth in this Section 6.1 with respect to each condition, then Purchaser may terminate this Agreement by notice to Seller, subject however to Article 13. The conditions in this Section 6.1 are specifically stated and for the sole benefit of Purchaser. Purchaser in its discretion may unilaterally waive (conditionally or absolutely) the fulfillment of any one or more of the conditions, or any part thereof, by notice to Seller.

6.2 Conditions in Favor of Seller. The obligation of Seller to close the transaction contemplated under this Agreement is contingent upon each of the following:

6.2.1 On the Closing Date, each of the representations and warranties of Purchaser in Section 7.2 shall be true and correct as if the same were made on the Closing Date.

6.2.2 On the Closing Date, Purchaser shall have performed all of the obligations required to be performed by Purchaser under this Agreement as and when required under this Agreement.

If any of the conditions in this Section have not been satisfied on or before the applicable date set forth in this Section 6.2 with respect to each condition, then Seller may terminate this Agreement by notice to Purchaser on or before the applicable date, subject however to Article 13. The conditions in this Section 6.2 are specifically stated and for the sole benefit of Seller. Seller in its discretion may unilaterally waive any one or more of the conditions, or any part thereof, by notice to Purchaser.

6.3 Cooperation. The parties shall cooperate with each other to all reasonable extents and without charge in the parties' attempts to satisfy the condition set forth in Sections 6.1 and 6.2, respectively, including executing such documents as may be reasonable requested by the other in connection therewith.

Article 7. Representations and Warranties.

7.1 Seller's Representations and Warranties. Seller represents and warrants to Purchaser as of the date of this Agreement as follows:

7.1.1 Seller has good and marketable title to the Improvements, subject to no liens, easements, restrictions or other encumbrances other than the Ground Lease and Permitted Exceptions.

7.1.2 Seller has not entered into any contracts for the sale of any of the Improvements or Personal Property or to assign its interest under the Ground Lease other than this Agreement. Seller has received no notice of and has no knowledge of any rights of first refusal or first offer, options to purchase any of the Improvements or Personal Property, to acquire Seller's interest under the Ground Lease or any other rights or agreements which may delay or prevent this transaction.

7.1.3 There has been no labor or materials of any kind furnished to or for the benefit of the Real Property at the request of Seller for which payment in full has not been made.

7.1.4 To the knowledge of Seller, no person or entity is entitled to possession of any of the Real Property, other than Seller and except pursuant to Permitted Exceptions, the Ground Lease and Purchaser under the Access Agreement.

7.1.5 Seller has received no notice of and has no knowledge of any pending or proposed special assessments affecting the Real Property or any proposed or pending public improvements which may give rise to any special assessments affecting the Real Property.

7.1.6 Seller has received no notice of and has no knowledge of any pending or threatened condemnation or transfer in lieu thereof affecting any of the Real Property, nor has Seller agreed or committed to dedicate any of the Land.

7.1.7 Seller has received no notice of and has no knowledge of any action, litigation, investigation or proceeding of any kind pending or threatened against Seller or any of the Real Property, and Seller knows of no facts which could give rise to any such action, litigation, investigation or proceeding.

7.1.8 There is no "well" (as defined in Minnesota Statutes § 103I.005, Subd. 21) located about the Property. Seller has delivered to Purchaser the well disclosure statement required pursuant to Minnesota Statutes § 103I.235, Subd. 1(a).

7.1.9 There is no "individual sewage treatment system" (as defined in Minnesota Statutes § 115.55, Subd. 1(g)) located about the Property. Seller has delivered to Purchaser the individual sewage treatment system disclosure statement required pursuant to Minnesota Statutes § 115.55, Subd. 6.

7.1.10 No methamphetamine production has occurred on the Land.

7.1.11 Seller has delivered or, within the time frame provided in Section 8.2, shall deliver to Purchaser true, correct and complete copies of the Ground Lease, together with any amendments or modifications thereto. Seller has a valid leasehold interest under the Ground Lease. The Ground Lease is in full force and effect and neither Seller nor ground lessor is in default of their respective obligations and liabilities under the Ground Lease. No consents or approvals (including, without limitation, the consent or approval of ground lessor under the Ground Lease) are required in connection with the assignment of the Ground Lease by Seller to Purchaser. There are no other leases or possessory rights of others regarding any of the Property.

7.1.12 Seller has delivered or, within the time frame provided in Section 8.2, shall deliver to Purchaser true, correct and complete copies of the Records in Seller's custody and control. Seller does not warrant and shall not be responsible for the accuracy or completeness of any Record not prepared by Seller or an affiliate of Seller or their conclusions or recommendations unless Seller or any affiliate has knowledge that the same are inaccurate, incomplete or misleading in any material respect.

7.1.13 Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

7.1.14 Seller is not a "foreign person", "foreign partnership", "foreign trust" or "foreign estate" as those terms are defined in Section 1445 of the Internal Revenue Code.

7.1.15 Seller has good and marketable title to the Personal Property, free and clear of all liens or other encumbrances other than the Permitted Exceptions.

7.1.16 Seller has been duly formed under the laws of the State of Minnesota and is in good standing under the laws of the jurisdiction in which the Property is located, is duly qualified to transact business in the jurisdiction in which the Property is located, and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto. This Agreement has been duly executed and delivered by Seller and is a valid and binding obligation of Seller enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Seller pursuant hereto have each been duly authorized by all necessary corporate action on the part of Seller and that such execution, delivery and performance does and will not conflict with or result in a violation of Seller's articles of organization, by-laws or LLC Agreement, or any judgment, order or decree of any court or arbiter to which Seller is a party, or any agreement to which Seller and/or any of the Property is bound or subject, including the Ground Lease.

7.1.17 Except as disclosed on the environmental reports described on the attached Exhibit G, Seller has received no notice of and has no knowledge (a) that any Hazardous Material are or have ever been generated, manufactured, buried, spilled, leaked, discharged, emitted, stored, disposed of, used or released about the Real Property, in violation of Hazardous Material Laws, and such condition as not been remediated in accordance with Hazardous Material Laws, or (b) of any, requests, notices, investigations, demands, administrative proceedings, hearings, litigation or other action proposed, threatened or pending relating to any of the Real Property and alleging non-compliance with or liability under any Hazardous Material Law, or (c) that any above-ground or

underground storage tanks or other containment facilities of any kind containing any Hazardous Materials are located about the Property.

If Seller learns that any of the foregoing representations and warranties are untrue in any material respect, Seller shall promptly deliver written notice of such event to Purchaser. Consummation of this Agreement by Purchaser with knowledge of any such breach shall constitute a waiver or release by Purchaser of any claims arising out of or in connection with such breach. The foregoing representations and warranties (including as remade pursuant to Section 4.2.4) shall survive termination of this Agreement. Seller shall have no liability with respect to any breach of a particular representation and warranty if Purchaser shall fail to (a) notify Seller thereof within a reasonable time after discovery thereof, or (b) commence an action against Seller with respect to the breach in question within twelve (12) months after discovery thereof by Purchaser.

7.2 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller as of the date of this Agreement as follows:

7.2.1 Purchaser has been duly formed under the laws of the State of Wisconsin and has the requisite power and authority to enter into and perform this Agreement and the documents and instruments required to be executed and delivered by Purchaser pursuant hereto. This Agreement has been duly executed and delivered by Purchaser and is a valid and binding obligation of Purchaser enforceable in accordance with its terms. This Agreement and the documents and instruments required to be executed and delivered by Purchaser pursuant hereto have each been duly authorized by all necessary corporate action on the part of Purchaser and that such execution, delivery and performance does and will not conflict with or result in a violation of Purchaser's articles of organization, by-laws or LLC Agreement, or any judgment, order or decree of any court or arbiter to which Purchaser is a party, or any agreement to which Purchaser and/or any of the Property is bound or subject.

7.2.2 Purchaser has not (i) made a general assignment for the benefit of creditors, (ii) filed any involuntary petition in bankruptcy or suffered the filing of any involuntary petition by Purchaser's creditors, (iii) suffered the appointment of a receiver to take possession of all or substantially all of Purchaser's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Purchaser's assets, (v) admitted in writing its inability to pay its debts as they come due, or (vi) made an offer of settlement, extension or composition to its creditors generally.

If Purchaser learns that any of the foregoing representations and warranties are untrue in any material respect, Purchaser shall promptly deliver written notice of such event to Seller. Consummation of this Agreement by Seller with knowledge of any such breach shall constitute a waiver or release by Seller of any claims arising out of or in connection with such breach. The foregoing representations and warranties shall survive termination of this Agreement. Purchaser shall have no liability with respect to any breach of a particular representation and warranty if Seller shall fail to (a) notify Purchaser thereof within a reasonable time after discovery thereof, or (b) commence an action against Purchaser with respect to the breach in question within twelve (12) months after discovery thereof by Purchaser.

