TAX ABATEMENT AGREEMENT

BY AND BETWEEN

CITY OF GRAND RAPIDS, MINNESOTA,

ITASCA COUNTY, MINNESOTA

AND

YANMAR COMPACT EQUIPMENT NORTH AMERICA, INC.

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TAX ABATEMENT AGREEMENT

THIS TAX ABATEMENT AGREEMENT (this "Agreement"), made as of the ___ day of February, 2023, by and among the CITY OF GRAND RAPIDS, MINNESOTA, a municipal corporation and political subdivision of the State of Minnesota (the "City"), ITASCA COUNTY, MINNESOTA, a body corporate and politic and political subdivision of the State of Minnesota (the "County"), and YANMAR COMPACT EQUIPMENT NORTH AMERICA, INC. ("YCENA"), a Delaware corporation (the "Developer").

WITNESSETH:

WHEREAS, the Developer has requested tax abatement assistance from the City and the County in connection with an expansion of its existing manufacturing facility located within the City; and

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, the City and the County have each established Tax Abatement Programs (as defined herein); and

WHEREAS, the City and the County believe that providing assistance to the Project (as hereinafter defined), and the fulfillment of this Agreement are vital and are in the best interests of the City and the County, will result in preservation and enhancement of the tax base, provide employment opportunities and are in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

WHEREAS, the requirements of the Minnesota Statutes, Sections 116J.993 through 116J.995, as amended (the "Minnesota Business Subsidy Act") apply to this Agreement; and

WHEREAS, the City and the County have adopted criteria for awarding business subsidies that comply with the Business Subsidy Act after a public hearing for which notice was published in accordance with the Business Subsidy Act; and

WHEREAS, in connection with the assistance provided under this Agreement, this agreement constitutes a subsidy agreement under the Business Subsidy Act.

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

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Administrative Costs shall have the meaning set forth in Section 3.15;

Affiliate means a corporation, partnership, association, limited liability company or similar entity organized under the laws of the United States of America or a state thereof which is directly controlled by or under common control with the Developer. For purposes of this definition, control means the power to direct management and policies through the ownership of at least a majority of its voting securities, or the right to designate or elect at least a majority of the members of its governing body by contract or otherwise;

Agreement means this Tax Abatement Agreement, as the same may be from time to time modified, amended or supplemented;

Applicable Regulations mean building code, health or safety regulation, zoning regulation, environmental law or other law or regulation applicable to the Development Property, the Project or the Developer;

Benefit Date means the date which the City issues the Certificate of Completion to the Developer pursuant to Section 3.6 hereof;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

Business Subsidy Act means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended;

Certificate of Completion means the certification provided to the Developer in accordance with Section 3.6 in the form attached hereto as **Exhibit C**;

City means the City of Grand Rapids, Minnesota;

City Pledged Tax Abatements mean 100% of the City Tax Abatements in tax-payable years 2025 through 2045;

City Tax Abatements mean a portion of the City's share of annual real estate taxes received by the City with respect to the Development Property in an amount calculated in each tax-payable year as follows: the City tax rate for such tax-payable year multiplied by the difference between the Net Tax Capacity of the Development Property as improved by the Project, as of January 2 in the prior year, less $111,336 (i.e. the Net Tax Capacity of the Development Property, as established

by the County assessor on January 2, 2021 for taxes payable in 2022) and excluding the portion of the Net Tax Capacity attributable to the areawide tax under Minnesota Statues, Chapter 276A, then abated in accordance with the Tax Abatement Program;

City Tax Abatement Note means the Taxable Abatement Revenue Note (YCENA Project), substantially in the form set forth in **Exhibit A** attached hereto, to be issued by the City to the Developer;

Construction Costs mean the capital costs of the Project, including the costs of labor and materials; construction management and supervision expenses; insurance and payment or performance bond premiums; architectural and engineering fees and expenses; property taxes; usual and customary fees or costs payable to the City or any other public body with regulatory authority over construction of the Project (e.g. building permits and inspection fees); the developer fee; and all other costs chargeable to the capital account of the Project under generally accepted accounting principles;

Construction Plans mean the plans, specifications, drawings and related documents for the construction of the Project which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City which are be provided to and approved by the City pursuant to this Agreement;

County means Itasca County, Minnesota;

County Pledged Tax Abatements mean 100% of the County Tax Abatements in tax-payable years 2025 through 2045;

County Tax Abatements mean a portion of the County's share of annual real estate taxes received by the County with respect to the Development Property in an amount calculated in each tax-payable year as follows: the County tax rate for such tax-payable year multiplied by the difference between the Net Tax Capacity of the Development Property as improved by the Project, as of January 2 in the prior year, less $111,336 (i.e. the Net Tax Capacity of the Development Property, as established by the County assessor on January 2, 2021 for taxes payable in 2022) and excluding the portion of the Net Tax Capacity attributable to the areawide tax under Minnesota Statues, Chapter 276A, then abated in accordance with the Tax Abatement Program;

County Tax Abatement Note means the Taxable Abatement Revenue Note (YCENA Project), substantially in the form set forth in **Exhibit B** attached hereto, to be issued by the County to the Developer;

Developer means Yanmar Compact Equipment North America, Inc.., a Delaware corporation, its successors and assigns;

Development Property means the real property located at 840 Lily Lane in the City identified as Parcel Identification Numbers 91-568-0220, 91-569-0110, 91-027-2401, 91-027-2105, 91-568-0210, 91-566-0305, 91-566-0310, 91-566-0315, 91-566-0320, 91-566-0325 and 91-566-0330, Itasca County, Minnesota;

Eligible Costs mean construction costs incurred in connection with the Project;

Event of Default means any of the events described in Section 4.1;

IRRR means the Minnesota Department of Iron Range Resources and Rehabilitation;

IRRR Grant means the grant described in Section 3.16 hereof;

Net Tax Capacity has the meaning provided in Minnesota Statutes, Section 273.13, subdivision 21b, as it may be amended from time to time;

Project means the acquisition, improvement, construction and equipping of an approximately 32,000 square foot expansion to a compact equipment production facility to be used for manufacturing including a new paint system to be owned by the Developer and located on the Development Property;

State means the State of Minnesota;

Tax Abatement Act means Minnesota Statutes, Sections 469.1812 through 469.1815, as amended;

Tax Abatement Notes means the City Tax Abatement Note and the County Tax Abatement Note;

Tax Abatement Program means the actions by the City and the County, respectively, pursuant to the Tax Abatement Act and undertaken in support of the Project, including without limitation this Agreement and the respective resolutions of the City and the County authorizing the City Tax Abatements and County Tax Abatements, respectively, and the findings of fact set forth therein;

Termination Date means the earlier of (i) February 1, 2045; (ii) any earlier date this Agreement is cancelled in accordance with the terms hereof; or (iii) the date the principal of the Tax Abatement Notes is paid or deemed paid in full in accordance with the terms hereof;

Total Development Costs mean all Construction Costs and any other costs of the development of the Project to be incurred by the Developer as set forth in **Exhibit D** attached hereto; and

Unavoidable Delays mean delays, outside the control of the Developer, which are the direct result of strikes, other labor troubles, unusually severe or prolonged bad weather, acts of God, acts of war or terrorism, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City or the County, with respect to their respective obligations only) which directly result in delays, acts of the public enemy or acts of terrorism, events or acts of governmental authorities or third parties in connection with a declared state of Minnesota or national emergency or pandemic (such as an Executive Order from the Governor) which directly result in delays, including, without

limitation a mandatory quarantine or shelter in place of equivalent order, and discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

(1) The City is a municipal corporation and a political subdivision of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The City's Tax Abatement Program was created, adopted and approved in accordance with the terms of the Tax Abatement Act.

