

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 judgments 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

Date: _____

By: _____

Name: _____

Its: _____

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:

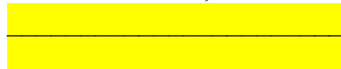
A. Maintain one thousand two hundred and six (1,206) full-time equivalent (“**FTE**”) permanent non-seasonal jobs within the State of Minnesota as of the Compliance Date.

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 31st 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

EXHIBIT E

Form of Seller's Affidavit

SELLER'S AFFIDAVIT

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

_____, being first duly sworn, on oath say(s) that:

1. He/She is a _____ of DULUTH ECONOMIC DEVELOPMENT AUTHORITY, an economic development authority under Minnesota Statutes (1989) Chapter 469 (the "**Company**"), which company is named (i) as Seller in that certain Bill of Sale dated _____, 2022, regarding the sale of certain improvements (the "**Improvements**") located on the real property described on the attached Exhibit A (the "**Premises**") to Cirrus Design Corporation d/b/a Cirrus Aircraft ("**Cirrus**"), and (ii) as assignor regarding the assignment to Cirrus of all of Company's right, title and interest in that certain Ground Lease between the City of Duluth and Duluth Airport Authority, collectively as ground lessor, and Company, as ground lessee, dated as of December 21, 1994 (the "**Ground Lease**").
2. The Company's principal place of business is at _____.
3. There have been no:
 - a. Bankruptcy proceedings involving said Company thereof, or dissolution proceedings involving said Company during the time said Company has had any interest in the Premises;
 - b. Tax liens filed against said Company; except as here in stated: **NONE**.
 - c. Unsatisfied judgments of record against said Company nor any actions pending in any courts, which affect the Premises: **NONE**.
4. Any bankruptcy or company dissolution proceedings of record against said Company, parties or entities with the same or similar names, during the time period in which the above-named Company had any interest in the Premises, are not against the above-named Company.
5. Any judgments or tax liens of record against a Company with the same or similar names are not against the above-named Company.
6. There has been no labor or materials furnished to the Premises at the request of or for the account of said Company for which payment has not been made.
7. To the best of Affiant's current actual knowledge, there are no unrecorded contracts, leases, easements or other agreements or interest relating to the Premises, except for the Ground Lease.
8. To the best of Affiant's current actual knowledge, there are no persons in possession of any portion of the Premises other than pursuant to a recorded document or except for Cirrus pursuant to that certain Access Agreement between Company and Cirrus dated May 10, 2022.

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.