#### Article 8. Inspection; Condition of Property at Closing.

8.1 Right of Entry. During the Executory Period, Purchaser and its employees, agents and independent contractors shall have the right to enter the Property pursuant to the terms of the Access Agreement. If Purchaser determines in its sole and absolute discretion that the Property is not suitable for Purchaser's intended purposes, Purchaser may terminate this Agreement at any time by delivering written

notice of its election to do so not later than the Contingency Date, in which event this Agreement shall terminate.

8.2 Delivery Requirements. To the extent not previously delivered by Seller to Purchaser, Seller shall deliver to Purchaser within five (5) business days after mutual execution and delivery of this Agreement true and complete copies of each of the Ground Lease, the Permits, the Records and the Warranties.

8.3 Estoppel Certificate. Promptly following the mutual execution and delivery of this Agreement, Seller shall obtain and deliver to Purchaser not later than the Contingency Date an estoppel certificate in the form of Exhibit F from ground lessor under the Ground Lease (the “**Estoppel**”). If Seller is unable to timely meet the requirements herein, Purchaser may, as its sole and exclusive remedy, either: (i) waive the requirement that the Estoppel be signed by the ground lessor (receive the Estoppel from Seller as provided herein) and proceed to Closing, or (ii) terminate this Agreement in which event all other rights and duties under this Agreement shall cease.

8.4 Environmental Issues.

8.4.1 Environmental Reports. Seller has furnished copies of the environmental reports attached hereto as Exhibit G to Purchaser as of the date of this Agreement and Purchaser acknowledges receipt thereof. Seller represents that Exhibit G includes all reports pertaining to environmental conditions of the Real Property in the possession or control of Seller.

8.4.2. PFAS/Sewer Remediation/Fire System Repair. The environmental reports attached hereto as Exhibit G disclosed the existence of certain Hazardous Materials, including Per-and polyfluoroalkyl substances (“**PFAS**”) on the Real Property and the need to cause repair to the fire suppression System in the Building. Purchaser has had a full and complete opportunity to independently investigate and determine the existence of and the extent of PFAS and other Hazardous Materials on the Real Property and the need to make repairs to the fire suppression system. After Closing, Purchaser shall use commercially reasonable efforts to complete the work described on the attached Exhibit H, including the removal and disposal of the PFAS on the Property (the “**Remediation Work**”); provided, however, that Purchaser may, but shall not be obligated to, replace the sprinkler feed lines, as needed, before Closing (to the extent Buyer commences such work, the “**Pre-Closing Work**”). In addition, the amounts to complete the Remediation Work specified in Exhibit H are current estimates and shall be subject to change. Purchaser and Seller hereby acknowledge and agree that the Pre-Closing Work may exceed \$40,000, which constitutes capital repairs under the Access Agreement. As a condition of this Agreement, DEDA has agreed that it will, if and after Purchaser has closed on the acquisition of the Real Property, reimburse Purchaser for up to \$470,000 of the costs incurred by Purchaser of completing the Remediation Work, including the Pre-Closing Work, which may include without limitation, remediating, treating, removing and disposing of the PFAS materials, any contaminated fire suppression system piping and equipment, any contaminated sewer system facilities and any related contamination of or on the Real Property by Purchaser and to make any needed repairs to the fire suppression system, all in accordance with Exhibit H, upon presentation of documentation to Seller reasonably satisfactory to Seller's Executive Director that said work has been accomplished in accordance with Exhibit H and all applicable Hazardous Materials Law. Said amount shall be deemed to be in the form of a loan forgivable upon the same conditions as the Minnesota Investment Fund loan granted to Purchaser by the City of Duluth pursuant to City of Duluth contract no. [REDACTED]. The foregoing loan shall be forgiven upon Purchaser's presentation of documentation to Seller reasonably satisfactory to Seller's Executive Director that that Purchaser (or its affiliates) has invested at least \$7,000,000 on constructing new improvements, redeveloping or otherwise improving the Real Property and, if acquired by Purchaser, the property located at 4514 Taylor Circle and common referred to as the “Incubator building”, and (ii) any costs incurred by Purchaser in acquiring the “Incubator building” located



at 4514 Taylor Circle. Within thirty (30) days after being presented with such materials, the Executive Director shall confirm in writing that the information presented is sufficient and issue a notice of forgiveness. If the Closing does not occur for any reason other than a default by Seller, and Purchaser has completed any Pre-Closing Work prior to the date of such termination, Purchaser shall, at Seller's request, return the Improvements to substantially the same condition that existed prior to commencing the Pre-Closing Work.

8.4.3. Other Pre-existing Environmental Liability. Except for liability arising out of the existence of the PFAS materials referenced in Paragraph 8.4.2 above, Seller agrees to defend and indemnify Purchaser from any and all claims, liabilities and lawsuits commenced by any governmental authorities related to the completion of remediation resulting from the existence of Hazard Materials existing on the Real Property prior to the date of the Access Agreement.

8.4.3 Purchaser's Waiver. Subject to Seller's representations and warranties in this Agreement, and the terms of Seller's commitment pursuant to Paragraph 8.4.3 above and any documents delivered at Closing and Seller's payment of the Remediation Costs, Purchaser agrees to (i) accept the Real Property in "as is/where is" condition, including but not limited to the existence of any Hazardous Materials on the Real Property, and (ii) complete any further remediation required by any Hazardous Material Laws related to Hazardous Materials existing on the Real Property on the date of Closing and defend and indemnify Seller from any and all claims, liabilities and lawsuits commenced by any governmental authorities related to the completion of such remediation. Notwithstanding the foregoing, Purchaser shall not be required to indemnify Seller against any third party claims for injuries sustained before Closing by exposure to Hazardous Materials existing on the Real Property prior to the Closing Date. The terms and conditions of this Section 8.4 shall survive the Closing.

Article 9. Operation Pending Closing. During the Executory Period, Seller shall (a) operate, maintain and manage the Property in a manner substantially similar to its past practice, (b) not lease, convey or otherwise transfer any of the Property, (c) execute no contracts, lease, or other agreements regarding any of the Property (including any amendment or modification thereof) without the consent of Purchaser, (d) undertake no repairs or alterations of the Property of a capital nature without the consent of Purchaser, and (e) promptly deliver to Purchaser a copy of any notice, consent, waiver, request or other communication Seller receives from any public or private entity with respect to any of the Property or Ground Lease, including, without limitation, any notices from ground lessor under the Ground Lease.

Article 10. Indemnities.

10.1 Seller's Indemnities. Subject to Section 8.4.3, Seller hereby agrees to indemnify and hold Purchaser harmless from and against all liabilities incurred by Purchaser by reason of any of the following:

10.1.1 The breach of any of the representations and warranties set forth in Section 7.1 (including as remade pursuant to Section 4.2.6) or any other provision of this Agreement or any instrument delivered pursuant hereto.

10.1.2 The operation of the Property on or prior to Closing.

10.2 Purchaser's Indemnities. Purchaser hereby agrees to indemnify and hold Seller harmless from and against all liabilities incurred by Seller by reason of any of the following:

10.2.1 The breach of any of the representations and warranties set forth in Section 7.2 or any other provision of this Agreement or any instrument delivered pursuant hereto.

10.2.2 Purchaser's entry upon the Property pursuant to Section 8.1

10.2.3 Purchaser's operation of the Property following Closing.

10.3 Survival. The terms of this Article 10 shall survive termination of this Agreement.

Article 11. Casualty; Condemnation.

11.1 If prior to Closing any of the Property is damaged or destroyed by fire or other casualty, Seller shall immediately give notice thereof to Purchaser, and Purchaser at its option (to be exercised within thirty (30) days after Seller's notice) may either (a) terminate this Agreement, or (b) proceed to Closing and receive at Closing a payment or an assignment of all amounts recovered or recoverable by Seller on account of insurance on the Property. Prior to Closing, Seller shall not adjust any casualty insurance on the Property or commence any repair or restoration of any damage or destruction without the consent of Purchaser, which consent shall not be unreasonably withheld.

11.2 If prior to Closing eminent domain proceedings are commenced against any portion of the Property, Seller shall immediately give notice thereof to Purchaser, and Purchaser at its option (to be exercised within thirty (30) days after Seller's notice) may either (a) terminate this Agreement, or (b) proceed to Closing and receive at Closing either a credit against the Purchase Price in the amount of the award, in the case of a completed eminent domain proceeding, or an assignment of all rights in eminent domain, in the case of a pending eminent domain proceeding. Prior to Closing, Seller shall not designate counsel, appear in, or otherwise act with respect to any eminent domain proceedings, or commence any repair or restoration resulting therefrom, without the consent of Purchaser.