(3) The City proposes, subject to the further provisions of this Agreement, to provide certain financial assistance to the Developer for certain Eligible Costs incurred in connection with the Project as further provided in this Agreement.

(4) The City has made the findings required by the Tax Abatement Act for the City's Tax Abatement Program.

(5) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.2 Representations and Warranties of the County. The County makes the following representations and warranties:

(1) The County is a body corporate and politic and a political subdivision of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The County Tax Abatement Program was created, adopted and approved in accordance with the terms of the Tax Abatement Act.

(3) The County proposes, subject to the further provisions of this Agreement, to provide certain financial assistance to the Developer for certain Eligible Costs incurred in connection with the Project as further provided in this Agreement.

(4) The County has made the findings required by the Tax Abatement Act for the County's Tax Abatement Program.

(5) The County makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

Section 2.3 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(1) The Developer has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder and, by doing so, is not in violation of its articles, bylaws or any local, state or federal laws.

(2) The Developer is a corporation validly existing under the laws of the State.

(3) The Developer has, or will acquire, fee title to the Development Property.

(4) If and when constructed, the Developer will cause the Project to be constructed in accordance with this Agreement and all City, County, State and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations including the Americans with Disabilities Act).

(5) Before the Project may be constructed, the Developer will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable City, County, State, and federal laws and regulations.

(6) The Project would not be undertaken by or on behalf of the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.

(7) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(8) The Developer will cooperate fully with the City and the County with respect to any litigation commenced with respect to the Project.

(9) To the knowledge of the undersigned, no Councilmember or officer of the City, nor any Commissioner or officer of the County will benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

(10) The Developer understands that the City may subsidize or encourage the development of other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that the City has not represented that development of the Development Property will be favored over the development of other properties.

(11) The Developer understands that the County may subsidize or encourage the development of other developments in the County, including properties that compete with the

Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that the County has not represented that development of the Development Property will be favored over the development of other properties.

ARTICLE III

UNDERTAKINGS BY DEVELOPER, CITY AND COUNTY

Section 3.1 <u>City Abatement Assistance.</u>

(1) *Generally*. The City shall reimburse the Developer for Eligible Costs actually incurred and paid in connection with the Project in an amount not to exceed $234,000 (the "City Reimbursement Amount") by issuing the City Tax Abatement Note to the Developer in a principal amount equal to the City Reimbursement Amount, in substantially the form set forth in **Exhibit A** attached hereto, only when: (A) the City and the County have issued the Certificate of Completion in accordance with Section 3.6 hereof, (B) the Developer has submitted to the City paid invoices for Eligible Costs of the Project and (C) the Developer has paid all of the City's Administrative Costs required to have been paid as of such date in accordance with Section 3.15 hereof (collectively, the "Issue Date"). The invoices submitted pursuant to clause (B) hereof shall evidence different Eligible Costs than those invoices submitted pursuant to Section 3.2(1)(B). The City Tax Abatement Note shall be secured solely by City Pledged Tax Abatements. The City Tax Abatement Note shall bear interest at a rate of 4.75% per annum.

(2) *Payment Dates*. The City will pay the City Pledged Tax Abatements to the Developer on each August 1 and February 1 (each a "Payment Date"), provided that if any such Payment Date is not a Business Day the Payment Date shall be the next succeeding Business Day, commencing on the later of August 1, 2025 or the first February 1 or August 1 after the Issue Date, through and including the Termination Date.

(3) *City Pledged Tax Abatements, Semi-Annual Amount*. City Pledged Tax Abatements will be paid in semi-annual installments equal to the City Pledged Tax Abatements actually received by the City in the 6-month period before each Payment Date. Notwithstanding anything to the contrary herein, the payments of City Pledged Tax Abatements under this paragraph in each year may not exceed the Statutory Cap described in paragraph (5) of this Section and total payments of principal and interest under the City Tax Abatement Note over its term shall not exceed $360,683 which is the maximum amount of City Tax Abatements set forth in the City Tax Abatement Program. Payments on each Payment Date shall be subject to the qualification described in Section 3.13 in the case of a pending Tax Appeal (as defined in Section 3.13).

(4) *Qualifications*. The Developer acknowledges that:

(a) it has not relied on any representations of the City, or any of its officers, agents, or employees, and has not relied on any opinion of any attorney of the City, as to the Federal or State income tax consequences relating to the payment of City Tax Abatements under this Section.

(b) the City shall in no event be obligated to make any City Tax Abatement payment under this Section to the Developer unless and until (i) all ad valorem property taxes due and payable with respect to the Development Property as of the applicable

Payment Date have been paid in full and (ii) the City has received from the County or any other source as provided by law an ad valorem property tax distribution that includes all or any portion of the City Pledged Tax Abatements.

(c) all estimates of City Tax Abatements that have been prepared by or on behalf of the City have been done for the City's use only and neither the City nor its consultants shall have liability to the Developer if the actual City Tax Abatements are less than the amounts estimated.

(5) *Statutory Cap*. The Developer further acknowledges that the total City Pledged Tax Abatements attributable to any calendar year (i.e., the combined payments on Payment Dates of August 1 and the following February 1) may not exceed the greater of $200,000 or 10% of the City's Net Tax Capacity for that tax-payable year (the "Statutory Cap"), all pursuant to Section 469.1813, Subdivision 8 of the Abatement Act. The City has previously utilized abatements under the Abatement Act for other projects in the City. The City reasonably expects that the Statutory Cap will not cause the City Pledged Tax Abatements under this Agreement to be reduced; however, the Developer acknowledges that, during the term of the tax abatement under this Section, if the total abatements payable by the City under the Tax Abatement Act in any year would exceed the Statutory Cap, the Statutory Cap is allocated first to the City's existing abatement obligations, second to the City Pledged Tax Abatements payable under this Agreement, and third to any other tax abatements granted after the date of this Agreement.