Article 12. Brokers. Except for the commission payable to Broker, which shall be paid by Seller at Closing, each of the parties represents to the other that such party has not incurred any brokerage commission or finder's fee as a result of this transactions and each party agrees to hold the other harmless from all liabilities incurred by the other relating to such brokerage commission or finder's fee incurred as a result of the actions of such party. The provisions of this Article 12 shall survive termination of this Agreement.

Article 13. Default. If either party shall default in any of their respective obligations under this Agreement, the other party, by notice to such defaulting party specifying the nature of the default and the date on which this Agreement shall terminate (which date shall be not less than thirty (30) days after the giving of such notice), may terminate this Agreement, and upon such date, unless the default so specified shall have been cured, this Agreement shall terminate. In the case of any default by either party, the non-defaulting party's sole and exclusive remedy shall be either termination of this Agreement as provided above or the right to specifically enforce this Agreement, provided that any action therefor is commenced within six (6) months after such right arises. In any action or proceeding to enforce this Agreement or any term hereof the prevailing party shall be entitled to recover its reasonable costs.

Article 14. Termination; Confirmation. Except as expressly provided in this Agreement to the contrary, if this Agreement is terminated pursuant to the terms hereof, the respective rights of Seller and Purchaser arising out of this Agreement shall immediately cease.

Article 15. Assignability. Purchaser may not assign its rights under this Agreement without the prior written consent of Seller. In addition, in no event shall Purchaser be entitled to sell, convey, lease or otherwise alienate, permanently or temporarily, the Real Property for any purpose other than an aeronautical

purpose or use. For the purposes of the foregoing, aircraft manufacturing, testing, servicing, sales and training shall be considered uses for aeronautical purposes.

Article 16. Confidentiality. Seller and Purchaser agree to retain the confidentiality of the identity of the other and of the terms of this Agreement, and not to disclose the same to any third party other than to employees, attorneys, accountants or other consultants and other than to the extent required by applicable law. Provided, however, that this Purchase Agreement and all data regarding it shall be subject to the terms and requirements of Minnesota Statutes Chapter 13, the Minnesota Government Data Practices Act..

Article 17. Notices. Any notice, consent, waiver, request or other communication required or provided to be given under this Agreement shall be in writing and shall be sufficiently given and shall be deemed given when delivered personally or when mailed by certified or registered mail, return receipt requested, postage prepaid, or when dispatched by nationally recognized overnight delivery service, in any event, addressed to the party's address as follows:

If to Seller:	DEDA of Duluth Room 400 City Hall 411 West First Street Duluth, MN 55802
If to Purchaser:	Cirrus Design Corp. 4515 Taylor Circle Duluth, MN 55811 Attn: Purchasing
with copy to:	Cirrus Design Corp. 4515 Taylor Circle Duluth, MN 55811 Attn: Legal Department
and a copy to:	Faegre Drinker Biddle & Reath LLP 2200 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402 Attn: Allen Wheeler, Esq.

or to such party at such other address as such party, by ten (10) days prior written notice given as herein provided, shall designate, provided that no party may require notice to be sent to more than two (2) addresses. Any notice given in any other manner shall be effective only upon receipt by the addressee.

Article 18. Tax Deferred Exchange. Seller acknowledges that Purchaser may elect to acquire any of the Property in connection with the completion of a tax-deferred exchange under Section 1031 of the Internal Revenue Code of 1986. Seller hereby agrees to take such steps as Purchaser may reasonably require in order to complete such tax-deferred exchange, including accepting payment of all or a portion of the Purchase Price from a third party.

Article 19. Miscellaneous.

19.1 Entire Agreement; Modification. This Agreement embodies the entire agreement and understanding between Seller and Purchaser, and supersedes any prior oral or written agreements, relating to this transaction. This Agreement may not be amended, modified or supplemented except in a writing

executed by both Seller and Purchaser. No term of this Agreement shall be waived unless done so in writing by the party benefited by such term.

19.2 Survival; No Merger. The terms of this Agreement shall survive and be enforceable after the Closing and shall not be merged therein.

19.3 Governing Law. This Agreement shall be construed under and governed by the laws of the State of Minnesota.

19.4 Severability. If any term of this Agreement or any application thereof shall be invalid or unenforceable, the remainder of this Agreement and any other application of such term shall not be affected thereby.

19.5 Time of the Essence; Calculation of Time Periods; Expiration. Time is of the essence under this Agreement. In computing any period of time described in this Agreement, if the last day of the designated period is a Saturday, Sunday, or legal holiday, the period shall run until the next day which is not a Saturday, Sunday, or legal holiday.

19.5 Construction. The rule of strict construction shall not apply to this Agreement. This Agreement shall not be interpreted in favor of or against either Seller or Purchaser merely because of their respective efforts in preparing it.

19.6 Captions, Gender, Number and Language of Inclusion. The article and section headings in this Agreement are for convenience of reference only and shall not define, limit or prescribe the scope or intent of any term of this Agreement. As used in this Agreement, the singular shall include the plural and vice versa, the masculine, feminine and neuter adjectives shall include one another, and the following words and phrases shall have the following meanings: (i) “including” shall mean “including but not limited to”, (ii) “terms” shall mean “terms, provisions, duties, covenants, conditions, representations, warranties and indemnities”, (iii) “any of the Property” shall mean “the Property or any part thereof or interest therein”, (iv) “rights” shall mean “rights, duties and obligations”, (v) “liabilities” shall mean “liabilities, obligations, damages, fines, penalties, claims, demands, costs, charges, judgments and expenses, including reasonable attorneys’ fees”, (vi) “incurred by” shall mean “imposed upon or suffered or incurred or paid by or asserted against”, (vii) “applicable law” shall mean “all applicable Federal, state, county, municipal, local or other laws, statutes, codes, ordinances, rules and regulations”, (viii) “about the Property” shall mean “in , on, under or about the Property”, (ix) “operation” shall mean “use, non-use, possession, occupancy, condition, operation, maintenance or management”, and (x) “this transaction” shall mean “the purchase, sale and related transactions contemplated by this Agreement”.

19.7 Binding Effect. This Agreement shall inure to the benefit of and shall bind the respective heirs, executors, administrators, successors and assigns of Seller and Purchaser.

19.8 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be effective upon delivery and, thereafter, shall be deemed to be an original, and all of which shall be taken as one and the same instrument with the same effect as if each party had signed on the same signature page. This Agreement may be transmitted by fax or by electronic mail in portable document format (“pdf”) and signatures appearing on faxed instruments and/or electronic mail instruments shall be treated as original signatures. At the request of either party, any electronic or facsimile document is to be re-executed in original form by the parties who executed the electronic or facsimile document.

*[Signature page follows]*

SIGNATURE PAGE  
FOR  
PURCHASE AGREEMENT

Seller has caused this Agreement to be executed and delivered as of the date first above written.

SELLER:

DULUTH ECONOMIC DEVELOPMENT  
AUTHORITY, an economic development authority  
under Minnesota Statutes (1989) Chapter 469

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: President \_\_\_\_\_

By: \_\_\_\_\_  
Its Secretary

SIGNATURE PAGE  
FOR  
PURCHASE AGREEMENT

Purchaser has caused this Agreement to be executed and delivered as of the date first above written.

PURCHASER:

CIRRUS DESIGN CORPORATION d/b/a  
CIRRUS AIRCRAFT, a Wisconsin corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

JOINDER OF TITLE COMPANY

The undersigned hereby agrees to act as Title Company under the foregoing Purchase Agreement.

FIRST AMERICAN TITLE INSURANCE COMPANY

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

EXHIBIT A

Legal Description of the Land

That part of the N-1/2 of Section 1, Township 50 North, Range 15 West of the Fourth Principal Meridian in Duluth (St. Louis County), Minnesota, described as follows:

Commencing at the Northwest corner of said Section 1, thence Southerly, along the West line of said Section 1, a distance of 1119.45 feet; thence deflect 90°-00'-00" to the left in an Easterly direction a distance of 950.24 feet; thence deflect 19°-58'-30" to the left in a Northeasterly direction a distance of 700.00 feet to the point of beginning of the parcel of land to be described; thence deflect 90°-00'-00" to the right in a Southeasterly direction a distance of 1236.00 feet to the runway visibility line as shown on the Duluth International Airport Master Plan dated 4/10/92; thence deflect 90°-00'-00" to the left in a Northeasterly direction, along said visibility line, a distance of 1375.00 feet; thence deflect 90°-00'-00" to the left in a Northwesterly direction a distance of 1236.00 feet; thence deflect 90°-00'-00" to the left in a Southwesterly direction, along a line 1236.00 feet distant and parallel with said visibility line, a distance of 1375.00 feet to the point of beginning.

The above described parcel of land contains approximately 39.01 acres of land, more or less.



EXHIBIT B

Description of Personal Property

EXHIBIT C

Business Subsidy Agreement

THIS BUSINESS SUBSIDY AGREEMENT (this “**Agreement**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the “**Effective Date**”), by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 (“**Seller**”), and CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation (the “**Purchaser**”).

RECITALS

- A. The Seller and Purchaser are parties to a Purchase Agreement dated \_\_\_\_\_, 2022 (the “**Purchase Agreement**”) with respect to the purchase of certain Improvements located in Duluth, Minnesota (the “**City**”) and Personal Property and the assignment of a Ground Lease, all as such terms are defined in the Purchase Agreement.
- B. The Purchase Price (as defined in the Purchase Agreement) is one dollar, which the Seller and Purchaser have agreed constitutes a “business subsidy” within the meaning of the Minnesota Business Subsidy Act (Minn. Stat. § 116J.993 – § 116J.995 and its successor statute) (the “**Act**”).
- C. As a condition to granting such subsidy, the City has required that the Purchaser enter into this Agreement, which constitutes the “Business Subsidy Agreement” for purposes of the Act.
- D. All capitalized terms used in this Agreement not otherwise defined are used with the definition provided in Section IV below.

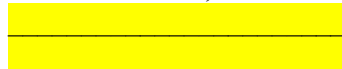
**NOW, THEREFORE**, the parties agree as follows:

**I. ACT REQUIREMENTS.**

1. The subsidy, including the amount and type of subsidy, and type of district if the subsidy is tax increment financing, is described as follows:  
  
The below market Purchase Price (as defined in the Purchase Agreement) constitutes a subsidy to the Purchaser with the fair market value of the subsidy estimated to be \$9,850,900.
2. The public purposes for the subsidy are to increase Purchaser’s net jobs in the City and encourage economic development.
3. The measurable, tangible and specific goals for the subsidy are as follows:
  - A. Maintain one thousand two hundred and six (1,206) full-time equivalent (“**FTE**”) permanent non-seasonal jobs within the State of Minnesota as of the Compliance Date.
  - B. Create at least eighty (80) new jobs between the Effective Date and the Compliance Date with wages of at least \$36.05 per hour, exclusive of Benefits, within the State of Minnesota.
  - C. All new jobs created between the Effective Date and the Compliance Date shall pay at least \$14.01 per hour, exclusive of Benefits.

4. If the goals set forth in Section I.3 above are not satisfied, the Purchaser shall pay the Seller as required in Section II of this Agreement.
5. The subsidy is needed because there are alternative locations under consideration and the project cost is economically infeasible without the subsidy.
6. The Purchaser covenants and agrees to continue operations in the City for five (5) years after the Benefit Date.
7. The name and address of the parent corporation of the Purchaser, if any, is:

Cirrus Industries, Inc.



8. The following is a list of all financial assistance by all grantors for the project:  
In addition to the subsidy provided under the Purchase Agreement, the Purchaser has received or expects to receive as part of this project the following financial assistance from other “grantors” as defined in the Act: up to \$600,000 from the City pursuant to a Tax Abatement Agreement bearing City contract No. \_\_\_\_\_, up to \$600,000 in tax abatement proceeds from St. Louis County, Minnesota and a Minnesota Investment Fund loan from the State of Minnesota in the amount of \$500,000.
9. The Seller represents that: (1) this Agreement has been approved by the Duluth city council as required by Section 116J.994, subd. 3(d) of the Act; and (2) before entering into the Purchase Agreement Seller provided public notice and a hearing on the subsidy as required by Section 116J.994, subd. 5 of the Act and checked with the compilation and summary report required by Section 116J.994, subd. 6 of the Act to determine if Purchaser is eligible to receive the subsidy.

## **II. DEFAULT ON BUSINESS SUBSIDY REQUIREMENTS.**

1. If the Purchaser fails to meet the job and wage goals set forth in Section I.3 above on the Compliance Date, the Seller may, after holding a public hearing, extend the Compliance Date for one year. If no extension occurs, or if after the extension the Purchaser fails to meet the job and wage goals by the Compliance Date as extended, the Purchaser will be required to repay to the Seller the Pro Rata Share of the subsidy plus Interest, which shall commence to accrue as of the Benefit Date.
2. The remedies in this Section II are the Seller’s sole remedies for failure to meet the goals set forth in Section I.3.

## **III. REPORTING REQUIREMENTS.**

1. The Purchaser shall provide to the Seller information regarding job and wage goals and results for two years after the Benefit Date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met on the Compliance Date so long as the Purchaser submits one final reporting demonstrating compliance. If the goals are not met, the Purchaser must continue to provide information until the subsidy is repaid to the extent required by Section II.1. The information must be filed on a form substantially similar to the form attached to this Agreement as Exhibit A and shall include the following:

- (1) the type, public purpose, and amount of subsidies (and type of district, if the subsidy is tax increment financing);
- (2) the hourly wage of each job created with separate bands of wages;
- (3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;
- (4) the date the job and wage goals will be reached;
- (5) a statement of goals identified in this Agreement and an update on achievement of those goals;
- (6) the location of the Purchaser prior to receiving the subsidy;
- (7) the number of employees who ceased to be employed by the Purchaser when the Purchaser relocated to become eligible for the subsidy;
- (8) why the Purchaser did not complete the project described in this Agreement at its previous location, if the Purchaser was previously located at another site in Minnesota;
- (9) the name and address of the parent corporation of the Purchaser, if any;
- (10) a list of all financial assistance by all grantors for the project; and
- (11) other information the Commissioner of the MN Dept. of Employment and Economic Development may request.

2. This information must be provided to the Seller no later than March 1 of each year for the previous year. If the Purchaser does not submit the report, the Seller shall mail the Purchaser a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Purchaser fails to provide a report, the Purchaser must pay to the Seller a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

#### IV. DEFINITIONS.

“**Benefits**” [CITY TO PROVIDE DEFINITION IF THIS REMAINS PART OF THE JOB GOALS IN SECTION I.3 ABOVE.]

“**Benefit Date**” means the earliest of either: (1) when the Improvements are finished for the entire project or (2) when the Purchaser (or any other business) occupies the Improvements.

“**Compliance Date**” means the date that is two (2) years after the Benefit Date, unless extended by up to one year by the Seller under Section II.1 above, in which case the Compliance Date will mean the date approved by the Seller.

“**Interest**” means the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31<sup>st</sup> of the previous year.

“**Pro Rata Share**” with respect to the portion of the subsidy that may need to be repaid under Section II.1 shall mean a fraction the numerator of which is the sum of (a) the number of FTEs by which Purchaser failed to meet the job maintenance goal of 1,206 and (b) the number of jobs by which Purchaser failed to meet the job creation goal of 80 and the denominator of which is one thousand two hundred eighty-six (1,286).

[Remainder of Page is Intentionally Blank]

**IN WITNESS WHEREOF**, the parties have executed this Business Subsidy Agreement on or as of the date first above written.

SELLER:

DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an  
economic development authority under Minnesota Statutes  
(1989) Chapter 469

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: President \_\_\_\_\_

By: \_\_\_\_\_  
Its Secretary

[SIGNATURE PAGE FOR BUSINESS SUBSIDY AGREEMENT]

PURCHASER:

CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT A  
FORM OF ANNUAL REPORT**

**[to be provided by DEDA]**

EXHIBIT D

Side Letter





9. There are no encroachments or boundary line questions affecting the Premises of which Affiant has current actual knowledge except as stated herein: NONE.

Affiant knows the matters herein stated are true and makes this Affidavit for the purpose of inducing the passing of title to the Improvements and all of Company's right, title and interest in the Ground Lease to Cirrus.

\_\_\_\_\_  
Name:

Subscribed and sworn to before me  
this \_\_\_\_ day of \_\_\_\_\_, 2022

\_\_\_\_\_  
Signature of Notary Public or Other Official

EXHIBIT F

Form of Estoppel Certificate

The undersigned, a \_\_\_\_\_ of the CITY OF DULUTH and \_\_\_\_\_ of the DULUTH AIRPORT AUTHORITY (such entities being collectively "Landlord"), hereby certifies and confirms to and agrees with CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation ("Successor Tenant") as follows:

1. Landlord and DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 ("Current Tenant") are the current parties to that certain Ground Lease dated as of December 21, 1994 (the "Lease"), pursuant to which Current Tenant leases certain premises from Landlord located at the Duluth airport, which is legally described on the attached Exhibit A (the "Premises"). A correct and complete copy of the Lease and all amendments thereto are attached hereto as Exhibit B.