Section 3.2 <u>County Abatement Assistance.</u>

(1) *Generally*. The County shall reimburse the Developer for Eligible Costs actually incurred and paid in connection with the Project in an amount not to exceed $196,566 (the "County Reimbursement Amount") by issuing the County Tax Abatement Note to the Developer in a principal amount equal to the County Reimbursement Amount, in substantially the form set forth in **Exhibit A** attached hereto, only when: (A) the City and the County have issued the Certificate of Completion in accordance with Section 3.6 hereof, (B) the Developer has submitted to the County paid invoices for Eligible Costs of the Project, and (C) the Developer has paid all of the County's Administrative Costs required to have been paid as of such date in accordance with Section 3.15 hereof (collectively, the "Issue Date"). The invoices submitted pursuant to clause (B) hereof shall evidence different Eligible Costs than those invoices submitted pursuant to Section 3.1(1)(B). The County Tax Abatement Note shall be secured solely by County Pledged Tax Abatements. The County Tax Abatement Note shall bear interest at a rate of 4.75% per annum.

(2) *Payment Dates*. The County will pay the County Pledged Tax Abatements to the Developer on each August 1 and February 1 (each a "Payment Date"), provided that if any such Payment Date is not a Business Day the Payment Date shall be the next succeeding Business Day, commencing on the later of August 1, 2025 or the first February 1 or August 1 after the Issue Date, through and including the Termination Date.

(3) *County Pledged Tax Abatements, Semi-Annual Amount*. County Pledged Tax Abatements will be paid in semi-annual installments equal to the County Pledged Tax Abatements actually received by the County in the 6-month period before each Payment Date. Notwithstanding

anything to the contrary herein, the payments of County Pledged Tax Abatements under this paragraph in each year may not exceed the Statutory Cap described in paragraph (5) of this Section total payments of principal and interest under the County Tax Abatement Note over its term shall not exceed $329,033 which is the maximum amount of County Tax Abatements set forth in the County Tax Abatement Program. Payments on each Payment Date shall be subject to the qualification described in Section 3.13 in the case of a pending Tax Appeal (as defined in Section 3.13).

(4) *Qualifications*. The Developer acknowledges that:

(a) it has not relied on any representations of the County, or any of its officers, agents, or employees, and has not relied on any opinion of any attorney of the County, as to the Federal or State income tax consequences relating to the payment of County Tax Abatements under this Section.

(b) the County shall in no event be obligated to make any County Tax Abatement payment under this Section to the Developer unless and until (i) all ad valorem property taxes due and payable with respect to the Development Property as of the applicable Payment Date have been paid in full and (ii) the County has received from any source as provided by law an ad valorem property tax distribution that includes all or any portion of the County Pledged Tax Abatements.

(c) all estimates of County Tax Abatements that have been prepared by or on behalf of the County have been done for the County's use only and neither the County nor its consultants shall have liability to the Developer if the actual County Tax Abatements are less than the amounts estimated.

(5) *Statutory Cap*. The Developer further acknowledges that the total County Pledged Tax Abatements attributable to any calendar year (i.e., the combined payments on Payment Dates of August 1 and the following February 1) may not exceed the greater of $200,000 or 10% of the County's Net Tax Capacity for that tax-payable year (the "Statutory Cap"), all pursuant to Section 469.1813, Subdivision 8 of the Abatement Act. The County has previously utilized abatements under the Abatement Act for other projects in the County. The County reasonably expects that the Statutory Cap will not cause the County Pledged Tax Abatements under this Agreement to be reduced; however, the Developer acknowledges that, during the term of the tax abatement under this Section, if the total abatements payable by the County under the Tax Abatement Act in any year would exceed the Statutory Cap, the Statutory Cap is allocated first to the County's existing abatement obligations, second to the County Pledged Tax Abatements payable under this Agreement, and third to any other tax abatements granted after the date of this Agreement.

Section 3.3 <u>Development of the Project.</u>

(1) The costs of the Project shall be paid by the Developer and none of such costs shall be paid by the City or the County except as reimbursed as specifically provided in this Agreement.

(2) The Developer will construct the Project or cause the Project to be constructed in accordance with the Construction Plans approved by the City and the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(3) The Developer will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed.

(4) Nothing in this Agreement shall be deemed to impair or limit any of the City's rights or procedures under its zoning laws or construction permit processes and policies.

(5) The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

(6) The Developer will cooperate fully with the City and the County in resolving, in accordance with any Applicable Regulations, any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

(7) The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Project, in accordance with the technical specifications, standards and practices of the owner thereof.

(8) The Developer at all times prior to the termination of this Agreement will operate and maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in commercially reasonable good repair and condition.

(9) The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request the City and the County, furnish the City and the County with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Project.

Section 3.4 Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by July 1, 2023 and be substantially completed by July 1, 2024.

The Project will be constructed by the Developer on the Development Property in conformity with this Agreement and the Construction Plans approved by the City and the County. No changes shall be made to the Construction Plans for the Project without the City's and the County's prior written approval unless the aggregate of such changes does not increase or decrease the Total Development Costs of the Project by more than 5%. Prior to completion, upon the request of the City or the County, and subject to applicable safety rules, the Developer will provide the City and the County reasonable access to the Development Property. "Reasonable access" means at least one site inspection per week during regular business hours. During construction of

the Project, the Developer will deliver progress reports to the City from time to time as mutually agreed upon by the City or the County and the Developer.

Section 3.5 Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer will deliver to the City and the County the Construction Plans. The City and the County shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying the deficiencies in the Construction Plans. The City and the County will approve the Construction Plans only if the Construction Plans (i) substantially conform to the terms and conditions of this Agreement; (ii) are consistent with the goals and objectives of the Tax Abatement Program; (iii) comply with the site plan, including without limitation using consistent construction materials and architectural style; and (iv) do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City or the County, then the Developer shall make such changes as the City or the County may reasonably require and resubmit the Construction Plans to the City or the County, as applicable, for approval.

(2) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City or the County does not constitute a representation or warranty by the City or the County that the Construction Plans or the Project comply with any Applicable Regulations, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City or the County will not constitute a waiver of an Event of Default. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City or County department.

Section 3.6 Certificate of Completion. The Developer shall notify the City and the County when construction of the Project has been substantially completed. The City and the County shall within 15 Business Days thereafter inspect the Project in order to determine whether the Project has been constructed in substantial conformity with this Agreement and the approved Construction Plans. If the City and the County determine that the Project has not been constructed in substantial conformity with this Agreement and the approved Construction Plans, the City and the County shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with the approved Construction Plans and Developer shall promptly remedy such deficiencies. Promptly upon determining that the Project has been constructed in substantial conformity with this Agreement and the approved Construction Plans, the City and the County will furnish to the Developer a Certificate of Completion in the form set forth in **Exhibit C** attached hereto certifying the completion of the Project. The Certificate of Completion issued for the Project shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement to construct the Project and any provisions under this Agreement which state that they terminate upon the delivery of the Certificate of Completion. The Developer may cause the Certificate of

Completion to be recorded in the proper office for recordation of deeds and other instruments pertaining to the Development Property.