2. Landlord understands that Current Tenant is going to assume all of Current Tenant's obligations under the Lease that first arise and relate to periods after the date of such assignment (the "Assignment"). On the date of the Assignment, Successor Tenant shall become the tenant under the Lease. Notwithstanding any provision to the contrary in the Lease, Landlord, to the extent that Landlord's consent is required under the Lease, hereby consents to the Assignment and affirms that from and after the date of Assignment, Successor Tenant shall enjoy all of the rights and benefits of the tenant under the Lease; provided that Successor Tenant, and its successors and assigns, shall use the Premises for aeronautical purposes or uses, which permitted uses include but shall not be limited to aircraft manufacturing, testing, servicing, sales and training.

3. The Lease is in full force and effect in accordance with its terms and, to the knowledge of Landlord, has not been further assigned, supplemented, modified or otherwise amended. The Lease constitutes the entire agreement between Landlord and Current Tenant with respect to the Premises.

4. To Landlord's knowledge, there are no present defaults under the terms and conditions of the Lease, and no event has occurred which, with the giving of notice or passage of time, or both, could result in such a default.

5. The current expiration date of the lease is \_\_\_\_\_, 20\_\_\_\_.

6. The tenant under the Lease (including the Successor Tenant following the Assignment) shall be entitled to extend the Lease to \_\_\_\_\_ pursuant to the terms of the Lease.

7. The rent and other charges due under the Lease are currently paid in full through \_\_\_\_\_, 20\_\_\_\_.

8. Landlord currently holds a Security Deposit (as defined in the Lease) from Current Tenant equal to \$0.00.

This Estoppel Certificate and the representations made herein are given by Landlord with the knowledge that Current Tenant and Successor Tenant and other third parties, including any party providing financing to Successor Tenant in connection with the Assignment (any such party, a “Lender”), may rely upon the truth, accuracy and completeness of this certification. This Estoppel Certificate shall be binding upon the Landlord and its successors and assigns, and shall inure to the benefit of Current Tenant and Successor Tenant, their respective successors and assigns, and any Lender.

Executed this \_\_\_\_ day of \_\_\_\_\_, 2022.

**LANDLORD:**

City of Duluth

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Duluth Airport Authority

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

## EXHIBIT G

### Environmental Reports

1. Building Assessment Update & Limited Phase II ESA Duluth Maintenance Base, 4600 Stebner Road, Duluth, Minnesota prepared for City of Duluth by Environmental Troubleshooters, Inc., ET Project No. 20-0604 (Former # 07-0518), dated October 7, 2020.



To: Cirrus Aircraft

Date : July 21, 2022

Fax # :

Email :

Attn: Alan

Spec Section : Mechanical

Addenda :

Re: Innovation Center – Hanger roof deck

Contractor License # : C005

Viking Automatic Sprinkler shall provide a complete mechanical layout as per plans and specifications prepared by TKDA (for backgrounds) and field surveys. Scope of work will take place only within the hanger and bulk sprinkler piping to the hanger.

All material, design, fabrication, installation and testing shall be per NFPA and local code requirements. This proposal is based on an adequate existing water supply. All work shall start at replacing the bulk piping from the system deluge valves to the hanger (foam test header will be removed)(foam, tanks, foam pumps will be removed by others). The hydrants will be flushed (painted blue by others). This proposal is based on the installation being performed from an unobstructed concrete floor. Submittal will include a PE stamp on the drawings. No work will be performed until the FM issues a permit.

The following items are specifically excluded from our proposal:

- |  |   |
|--|---|
| 💧 FA Panel   | 💧 Modification of building structure        |
| 💧 Bond   | 💧 Modification of existing sprinkler piping |
| 💧 Fire pump and related equipment                  | 💧 Adequate heat                             |
| 💧 Access panels                                    | 💧 Centering of sprinklers in tile           |
| 💧 Painting or protection of pipe and components    | 💧 Glass/ opening equivalence protection     |
| 💧 High Voltage Electrical Wiring                   | 💧 Flanged Tee                               |
| 💧 Water Service                                    | 💧 Kitchen hood systems                      |
| 💧 Cutting and patching                             | 💧 Overtime                                  |
| 💧 Temporary power and services                     | 💧 Charges for electronic CAD files          |
| 💧 Domestic / process water supply solenoid shutoff | 💧 Asbestos testing and removal              |
| 💧 Removal and replacement of existing ceiling      | 💧 Sound Caulking                            |
| 💧 Fire extinguishers                               | 💧 Foam disposal or work                     |
| 💧 Alarms (see other proposal)                      | 💧 Replacing Sprinkler heads                 |

We hereby propose to perform the above defined work for the sum of:

**\$ 369,842.00**

**Three Hundred Sixty-Nine Thousand Eight Hundred Forty-Two 00/100 Dollars**

Bulk Piping to hanger - \$357,800.00

Hydrant Flushing - \$2,580.00

Dry valve replacement (valve that did not trip) - \$9,462.00

This proposal shall remain in effect for <30> days.

Viking Sprinkler will be signatory to those contracts which:

1. Cause Viking to provide indemnification for those acts for which it is responsible and not those for which others are responsible.
2. Provide for payment from the contractor without precedent payment by others.
3. Allow Viking Sprinkler to maintain its lien rights in the event of non-payment of legitimate billings within a reasonable amount of time.
4. Recognize that we are signatory to a collective bargaining unit which may not allow our forces to work during a sanctioned work stoppage.

We will be happy to work with you in developing appropriate wording, or changes to wording, in contracts you normally use.

Our proposal is based upon using an unaltered "AIA Document #A401, Standard Form of Agreement Between Contractor and Subcontractor", or the "Minnesota AGC Standard Subcontract Agreement" with the standard "NECA/Mechanical Contractors Builder's Subcontract Agreement Rider "A" attached or this proposal form as the contract between our companies.

Sincerely,  
Viking Automatic Sprinkler Company

Scott Kishel Sales Representative  
(218) 206-2783

The Above proposal is accepted this \_\_\_\_\_ day of \_\_\_\_\_ 2022  
by \_\_\_\_\_

**Due to the existing pandemic involving COVID-19 and the constantly evolving situation, we reserve the right to an extension of time arising from or related to COVID-19 shutdowns, disruptions and/or business interruptions.**

**In the event of any associated volatility in materials, we reserve the right to adjust all prices based on the cost of materials at the time of contract. The customer may be required to pay for materials at the time of contract to guarantee price.**



Clean Harbors Environmental Services, Inc.  
211 Holiday Avenue  
Cannon Falls, MN 55009  
www.cleanharbors.com

June 7, 2022

Attn: Ms. Amanda Anderson  
Pinnacle Engineering  
11541 95th Avenue North  
Maple Grove, MN 55369

Quote #4044284

Dear Ms. Anderson:

Thank you for considering Clean Harbors Environmental Services, Inc. (Clean Harbors) for your waste management needs. We are pleased to provide you with pricing for the following waste streams. This quotation is based upon the information that you have provided.

We offer our clients a broad spectrum of environmental services and the ability to dispose of hazardous material at or through a Clean Harbors' owned and operated facility. In addition to managing your waste streams, a Clean Harbors' professional can assist you with:

- Waste Transportation & Disposal
- Laboratory Chemical Packing
- Field Services
- 24-Hour Environmental Emergency Response
- Industrial Services
- InSite Services

Clean Harbors has the appropriate permits and licenses for the acceptance and disposal of the waste streams identified within this quotation.

I look forward to servicing your environmental needs. When you are ready to place an order, please contact our Customer Service group at 800.444.4244. If you have any questions or need further assistance, you may reach me at the number below.

Sincerely,

Diane K Ruddle  
Technical Services Account Manager  
Phone: 507.301.2107  
ruddle.diane@cleanharbors.com





**DISPOSAL**

Profile/ Waste Code	Waste Description	Qty	UOM	Price	Total
A22K	LOW BTU ORGANIC LIQUID	6	tote tank < 300g	\$1,638.00	\$9,828.00
<b>Total</b>					<b>\$9,828.00</b>

**TRANSPORTATION**

Dispatch Location	Qty	Price	UOM	Total
No. Midwest CleanPack (MN)	24	\$78.00	container	*\$1,872.00

\*Minimum charge \$785.00 per trip.