Section 3.7 Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The City and the County make no warranties or representations regarding, nor do they indemnify the Developer with respect to, the existence or nonexistence on, anywhere within or in the vicinity of the Development Property of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), 42 U.S.C. §§ 961-9657, as amended) (collectively, the "Hazardous Substances").

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

(4) The Developer waives any claims against the City and the County, for indemnification, contribution, reimbursement or other payments arising under federal and state law and the common law or relating to the environmental condition of the land comprising the Development Property.

Section 3.8 Limitations on Undertaking of the City and the County. Notwithstanding the provisions of Sections 3.1 and 3.2, neither the City nor the County shall have any obligation to the Developer under this Agreement to reimburse the Developer for the Eligible Costs of the construction of the Project, if either the City or the County, at the time or times such payment is to be made, is entitled under Section 4.2 to exercise any of the remedies set forth therein as a result of an Event of Default which has not been cured.

Section 3.9 No Change in Use of Project. During the term of this Agreement, the Developer shall continue to operate the Project as a manufacturing facility. A failure to comply with this Section shall be an Event of Default in accordance with Section 4.1 hereof.

Section 3.10 Damage and Destruction. In the event of damage or destruction of the Project the Developer shall repair or rebuild the Project or cause the Project to be repaired or rebuilt.

Section 3.11 Prohibition Against Transfer of Project and Assignment of Agreement. The Developer represents and agrees that prior to the Termination Date the Developer shall not transfer this Agreement, the Tax Abatement Note, or the Development Property or the Project or any part thereof or any interest therein, except to an Affiliate with written notice to the City and the County and without the prior written approval of both the City and the County, which approval shall not

be unreasonably withheld, conditioned or delayed. The City and the County shall both be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City and the County, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) Any proposed transferee, by instrument in writing satisfactory to the City and the County shall, for itself and its successors and assigns, and expressly for the benefit of the City and the County, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(3) There shall be submitted to the City and the County for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Project.

(4) Any proposed transferee of the City Tax Abatement Note shall execute and deliver to the City an acknowledgment regarding the limitations of the City Tax Abatement Note in a form satisfactory to the City.

(5) Any proposed transferee of the County Tax Abatement Note shall execute and deliver to the County an acknowledgment regarding the limitations of the County Tax Abatement Note in a form satisfactory to the County.

(6) There shall be submitted to the City and the County for review all instruments and other legal documents involved in effecting transfer, and if approved by the City and the County, its approval shall be indicated to the Developer in writing.

(7) The Developer shall have paid all reasonable legal fees and expenses of the City and the County, including fees of the City Attorney's office, the County Attorney's office and outside counsel retained by the City and the County to review the documents submitted to the City and the County in connection with any transfer.

If the City or the County reject the request for approval of an assignment as inadequate, it will do so in writing specifying the basis for the rejection.

In the event the foregoing conditions are satisfied, then the Developer will be released from its obligations under this Agreement.

Section 3.12 Right to Collect Delinquent Taxes. The Developer acknowledges that the City and County are providing substantial aid and assistance in furtherance of the Project through issuance of the Tax Abatement Notes. The Developer understands that the City Pledged Tax Abatements and the County Pledged Tax Abatements are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer

acknowledges that this obligation creates a contractual right on behalf of the City and the County to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City and the County shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 3.13 Real Property Taxes. The Developer agrees that prior to the Termination Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property. The Developer also agrees that it will not, prior to the Termination Date, apply for an exemption from or a deferral of property tax on the Development Property pursuant to any law, or transfer or permit transfer of the Development Property to any entity whose ownership or operation of the property would result in the Development Property being exempt from real property taxes under State law. The Developer shall, so long as this Agreement remains in effect, pay or cause to be paid all real property taxes with respect to all parts of the Development Property acquired, owned or leased by it or which are payable pursuant to any statutory or contractual duty that shall accrue subsequent to the date of its acquisition of title to the Development Property (or part thereof).

The Developer further acknowledges that failure of the Developer to commence and complete the Project as set forth in Section 3.4 hereof could reduce the City Pledged Tax Abatements below the City Reimbursement Amount and the County Pledged Tax Abatements below the County Reimbursement Amount. The Developer agrees that for tax assessments so long as this Agreement remains in effect:

(1) It will not seek administrative review or judicial review of the applicability of any tax statute relating to the ad valorem property taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability of any such tax statute as a defense in any proceedings with respect to the Development Property, including delinquent tax proceedings; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(2) It will not seek administrative review or judicial review of the constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the unconstitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings with respect to the Development Property; provided, however, "tax statute" does not include any local ordinance or resolution levying a tax;

(3) The Developer shall notify the City and the County within 10 days of filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of any Payment Date, any Tax Appeal is then pending, the City and the County will withhold their respective Pledged Tax Abatements. The City and the County will apply any withheld amount to the extent not reduced as a result of the Tax Appeal promptly after the Tax Appeal is fully resolved and the amount of

the respective Pledged Tax Abatements, as applicable, attributable to the disputed tax payments is finalized.

Section 3.14 Encumbrance of the Development Property. Until the issuance of a Certificate of Completion, without the prior written consent of the City and the County, which will not be unreasonably withheld or delayed, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition, renovation, construction and operation of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of renovating the Project, and an allowance for contingencies) including without limitation land use restriction agreements in connection with such financings.

Section 3.15 Developer to Pay City and County Fees and Expenses. The Developer will pay all the City's and County's Administrative Costs (as defined below). For the purposes of this Agreement, the term "Administrative Costs" means reasonable out of pocket costs incurred by the City and the County together with staff and consultant (including legal, financial adviser, etc.) costs of the City and the County, all attributable to or incurred in connection with establishing the Tax Abatement Program and review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and review and approvals of other documents and agreements in connection with the Project and any amendments thereto.

The City acknowledges that the Developer has previously deposited with the City $5,000 for the payment of Administrative Costs. [The County acknowledges that the Developer has previously deposited with the County $______, including a $_______ nonrefundable administrative fee and $_______ for the payment of Administrative Costs.] If Administrative Costs exceed either amount, then the Developer shall deposit additional funds as requested by the City and the County to cover ongoing Administrative Costs. The Developer agrees to pay all reasonable Administrative Costs within 15 days of the City's or the County's written request, supported by suitable billings, receipts or other evidence of the amount and nature of Administrative Costs incurred. Upon termination of this Agreement in accordance with its terms, the Developer remains obligated under this Section for Administrative Costs incurred through the Termination Date. Any funds deposited with the City or the County by the Developer and not expended by the City or the County for Administrative Costs on or before the date of issuance of the City Tax Abatement Note or the County Tax Abatement Note will be returned to the Developer without interest.

In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's or the County's planning, zoning, and building fee schedules. The Developer shall pay all other normal and

customary City and County fees and expenses, unless otherwise specified in this Agreement, for the approval and construction of the Project.

Section 3.16. IRRR Grant Disbursement.

(a) To finance a portion of the costs (the "Grant-Eligible Costs") of site infrastructure and certain other improvements (the "Grant-Eligible Activities") as described in the State of Minnesota Grant Contract Agreement, dated April 19, 2022, between the City and the State of Minnesota acting through the Commissioner of the IRRR ("Grant Agreement"), the City has applied for and received a grant from the IRRR in the maximum amount of $350,000 (the "IRRR Grant").

(b) The City will pay or reimburse the Developer for Grant-Eligible Costs from and to the extent of proceeds of the IRRR Grant, in accordance with the terms of the approved and executed Grant Agreement and the terms of this Section. **Notwithstanding anything to the contrary herein, if Grant-Eligible Costs exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Developer (except to the extent reimbursable from Tax Abatement Notes).**

(c) The Developer will be the general contractor for the Grant-Eligible Activities on the Redevelopment Property. When selecting a contractor to perform the Grant-Eligible Activities, the Developer shall comply with all requirements of Minnesota Statutes, Section 471.354 (the "Public Bidding Act") and Section 4.3 of the Grant Agreement, as directed by the City. The Developer's compliance with the Public Bidding Act shall be determined by the City in its sole discretion. The Developer shall comply in all respects with the requirements of the Grant Agreement as if it were the "Grantee" thereunder.

(d) All disbursements from the proceeds of the IRRR Grant will be made by the City to the Developer subject to the following conditions precedent that on the date of such disbursement:

(1) The City has received a written statement from the Developer's authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section or under Sections 3.1 or 3.2 (or before the date of this Agreement); (b) that each item for which the payment is proposed is a Grant-Eligible Cost; and (c) that the Developer reasonably anticipates completion of the Grant-Eligible Activities in accordance with the terms of this Agreement and the Grant Agreement.

(2) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(3) No license or permit necessary for undertaking the Grant-Eligible Activities shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(4) Developer has submitted, and the City has approved, Construction Plans for the Project in accordance with Section 3.5 hereof.

(5) Developer has submitted paid invoices or other comparable evidence satisfactory to the City to demonstrate that the Grant-Eligible Cost has been incurred and paid or is payable by the Developer.

(6) All requirements of the Grant Agreement that are to be performed or complied with by the Developer prior to the date of such disbursement have been met.

(e) Whenever the Developer desires a disbursement to be made hereunder, which shall be no more often than monthly, the Developer shall submit to the City a draw request in the form approved by the IRRR to the City accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Developer. Each draw request shall constitute a representation and warranty by the Developer that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request. After submission of the draw request, if the Developer has performed all of its agreements and complied with all requirements to be performed or complied with under the Grant Agreement and hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall submit such request to the IRRR and make a disbursement to the Developer in the amount of the requested disbursement or such lesser amount as shall be approved, within thirty (30) Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRR. Each disbursement shall be paid solely from the proceeds of the IRRR Grant, subject to the City's and the IRRR's determination that the relevant Grant-Eligible Cost is payable from the IRRR Grant under the Grant Agreement. The City has no obligation to provide proceeds of the IRRR Grant unless and until such funds are disbursed by the IRRR.

(f) The making of the final disbursement by the City under this Section shall be subject to the condition precedent that the Developer shall be in compliance with all conditions set forth in this Section and further, that the City shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Grant-Eligible Costs.

(g) The City may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this section. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of such condition, and the City shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

Section 3.17 Business Subsidy Act. The provisions of this Section constitute the business subsidy agreement for the purposes of the Business Subsidy Act.

(1) *General Terms.* The parties agree and represent to each other as follows:

(a) The subsidy provided to the Developer consists of the Tax Abatement Notes and the IRRR Grant, representing a total subsidy of $710,683 from the City and $329,033 from the County.

(b) The public purposes of the subsidy are to facilitate industrial development in the City and the County, help an existing company expand in the City, increase net jobs in the City, the County and the State (including construction jobs), and increase and maintain the tax base of the City, the County and the State.

(c) The goals for the subsidy are to secure development of the Project on the Development Property, to maintain such improvements as a manufacturing facility for the time period described in clause (f) below and to create the jobs and wage levels in accordance with Section 3.17(2) hereof.

(d) If the goals described in clause (c) are not met, the Developer must make the payments to the City and the County described in Section 3.17(3).

(e) The subsidy is needed to mitigate the cost of site and building improvements to complete the Project on the Development Property.

(f) The Developer must continue operation of the Project as a "Qualified Facility" for at least 5 years after the Benefit Date. The term Qualified Facility means a manufacturing facility. The Project will be a Qualified Facility as long as it is operated by Developer for the aforementioned qualified uses. During any period when the Project is vacant and not operated for the aforementioned qualified uses, the Project will not constitute a Qualified Facility.

(g) The Developer's parent corporation is Yanmar America Corporation.

(h) In addition to the Tax Abatement Notes and the IRRR Grant, the Developer has received a grant from the Minnesota Investment Fund Program administered by the State of Minnesota Department of Employment and Economic Development and to be loaned to the Developer by the Grand Rapids Economic Development Authority in the amount of $450,000 (the "MIF Grant") and financing from the IRRR in the amount of $1,000,000 (the "IRRR Direct Grant") in connection with developing the Project on the Development Property. Other than the City Tax Abatement Note, the County Tax Abatement Note, the MIF Grant, the IRRR Grant and the IRRR Direct Grant, the Developer has not received, and does not expect to receive, financial assistance from any other "grantor" as defined in the Business Subsidy Act, in connection with the Project.

(2) *Job and Wage Goals.* By the Compliance Date, which is the date two (2) years after the Benefit Date, the Developer shall (i) create at least 115 full-time equivalent jobs at the Project, and (ii) cause the average hourly wage of the 115 created jobs to be at least $37.18 per hour, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied as of the date such wage and job goals are met, despite the Developer's continuing obligations under Sections 3.17(1)(f) and 3.15(4). The City and County may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the City or the County's legislative discretion regarding this matter.

(3) *Remedies.* If the Developer fails to meet the goals described in Section 3.17(1)(c), the Developer shall repay to the City and the County, respectively, upon written demand from the City or the County a "pro rata share" of the amounts paid by the City or the County to the Developer under the City Tax Abatement Note, the IRRR Grant and the County Tax Abatement Note, as applicable. The term "pro rata share" means percentages calculated as follows:

(a) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(b) if the failure relates to wages, the number of jobs required less the number of jobs that meet the required wages, divided by the number of jobs required;

(c) if the failure relates to maintenance of the Project as a Qualified Facility in accordance with Section 3.17(1)(f), 60 less the number of months of operation as a Qualified Project (where any month in which the Qualified Facility is in operation for at least 15 days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Qualified Facility ceases operation as determined by the City and the County, divided by 60; and

(d) if more than one of clauses (a) through (c) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the City's and the County's remedies under Section 4.2 hereof. In addition to the remedy described in this Section and any other remedy available to the City and the County for the Developer's failure to meet the goals stated in Section 3.17(1)(c), the Developer agrees and understands that it may not receive a business subsidy from the City, the County or any grantor (as defined in the Business Subsidy Act) for a period of 5 years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(4) *Reports.* The Developer must submit to the City and the County a written report regarding the business subsidy goals detailed in this Section 3.17 and results by no later than February 1 of each year commencing February 1, 2024 and continuing until the later of (a) the date the goals stated Section 3.17(1)(c) are met; (b) 30 days after expiration of the period described in Section 3.17(1)(f); or (c) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.17(3). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City and the County will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City and the County will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City and/or the County, as applicable, a penalty of $100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section is $1,000.