A demurrage charge of \$158.00 per hour will apply as follows:

Number of Containers	Allowable Loading Time
1 to 10	0.5 hour(s)
11 to 15	0.75 hour(s)
16 to 25	1 hour(s)
26 to 35	1.25 hour(s)
36 to 40	1.5 hour(s)
41 to 45	1.5 hour(s)
46 to 50	1.75 hour(s)
51 to 80	2 hour(s)

<b>ESTIMATED E-MANIFEST FEE (quantity 3)</b>	<b>\$60.00</b>
<b>ESTIMATED RECOVERY FEE</b>	<b>\$2,983.50</b>
<b>QUOTE TOTAL ESTIMATE</b>	<b>\$14,743.50</b>

**GENERAL CONDITIONS**

- 1.Except where superseded by an existing services agreement the following terms and conditions apply to this quoted business.
- 2.Prices firm for 30 days.
- 3.Terms: Net 30 Days
- 4.Interest will be charged at 1.5% per month or the maximum allowed by law for all past due amounts.
- 5.Local, state and federal fees/taxes applying to the generating location/receiving facilities are not included in disposal pricing and will be added to each invoice as applicable.
- 6.Materials subject to additional charges if they do not conform to the listed specifications.
- 7.All drums for disposal must be in D.O.T. approved containers and in good condition.



## GENERAL CONDITIONS

8. All containers must be marked with Clean Harbors' profile number.
9. Clean Harbors will provide a manifest and necessary labels for transportation with a charge of \$1.25 per label.
10. Electronically submitted profiles will be approved at no charge. Paper profiles will be charged at \$75.00 each.
11. Clean Harbors supports many invoice delivery options (E-mail, Electronic Invoicing, EDI, Etc.). Pricing is based on Clean Harbors' standard invoice delivery method of E-mail. If another delivery method is required there could be an additional service fee per invoice. Any alternate delivery methods must be reviewed and approved by Clean Harbors prior to acceptance and implementation.
12. Compressed gas cylinders requiring special handling due to inoperable valves will be assessed an additional charge of \$400.00 per cylinder. Cylinders larger than medium size will be quoted case by case. This charge may be sent as supplemental invoice.
13. A variable Recovery Fee (that fluctuates with the DOE national average diesel price), currently at 25.5%, will be applied to the total invoice. For more information regarding our recovery fee calculation please go to: [www.cleanharbors.com/contact-us/customer-resources](http://www.cleanharbors.com/contact-us/customer-resources).
14. Transportation rates are based on milkrun pickups. Additional costs may be incurred for out of milkrun service.
15. Pickups that require same day or next day service may be subject to additional charges.
16. Pickups cancelled within 72 hours of scheduling will be subject to cancellation charges.
17. Transportation charges to the final disposal facility will be charged in addition to local transportation to our truck to truck hub/local facility and will vary with logistics and routing.
18. Out of Service (OSD) for PCB incinerables should be clearly identified in Section 14 of the manifest. Prices for these items are only effective if received within 6 months of the OSD.
19. Standard disposal conversions (excluding minimums) apply to containers other than 5 gallon drums: 6-20g 60%, 21-30g 75%, 31-55g 100%, 56-85g 145%, FBIN 350%, TOT2(<300gal TOTE) 500%, TOTE 630%.
20. In the event that legal or other action is required to collect unpaid invoice balances, Customer agrees to pay all costs of collection, including reasonable attorneys' fees, and agrees to the jurisdiction of the Commonwealth of Massachusetts.
21. The USEPA implemented the E-manifest system in June 2018 and charges the receiving TSDF a fee per manifest that is subject to change at USEPA's discretion. Clean Harbors currently charges \$20 per manifest to cover this cost on every invoice. This charge is subject to change if USEPA applies increased charges in the future.
22. Unless specifically noted, these rates are not valid where Prevailing Wages and / or certified payroll apply. Any Prevailing Wage rates will be quoted on a case-by-case basis.



### WASTE CLASSIFICATIONS SPECIFICATIONS

Waste Code	Description
A22K	<p><b>Low Btu Organic Liquid</b></p> <p>DRUM SPECIFICATIONS:            pH 2-14, no D002 Acids allowed            Ammonia less than 10 percent            Source of PCB &lt;50 ppm            Heating value less than 5000 BTUs per pound            Less than 5 percent organic halogens            Less than 5 percent Sulfur            Viscosity less than 150 centipoise            Must not set-up in water or with organic solvents            Less than one inch of solids in the drum            No pesticides            PRIMARY DISPOSAL METHOD: DESTRUCTION INCINERATION</p>

### ACKNOWLEDGEMENT

Your signature below indicates your acceptance of the pricing and terms detailed in the quote above.

Thank you for the opportunity to be of service.

---

Signature PO# Date

---

Print Name

Quote # 4044284



Clean Harbors Environmental Services, Inc.  
211 Holiday Avenue  
Cannon Falls, MN 55009  
www.cleanharbors.com

June 6, 2022

Attn: Ms. Amanda Anderson  
Pinnacle Engineering  
11541 95th Avenue North  
Maple Grove, MN 55369

Ballpark AFFF concentrate Disposal - Duluth, MN

Quote #4044217

Dear Ms. Anderson:

Thank you for considering Clean Harbors Environmental Services, Inc. (Clean Harbors) for your waste management needs. We are pleased to provide you with pricing for the following waste streams. This quotation is based upon the information that you have provided.

We offer our clients a broad spectrum of environmental services and the ability to dispose of hazardous material at or through a Clean Harbors' owned and operated facility. In addition to managing your waste streams, a Clean Harbors' professional can assist you with:

- Waste Transportation & Disposal
- Laboratory Chemical Packing
- Field Services
- 24-Hour Environmental Emergency Response
- Industrial Services
- InSite Services

I look forward to servicing your environmental needs. When you are ready to place an order, please contact our Customer Service group at 800.444.4244. If you have any questions or need further assistance, you may reach me at the number below.

Sincerely,

Diane K Ruddle  
Technical Services Account Manager  
Phone: 507.301.2107  
ruddle.diane@cleanharbors.com



**DISPOSAL**

Profile / Waste Code	Waste Description	Price / UOM
B40R	SPECIAL HANDLING HALOGENATED ORGANICS	\$0.76 / Pounds*

\*The following minimum price(s) will apply:

Profile / Waste Code	UOM	Minimum Price
B40R	container	\$18,240.00

**Surcharges (if applicable)**

Description	Rate	UOM	Lower Limit	Upper Limit	Range UOM
<i>Waste Code B40R:</i>					
Surcharge for High Fluorine	\$0.075	Pounds	20,000.00	29,999.00	Parts Per Million
	\$0.05	Pounds	10,000.00	19,999.00	Parts Per Million
	\$0.025	Pounds	1,000.00	9,999.00	Parts Per Million

**TRANSPORTATION**

Transportation Hub	Vehicle Type	Unit Rate	Unit of Measure
Kimball, NE Facility	Vacuum Trailer with Operator	\$9,125.00	Load

(1) A demurrage charge of \$120.00 per hour will apply for each hour in excess of 1 hour.

**Accessorials**

Pumping time	\$120.00 per Hour
Per Diem / Subsistence	\$190.00 per Day
Tank Wash	\$425.00 Each

**GENERAL CONDITIONS**

1. Except where superseded by an existing services agreement the following terms and conditions apply to this quoted business.
2. Prices firm for 30 days.
3. Terms: Net 30 Days
4. Interest will be charged at 1.5% per month or the maximum allowed by law for all past due amounts.
5. Disposal will be managed within the Clean Harbors Network of Approved Facilities.
6. Local, state and federal fees/taxes applying to the generating location/receiving facilities are not included in disposal pricing and will be added to each invoice as applicable.



## GENERAL CONDITIONS

7. Materials subject to additional charges if they do not conform to the listed specifications.
8. Surcharges are applied to the total quantity shipped, not to any prorated portion of the shipment.
9. All containers must be marked with Clean Harbors' profile number.
10. Tank wash does not include an entry. If one is required, additional charges will apply.
11. If a Live Off Load is requested an additional charge of \$500 per load may apply.
12. Electronically submitted profiles will be approved at no charge. Paper profiles will be charged at \$75.00 each.
13. Clean Harbors supports many invoice delivery options (E-mail, Electronic Invoicing, EDI, Etc.). Pricing is based on Clean Harbors' standard invoice delivery method of E-mail. If another delivery method is required there could be an additional service fee per invoice. Any alternate delivery methods must be reviewed and approved by Clean Harbors prior to acceptance and implementation.
14. Quoted minimums are per container.
15. A variable Recovery Fee (that fluctuates with the DOE national average diesel price), currently at 25.5%, will be applied to the total invoice. For more information regarding our recovery fee calculation please go to: [www.cleanharbors.com/contact-us/customer-resources](http://www.cleanharbors.com/contact-us/customer-resources).
16. Pickups that require same day or next day service may be subject to additional charges.
17. Pickups cancelled within 7 days of the scheduled job date will be billed 50% of the quoted transportation rate.
18. Pickups cancelled subsequent to the driver being dispatched will be billed at 100% of the quoted transportation rate.
19. Shipments for incineration into a CHES facility that are cancelled within 24 hours of the job date will be billed at \$500.00 per cancelled slot.
20. Clean Harbors reserves the right to charge \$50 a day for all transportation equipment not owned or subcontracted by Clean Harbors that remain at a Clean Harbors TSDf in excess of 7 days of being emptied and the customer receiving notification that the equipment is available for pick up.
21. Out of Service (OSD) for PCB incinerables should be clearly identified in Section 14 of the manifest. Prices for these items are only effective if received within 6 months of the OSD.
22. In the event that legal or other action is required to collect unpaid invoice balances, Customer agrees to pay all costs of collection, including reasonable attorneys' fees, and agrees to the jurisdiction of the Commonwealth of Massachusetts.
23. The USEPA implemented the E-manifest system in June 2018 and charges the receiving TSDf a fee per manifest that is subject to change at USEPA's discretion. Clean Harbors currently charges \$20 per manifest to cover this cost on every invoice. This charge is subject to change if USEPA applies increased charges in the future.
24. Unless specifically noted, these rates are not valid where Prevailing Wages and / or certified payroll apply. Any Prevailing Wage rates will be quoted on a case-by-case basis.