Section 3.18 Records. The City and the County, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Project. Such records shall be kept and maintained by Developer through the Termination Date.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default Defined. The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay or cause to be paid any ad valorem real property taxes, special assessments, utility charges or other governmental impositions with respect to the Project or the Development Property.

(2) Failure by the Developer to construct or cause the Project to be constructed pursuant to the terms, conditions and limitations of this Agreement.

(3) Failure by the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) If the Developer shall

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) be adjudicated a bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 60 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 4.2 Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City and/or the County, as specified, may take any one or more of the following actions after the giving of 30 days' written notice to the Developer citing with specificity the item or items of default and notifying the Developer that it has 30 days within which to cure said Event of Default. If the Event of Default has not been cured within said 30 days or a reasonable period of time, not exceeding 90 days, if the Event of Default cannot be reasonably cured within such 30-day period and Developer has commenced and is diligently pursing a cure of the default:

(1) The City may suspend its performance under this Agreement and the City Tax Abatement Note, without interest, until the default is cured or, in the discretion of the City, if it

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receives assurances from the Developer, deemed adequate by the City in its sole discretion, that the Developer will cure its default and continue its performance under this Agreement.

(2) The County may suspend its performance under this Agreement and the County Tax Abatement Note, without interest, until the default is cured or, in the discretion of the City, if it receives assurances from the Developer, deemed adequate by the County in its sole discretion, that the Developer will cure its default and continue its performance under this Agreement.

(3) The City may terminate the Tax Abatement Program and cancel and rescind this Agreement and the City Tax Abatement Note.

(4) The County may terminate the Tax Abatement Program and cancel and rescind this Agreement and the County Tax Abatement Note.

(5) The City and the County may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City and the County is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5 Agreement to Pay Attorneys' Fees and Expenses. If the Developer shall default under any of the provisions of this Agreement, and the City or the County shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will on demand therefor reimburse the City and the County for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

Section 4.6 Release and Indemnification Covenants.

(1) The Developer releases from and covenants and agrees that the City and the County, and their governing bodies' members, officers, agents, including independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or

death of any person occurring at or about or resulting from any defect in the Project, except to the extent caused by any willful or wanton misconduct of the Indemnified Parties.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, and operation of the Project; provided, that this indemnification shall not apply to the warranties made or obligations undertaken by the City or the County in this Agreement.

(3) All covenants, stipulations, promises, agreements and obligations of the City and the County contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and the County and not of any governing body member, officer, agent, servant or employee of the City or the County. The City, the County and their governing body members, officers, agents, servants and employees shall not be liable for any damages or injury to the persons or property of the Developer or its officers, agents, servants or employees or any other person who may be related the Project due to any act of negligence of any person.

ARTICLE V

ADDITIONAL PROVISIONS

Section 5.1 Insurance

(1) The Developer will provide and maintain at all times during the process of constructing the Project an All-Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City or the County, furnish the City or the County with proof of payment of premiums on policies covering the following:

(a) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the aggregate principal amount of the Tax Abatement Notes, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interests of the City and the County shall be protected in accordance with a clause in form and content satisfactory to the City and the County;

(b) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than $1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City and the County shall be listed as additional insured parties on the policy; and

(c) Workers' compensation insurance, with statutory coverage, provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(2) Upon completion of construction of the Project and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City or the County shall furnish proof of the payment of premiums on, insurance as follows:

(a) Insurance against loss and/or damage to the Project under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(b) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of $1,000,000, and shall be endorsed to show the City and the County as additional insured parties.

(c) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(3) All insurance required in this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City and the County, policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer, the City and the County at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City and the County a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Project.

(4) The Developer agrees to notify the City and County immediately in the case of damage exceeding $100,000 in amount to, or destruction of, the Project or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Project to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Project regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Developer.

A failure to promptly repair, reconstruct and restore the Project as required by this Section 5.1(4) will be considered an Event of Default under this Agreement and the City and/or the County may suspend payments on the City Tax Abatement Note or the County Tax Abatement Note, as applicable, or exercise any other remedies provided in Section 4.2 hereof.

(5) All of the insurance provisions set forth in this Section shall terminate upon the termination of this Agreement.

Section 5.2 Conflicts of Interest. No member of the governing body or other official of the City or the County shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to this Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City or the County shall be personally liable to the City or the County in the event of any default or breach by the Developer or successor or on any obligations under the terms of this Agreement.

Section 5.3 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 its provisions.

Section 5.4 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(1) in the case of the Developer is addressed to or delivered personally to:

Yanmar Compact Equipment North America, Inc.
840 Lily Lane
Grand Rapids, MN 55744
Attention: Melissa How, CFO_

(2) in the case of the City is addressed to or delivered personally to the City at:

City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: City Administrator

(3) in the case of the County is addressed to or delivered personally to the County at:

Itasca County
123 NE 4th Street
Grand Rapids, MN 55744
Attn: County Administrator

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

Section 5.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.6 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 5.7 Duration. This Agreement shall terminate on the Termination Date.

Section 5.8 Provisions Surviving Rescission or Expiration. Sections 4.5 and 4.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof

Section 5.9 Superseding Effect. This Agreement reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects

all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property

Section 5.10 Recording. The City may record this Agreement and any amendments thereto with the Itasca County recorder. The Developer shall pay all costs for recording.

Section 5.11 Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the City and the County contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and the County and not of any governing body member, officer, agent, servant or employee of the City or the County.

Section 5.12 Interpretation; Concurrence. The language in this Agreement shall be construed simply according to its generally understood meaning, and not strictly for or against any party and no interpretation shall be affected by which party drafted any part of this Agreement. By executing this Agreement, the parties acknowledge that they (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf, the County has caused this Agreement to be duly executed in its name and on its behalf and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

DEVELOPER:

YANMAR COMPACT EQUIPMENT
NORTH AMERICA, INC.

By____________________________
Name:_________________________
Its____________________________

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of ________, 2023, by _________________________, the _________________ of Yanmar Compact Equipment North America, Inc., a ______________________, on behalf of the corporation.

____
Notary Public

This is a signature page to the Tax Abatement Agreement by and among the City of Grand Rapids, Minnesota, Itasca County, Minnesota and Yanmar Compact Equipment North America, Inc.