**WASTE CLASSIFICATIONS SPECIFICATIONS**

Waste Code	Description
B40R	<p><b>SPECIAL HANDLING HALOGENATED ORGANICS</b></p> <p>May require special handling  Source of PCB Less than 50 ppm  Halogens or Sulfur greater than 5 percent  May include material with boiling points less than 120F  Liquid, sludge and viscous materials  Must not set-up with water or with organic solvents  <b>PRIMARY DISPOSAL METHOD: DESTRUCTION INCINERATION</b></p>

**ACKNOWLEDGEMENT**

Your signature below indicates your acceptance of the pricing and terms detailed in the quote above.

Thank you for the opportunity to be of service.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
PO#

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

Quote #4044217

## Business Subsidy Agreement

THIS BUSINESS SUBSIDY AGREEMENT (this “**Agreement**”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the “**Effective Date**”), by and between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 (“**Seller**”), and CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation (the “**Purchaser**”).

### RECITALS

- A. The Seller and Purchaser are parties to a Purchase Agreement dated \_\_\_\_\_, 2022 (the “**Purchase Agreement**”) with respect to the purchase of certain Improvements located in Duluth, Minnesota (the “**City**”) and Personal Property and the assignment of a Ground Lease, all as such terms are defined in the Purchase Agreement.
- B. The Purchase Price (as defined in the Purchase Agreement) is one dollar, which the Seller and Purchaser have agreed constitutes a “business subsidy” within the meaning of the Minnesota Business Subsidy Act (Minn. Stat. § 116J.993 – § 116J.995 and its successor statute) (the “**Act**”).
- C. As a condition to granting such subsidy, the City has required that the Purchaser enter into this Agreement, which constitutes the “Business Subsidy Agreement” for purposes of the Act.
- D. All capitalized terms used in this Agreement not otherwise defined are used with the definition provided in Section IV below.

**NOW, THEREFORE**, the parties agree as follows:

#### **I. ACT REQUIREMENTS.**

1. The subsidy, including the amount and type of subsidy, and type of district if the subsidy is tax increment financing, is described as follows:  

The below market Purchase Price (as defined in the Purchase Agreement) constitutes a subsidy to the Purchaser with the fair market value of the subsidy estimated to be \$9,850,900.
2. The public purposes for the subsidy are to increase Purchaser’s net jobs in the City and encourage economic development.
3. The measurable, tangible and specific goals for the subsidy are as follows:
  - A. Maintain one thousand two hundred and six (1,206) full-time equivalent (“**FTE**”) permanent non-seasonal jobs within the State of Minnesota as of the Compliance Date.
  - B. Create at least eighty (80) new jobs between the Effective Date and the Compliance Date with wages of at least \$36.05 per hour, exclusive of Benefits, within the State of Minnesota.
  - C. All new jobs created between the Effective Date and the Compliance Date shall pay at least \$14.01 per hour, exclusive of Benefits.



4. If the goals set forth in Section I.3 above are not satisfied, the Purchaser shall pay the Seller as required in Section II of this Agreement.
5. The subsidy is needed because there are alternative locations under consideration and the project cost is economically infeasible without the subsidy.
6. The Purchaser covenants and agrees to continue operations in the City for five (5) years after the Benefit Date.
7. The name and address of the parent corporation of the Purchaser, if any, is:

Cirrus Industries, Inc.



8. The following is a list of all financial assistance by all grantors for the project:  
In addition to the subsidy provided under the Purchase Agreement, the Purchaser has received or expects to receive as part of this project the following financial assistance from other “grantors” as defined in the Act: up to \$600,000 from the City pursuant to a Tax Abatement Agreement bearing City contract No. \_\_\_\_\_, up to \$600,000 in tax abatement proceeds from St. Louis County, Minnesota and a Minnesota Investment Fund loan from the State of Minnesota in the amount of \$500,000.
9. The Seller represents that: (1) this Agreement has been approved by the Duluth city council as required by Section 116J.994, subd. 3(d) of the Act; and (2) before entering into the Purchase Agreement Seller provided public notice and a hearing on the subsidy as required by Section 116J.994, subd. 5 of the Act and checked with the compilation and summary report required by Section 116J.994, subd. 6 of the Act to determine if Purchaser is eligible to receive the subsidy.

## **II. DEFAULT ON BUSINESS SUBSIDY REQUIREMENTS.**

1. If the Purchaser fails to meet the job and wage goals set forth in Section I.3 above on the Compliance Date, the Seller may, after holding a public hearing, extend the Compliance Date for one year. If no extension occurs, or if after the extension the Purchaser fails to meet the job and wage goals by the Compliance Date as extended, the Purchaser will be required to repay to the Seller the Pro Rata Share of the subsidy plus Interest, which shall commence to accrue as of the Benefit Date.
2. The remedies in this Section II are the Seller’s sole remedies for failure to meet the goals set forth in Section I.3.

## **III. REPORTING REQUIREMENTS.**

1. The Purchaser shall provide to the Seller information regarding job and wage goals and results for two years after the Benefit Date or until the goals are met, whichever is later. This reporting requirement will expire if the goals are met on the Compliance Date so long as the Purchaser submits one final reporting demonstrating compliance. If the goals are not met, the Purchaser must continue to provide information until the subsidy is repaid to the extent required by Section II.1. The information must be filed on a form substantially similar to the form attached to this Agreement as Exhibit A and shall include the following:

- (1) the type, public purpose, and amount of subsidies (and type of district, if the subsidy is tax

- increment financing);
- (2) the hourly wage of each job created with separate bands of wages;
- (3) the sum of the hourly wages and cost of health insurance provided by the employer with separate bands of wages;
- (4) the date the job and wage goals will be reached;
- (5) a statement of goals identified in this Agreement and an update on achievement of those goals;
- (6) the location of the Purchaser prior to receiving the subsidy;
- (7) the number of employees who ceased to be employed by the Purchaser when the Purchaser relocated to become eligible for the subsidy;
- (8) why the Purchaser did not complete the project described in this Agreement at its previous location, if the Purchaser was previously located at another site in Minnesota;
- (9) the name and address of the parent corporation of the Purchaser, if any;
- (10) a list of all financial assistance by all grantors for the project; and
- (11) other information the Commissioner of the MN Dept. of Employment and Economic Development may request.

2. This information must be provided to the Seller no later than March 1 of each year for the previous year. If the Purchaser does not submit the report, the Seller shall mail the Purchaser a warning within one week of the required filing date. If, after 14 days of the postmarked date of the warning, the Purchaser fails to provide a report, the Purchaser must pay to the Seller a penalty of \$100 for each subsequent day until the report is filed. The maximum penalty shall not exceed \$1,000.

#### IV. DEFINITIONS.

**“Benefits”** [CITY TO PROVIDE DEFINITION IF THIS REMAINS PART OF THE JOB GOALS IN SECTION I.3 ABOVE.]

**“Benefit Date”** means the earliest of either: (1) when the Improvements are finished for the entire project or (2) when the Purchaser (or any other business) occupies the Improvements.

**“Compliance Date”** means the date that is two (2) years after the Benefit Date, unless extended by up to one year by the Seller under Section II.1 above, in which case the Compliance Date will mean the date approved by the Seller.

**“Interest”** means the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31<sup>st</sup> of the previous year.

**“Pro Rata Share”** with respect to the portion of the subsidy that may need to be repaid under Section II.1 shall mean a fraction the numerator of which is the sum of (a) the number of FTEs by which Purchaser failed to meet the job maintenance goal of 1,206 and (b) the number of jobs by which Purchaser failed to meet the job creation goal of 80 and the denominator of which is one thousand two hundred eighty-six (1,286).

[Remainder of Page is Intentionally Blank]

**IN WITNESS WHEREOF**, the parties have executed this Business Subsidy Agreement on or as of the date first above written.

SELLER:

DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an  
economic development authority under Minnesota Statutes  
(1989) Chapter 469

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: President \_\_\_\_\_

By: \_\_\_\_\_  
Its Secretary

[SIGNATURE PAGE FOR BUSINESS SUBSIDY AGREEMENT]

PURCHASER:

CIRRUS DESIGN CORPORATION d/b/a CIRRUS  
AIRCRAFT, a Wisconsin corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

SIDE LETTER AGREEMENT

TO

PURCHASE AGREEMENT--MRO BUILDING

DEDA AND CIRRUS DESIGN CORPORATION

The SIDE LETTER AGREEMENT dated this \_\_ day of August, 2022, between the DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 (“**DEDA**”), and CIRRUS DESIGN CORPORATION d/b/a CIRRUS AIRCRAFT, a Wisconsin corporation (“**Cirrus**”).

WHEREAS, Cirrus is an aircraft manufacturer of general aviation aircraft having its headquarters and its primary manufacturing facilities on the Duluth International Airport (the "Airport") and is a major employer and a substantial contributor to the Duluth regional economy; and

WHEREAS, Cirrus is desirous of expanding its manufacturing facilities and related development and office facilities at Airport and of increasing employment at its facilities; and

WHEREAS, DEDA is the owner of a 189,000 square foot maintenance and overhaul facility located at 4600 Stebner Road which it has agreed to convey to Cirrus under the terms of a Purchase Agreement of even day herewith to facilitate Cirrus' expansion of its development and manufacturing facilities at the Airport; and

WHEREAS, DEDA, as an economic development authority is desirous of encouraging and assisting Cirrus in further growing its development and manufacturing operations at the Airport and of increasing employment at its facilities; and

WHEREAS, the parties are desirous of memorializing their intent to cooperate in assisting Cirrus to so growing its development and manufacturing operations at the Airport and increasing employment at its facilities, subject to specific agreements to be formally approved by the parties setting forth the specific forms such cooperation shall take.

NOW THEREFORE, the parties hereto hereby express their intention to cooperate in undertaking the following, subject to specific agreements between the parties, formally approved as necessary under law, as are convenient and necessary to implement the following:

1. Generally, DEDA will assist and facilitate the purchase by Cirrus at fair market value of that building owned by the City of Duluth (the "City") known as the "Incubator Building" also known as Customer Building located at 4514 Taylor Circle at the Airport which is currently leased by the City to Cirrus.

2. Generally, DEDA will assist and facilitate Cirrus with the expansion of Cirrus' Paint Facility and its Production Facility at the Airport in the vicinity of its current manufacturing facilities.

3. Generally, DEDA will, in cooperation with the City, endeavor to assist Cirrus in seeking property tax relief from the Minnesota state legislature.

4. Generally, DEDA will cooperate and support Cirrus in securing necessary permits from the Minnesota Pollution Control Agency required to facilitate the expansion of its manufacturing facilities at the Airport.

5. Generally, DEDA will engage in a relationship with Cirrus and the City's CareerForce (workforce) department to create a strategy to attract and retain an employee workforce, especially technical and engineering employees, necessary to the further expansion of Cirrus' development and manufacturing business, that includes engagement with other strategic partners including: Lake Superior College (LSC), University of Minnesota Duluth (UMD), College of Saint Scholastica (CSS), University of Wisconsin Superior (UWS), Wisconsin Institute of Technology Superior (WITC), APEX, and Northforce; this strategy should include a component focused on welcoming new employees to the region. Employee retention and attraction strategic plan created by Duluth Career Force as a partner with DEDA (plus Lake Superior College), and welcoming to community (facilitating these partnerships and discussions, convene).

6. Generally, DEDA will work with the City and other housing stakeholders, to encourage the development of housing suitable and available to potential new and existing employees of Cirrus.

7. Generally, DEDA supporting Cirrus' efforts in applying for up to \$200,000 in grant funding from the aviation corridor LISC/DEED grant program.

8. During the period that Cirrus is the tenant under that certain Ground Lease between Cirrus, as tenant, and the City of Duluth and Duluth Airport Authority, collectively as landlord, dated as of December 21, 1994, and for so long as (i) it is economically and practically feasible to do so, in Cirrus' business determination, and (ii) there is no sale or transfer of substantially all of Cirrus' assets or stock or completion of another corporate transaction such as a consolidation or merger, Cirrus will endeavor to (a) maintain its corporate headquarters in the City of Duluth, (b) locate substantial manufacturing facilities in the City of Duluth, including the completion of refurbishments or other improvements to its facilities located at the Airport after the date hereof, which are currently anticipated to cost \$10,000,000, and (c) engage in additional discussions with DEDA regarding employment and wages in the City of Duluth.

9. Notwithstanding anything to the contrary in this document, nothing in this document shall be deemed to constitute a binding agreement between the parties but rather as a representation of the current intention of the parties as to the matters set forth above, which the parties hereby acknowledge are incomplete and do not contain all of the material terms and conditions related to such matters. Neither party shall be bound by any provisions of this document unless and until such matters are memorialized in separate definitive agreement(s) signed by the parties.

[Signature Page Follows]

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

DULUTH ECONOMIC DEVELOPMENT AUTHORITY,  
an economic development authority  
under Minnesota Statutes (1989) Chapter 469

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: President \_\_\_\_\_

By: \_\_\_\_\_

Its Secretary

Approved:

\_\_\_\_\_

Assistant City Attorney

\_\_\_\_\_

City Auditor

CIRRUS DESIGN CORPORATION  
d/b/a CIRRUS AIRCRAFT, a  
Wisconsin corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_



## Duluth Building Back Better Business Marketing Assistance Program

**PURPOSE:** the City has determined that the COVID-19 pandemic of 2020-22 has had a material negative impact on businesses in the city of Duluth, particularly its small businesses. The goal of the Duluth Economic Development Authority's Building Back Better Business Marketing Assistance Program (the "Program") is to support the recovery of such impacted businesses. That support, through grants of up to \$2,500, will provide for business marketing assistance to up to 40 selected businesses.

DEDA has allocated \$200,000 to fund the Program. Applications will be accepted, reviewed and ranked based on criteria to be developed by city of Duluth Planning and Economic Development Department ("PED") staff on behalf of DEDA, in partnership with Forum Communications Co., with final grant agreements approved at a subsequent date by the DEDA Board. Approved applicants will receive the financial assistance in the form of reimbursement for eligible expenditures in accordance with program guidelines.

**MINIMUM PROGRAM REQUIREMENTS:** In order to be approved for receipt of a grant, applicants must be active businesses located in Duluth. Applicants must be in good standing with the Minnesota Secretary of State, and must have been open and operational for at least 18 months at time of application submittal.

### **APPLICANT ELIGIBILITY AND SUBMITTAL REQUIREMENTS:**

- Applicant must fill out and submit an application on a form supplied by PED, the Applicant's W-9 and Certificate of Good Standing from the state of incorporation which must all be in the same company name.
- The applicant's business must employ at least 30 full-time-equivalent employees.
- The Applicant must agree to be responsible for any tax implications regarding reimbursement.
- Applications must be complete. Incomplete Applications will not be accepted and will not be eligible to be awarded a Program grant.
- Submission of an application does not guarantee reimbursement.

**APPLICATION CRITERIA:** Projects will be scored on the basis of the quality of their business marketing plan; the business’s capability in meeting key city priorities, such as improving equity outcomes or providing for business retention or expansion in core investment areas; and the basis of the business’s needs related to Covid-19 recovery and the way(s) in which their plan responds to those needs.

**ELIGIBLE EXPENDITURES:** Eligible uses of program funds may include reimbursement of expenses including but not limited to the following categories:

- Business marketing in print, multi-media, digital, email, social media, video marketing, or other visual means;
- Direct expenditure for marketing and outreach;
- Creation of promotional materials for business enhancement;
- Creation of new business signage or other visual improvements;
- Expenses incurred and/or payments made before grant award date are not be eligible for reimbursement.

Matching funds provided through the Forum Communications Advertising Match Program will be supported through outreach by Forum Communications and partners. Matching support will also be provided through the Duluth Chamber of Commerce, with credit to existing members or a discount for new members.

**APPLICANT REQUIREMENTS:**

- Expenditures must meet program eligibility requirements above in order to apply for reimbursement funds.
- The application, W9 and Certificate of Good Standing from state of incorporation must all be in the same Applicant name.
- The applying entity is responsible for any tax implications regarding reimbursement.
- Applications must be complete.
- Projects will not be certified until all required materials are received and reviewed by Program Administrator.