CITY OF GRAND RAPIDS, MINNESOTA

By______________________________
Its Mayor

By______________________________
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2023 by ______________________ and _________________, the Mayor and City Administrator of the City of Grand Rapids, Minnesota, on behalf of the City.

____
Notary Public

This is a signature page to the Tax Abatement Agreement by and among the City of Grand Rapids, Minnesota, Itasca County, Minnesota and Yanmar Compact Equipment North America, Inc.

ITASCA COUNTY, MINNESOTA

By____________________________
Its Chair

By____________________________
Its County Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2023 by _______________ and _______________, the Board Chair and County Administrator of Itasca County, Minnesota, on behalf of the County.

____
Notary Public

This is a signature page to the Tax Abatement Agreement by and among the City of Grand Rapids, Minnesota, Itasca County, Minnesota and Yanmar Compact Equipment North America, Inc.

EXHIBIT A

FORM OF CITY TAX ABATEMENT NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ITASCA
CITY OF GRAND RAPIDS

No. R-1 [$**234,000**]

TAXABLE ABATEMENT REVENUE NOTE
(YCENA PROJECT)

Interest Rate:	Date of Original Issue
4.75%	____________

Itasca City, Minnesota (the "Issuer"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of Yanmar Compact Equipment North America, Inc., or registered assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal sum in an amount not to exceed [$**234,000**], together with interest at the rate of 4.75% per annum from the Date of Original Issue stated above. This City Tax Abatement Note (this "Note") is given in accordance with that certain Tax Abatement Agreement between the Issuer and the Owner, dated as of ________, 2023 (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the meaning provided for such terms in the Agreement unless the context clearly requires otherwise.

Payments of principal and accrued interest on this Note (each a "Payment") shall be payable in semi-annual installments payable on each February 1 and August 1, (the "Payment Dates") provided that if any such Payment Date is not a Business Day the Payment Date shall be the next succeeding Business Day, commencing on August 1, 2025 and ceasing the earlier of (i) February 1, 2045; or (ii) any earlier date the Agreement is cancelled in accordance with the terms thereof; or (iii) the date the principal of this Note is paid or deemed paid in full in accordance with the terms hereof, the "Final Maturity Date."

Each Payment shall be in an amount equal to the amount of City Pledged Tax Abatements (as defined in the Agreement) actually received by the Issuer in the 6-month period before each Payment Date. Notwithstanding anything to the contrary herein, the payments of City Tax Abatements under this paragraph in each year may not exceed the Statutory Cap (as defined in the Agreement) and the payment on each Payment Date shall be subject to the qualification described in Section 3.13 of the Agreement in the case of a pending Tax Appeal. Payments are subject to

prepayment at the option of the Issuer in whole or in part on any date after the Date of Original Issue stated above. All payments shall be applied first to accrued interest and second to principal. Notwithstanding anything herein to the contrary, total payments of principal and interest under the City Tax Abatement Note shall not exceed $360,683 which is the maximum amount of City Tax Abatements set forth in the City Tax Abatement Program.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

Payments on this Note are payable solely from City Pledged Tax Abatements (as defined in the Agreement). The pledge of City Pledged Tax Abatements is subject to all the terms and conditions of the Agreement.

The Issuer shall have no obligation to make any Payment on any Payment Date if, as of such date there has occurred and is continuing any Event of Default on the part of the Owner as defined in the Agreement. If the Event of Default is thereafter cured in accordance with the Agreement, the City Pledged Tax Abatements as of such Payment Date shall be deferred, without interest, and paid on the next Payment Date after the Event of Default is cured. If an Event of Default is not timely cured and the Issuer elects to terminate its obligation under the Agreement, the Issuer shall have no further obligations to make Payments hereunder. If an Event of Default is not timely cured and the Issuer terminates its obligation under the Agreement, the Agreement and this Note shall be deemed terminated and the Issuer shall have no further obligations hereunder. Payments under this Note may also be suspended or reduced as otherwise provided in the Agreement, in which case the Owner shall deliver this Note in exchange for a new note in the adjusted principal amount upon the request of the Issuer.

This Note shall terminate and be of no further force and effect as of, and the Issuer shall have no obligation to pay any portion of the Payments that remains unpaid after, the Final Maturity Date. Any estimates of City Tax Abatements prepared by the Issuer or its municipal advisor in connection with the City Pledged Tax Abatements and the Agreement are for the benefit of the Issuer only and are not intended as representations on which the Developer may rely. THE ISSUER MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE CITY PLEDGED TAX ABATEMENTS WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.

This Note is issued pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, and pursuant to the resolution of the Issuer adopted on February 14, 2023 (the “Resolution”) duly adopted by the City Council of the Issuer pursuant to and in full conformity with the Constitution and laws of the State of Minnesota. This Note is a limited obligation of the Issuer, payable solely from moneys pledged to the payment of this Note under the Resolution. This Note shall not be deemed to constitute a general obligation of the State of Minnesota, or any political subdivision thereof, including, without limitation, the Issuer. Neither the State of Minnesota, nor any political subdivision thereof, including, without limitation, the Issuer, shall be

obligated to pay the principal of or interest on this Note or other costs incident hereto except from the revenues and receipts pledged therefor, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof, including, without limitation, the Issuer, is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the Owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Issuer, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Issuer with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same dates.

This Note shall not be transferred to any person or entity except in accordance with Section 3.11 of the Agreement and unless the Issuer has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Issuer, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Transfer of the ownership of this Note to a person other than one permitted by this paragraph without the written consent of the Issuer shall relieve the Issuer of all of its obligations under this Note.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the Issuer outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City Council of the City of Grand Rapids, Minnesota has caused this Note to be executed by the manual signatures of the Mayor and City Administrator of the Issuer and has caused this Note to be dated as of the Date of Original Issue specified above.

CITY OF GRAND RAPIDS, MINNESOTA

By: ______________________________
Its: Mayor

By: ______________________________
Its: City Administrator

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Administrator in the name of the person last listed below.

Date of Registration	Registered Owner	Signature of City Administrator
______________________	Yanmar Compact Equipment North America, Inc. Federal ID #82-1501649	______________________

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EXHIBIT B
FORM OF COUNTY TAX ABATEMENT NOTE

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF ITASCA

No. R-1 [$**196,566**]

TAXABLE ABATEMENT REVENUE NOTE
(YCENA PROJECT)

Interest Rate:	Date of Original Issue
4.75%	____________

Itasca County, Minnesota (the "Issuer"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of Yanmar Compact Equipment North America, Inc., or registered assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal sum in an amount not to exceed [$**196,566**], together with interest at the rate of 4.75% per annum from the Date of Original Issue stated above. This County Tax Abatement Note (this "Note") is given in accordance with that certain Tax Abatement Agreement between the Issuer and the Owner, dated as of ________, 2023 (the "Agreement"). Capitalized terms used and not otherwise defined herein shall have the meaning provided for such terms in the Agreement unless the context clearly requires otherwise.

Payments of principal and accrued interest on this Note (each a "Payment") shall be payable in semi-annual installments payable on each February 1 and August 1, (the "Payment Dates") provided that if any such Payment Date is not a Business Day the Payment Date shall be the next succeeding Business Day, commencing on August 1, 2025 and ceasing the earlier of (i) February 1, 2045; or (ii) any earlier date the Agreement is cancelled in accordance with the terms thereof; or (iii) the date the principal of this Note is paid or deemed paid in full in accordance with the terms hereof, the "Final Maturity Date."

Each Payment shall be in an amount equal to the amount of County Pledged Tax Abatements (as defined in the Agreement) actually received by the Issuer in the 6-month period before each Payment Date. Notwithstanding anything to the contrary herein, the payments of County Tax Abatements under this paragraph in each year may not exceed the Statutory Cap (as defined in the Agreement) and the payment on each Payment Date shall be subject to the qualification described in Section 3.13 of the Agreement in the case of a pending Tax Appeal. Payments are subject to prepayment at the option of the Issuer in whole or in part on any date after the Date of Original Issue stated above. All payments shall be applied first to accrued interest and

second to principal. Notwithstanding anything herein to the contrary, total payments of principal and interest under the County Tax Abatement Note shall not exceed $329,033 which is the maximum amount of County Tax Abatements set forth in the County Tax Abatement Program.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

Payments on this Note are payable solely from County Pledged Tax Abatements (as defined in the Agreement). The pledge of County Pledged Tax Abatements is subject to all the terms and conditions of the Agreement.

The Issuer shall have no obligation to make any Payment on any Payment Date if, as of such date there has occurred and is continuing any Event of Default on the part of the Owner as defined in the Agreement. If the Event of Default is thereafter cured in accordance with the Agreement, the County Pledged Tax Abatements as of such Payment Date shall be deferred, without interest, and paid on the next Payment Date after the Event of Default is cured. If an Event of Default is not timely cured and the Issuer elects to terminate its obligation under the Agreement, the Issuer shall have no further obligations to make Payments hereunder. If an Event of Default is not timely cured and the Issuer terminates its obligation under the Agreement, the Agreement and this Note shall be deemed terminated and the Issuer shall have no further obligations hereunder. Payments under this Note may also be suspended or reduced as otherwise provided in the Agreement, in which case the Owner shall deliver this Note in exchange for a new note in the adjusted principal amount upon the request of the Issuer.

This Note shall terminate and be of no further force and effect as of, and the Issuer shall have no obligation to pay any portion of the Payments that remains unpaid after, the Final Maturity Date. Any estimates of County Tax Abatements prepared by the Issuer or its municipal advisor in connection with the County Pledged Tax Abatements and the Agreement are for the benefit of the Issuer only and are not intended as representations on which the Developer may rely. THE ISSUER MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE COUNTY PLEDGED TAX ABATEMENTS WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.

This Note is issued pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, and pursuant to the resolution of the Issuer adopted on February 14, 2023 (the "Resolution") duly adopted by the Board of Commissioners of the Issuer pursuant to and in full conformity with the Constitution and laws of the State of Minnesota. This Note is a limited obligation of the Issuer, payable solely from moneys pledged to the payment of this Note under the Resolution. This Note shall not be deemed to constitute a general obligation of the State of Minnesota, or any political subdivision thereof, including, without limitation, the Issuer. Neither the State of Minnesota, nor any political subdivision thereof, including, without limitation, the Issuer, shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except from the revenues and receipts pledged therefor, and neither the full faith and credit

nor the taxing power of the State of Minnesota or any political subdivision thereof, including, without limitation, the Issuer, is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the Owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Issuer, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Issuer with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same dates.

This Note shall not be transferred to any person or entity except in accordance with Section 3.11 of the Agreement and unless the Issuer has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Issuer, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Transfer of the ownership of this Note to a person other than one permitted by this paragraph without the written consent of the Issuer shall relieve the Issuer of all of its obligations under this Note.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the Issuer outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the Issuer to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the Board of Commissioners of Itasca County, Minnesota has caused this Note to be executed by the manual signatures of the Chair and County Administrator of the Issuer and has caused this Note to be dated as of the Date of Original Issue specified above.

ITASCA COUNTY, MINNESOTA

By: ______________________________
Its: Chair

By: ______________________________
Its: County Administrator

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the County Administrator in the name of the person last listed below.

Date of Registration	Registered Owner	Signature of County Administrator
______________________	Yanmar Compact Equipment North America, Inc. Federal ID #82-1501649	______________________

EXHIBIT C

CERTIFICATES OF COMPLETION OF PROJECT

THIS CERTIFICATE made this ____ day of __________, 20___ from the City of Grand Rapids, Minnesota, a municipal corporation existing under the Constitution and laws of the State of Minnesota (the “City”) and Itasca County, Minnesota, a body corporate and politic and political subdivision of the State of Minnesota (the “County”), for the benefit Yanmar Compact Equipment North America, Inc.., a Delaware corporation (the “Developer”).

WHEREAS, the City and the County entered into a Tax Abatement Agreement (the “Agreement”), dated __________, 2023, with the Developer a requires the Developer to acquire certain real property located at 840 Lily Lane in the City, identified as Parcel Identification Numbers 91-568-0220, 91-569-0110, 91-027-2401, 91-027-2105, 91-568-0210, 91-566-0305, 91-566-0310, 91-566-0315, 91-566-0320, 91-566-0325 and 91-566-0330, Itasca County, Minnesota (the “Development Property”) and construct and equip thereon an approximately 32,000 square foot expansion to a compact equipment production facility to be used for manufacturing including a new paint system to be owned by the Developer (the “Project”);

WHEREAS, the Developer has constructed the Project in a manner deemed sufficient by the City to permit the execution of this certification;

NOW THEREFORE, the City and the County do hereby certify that the Developer has satisfactorily completed the Project in accordance with Sections 3.3 through 3.6 of the Agreement. The Developer is released and forever discharged from its obligations with respect to construction of the Project under Sections 3.3 through 3.6 of the Agreement. Any remaining obligations under the Agreement shall be solely contractual obligations of the Developer and parties to whom the Developer expressly assigns, and who expressly assume, the Developer’s obligations under the Agreement.

The City and the County have, as of the date and year first above written, set their hand hereon.

CITY OF GRAND RAPIDS, MINNESOTA

By: ______________________________________
Its: City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2023 by _______________ the City Administrator of the City of Grand Rapids, Minnesota, on behalf of the City.

____
Notary Public

ITASCA COUNTY, MINNESOTA

By: ______________________________________
Its: County Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _________, 2023 by _______________ the County Administrator of Itasca County, Minnesota, on behalf of the County.

____
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
KENNEDY & GRAVEN, CHARTERED (GAF)

150 S 5th Street, Suite 700
Minneapolis, MN 55402

EXHIBIT D
PROJECT SOURCES AND USES

Expense Description	MN IRRR	MN DEED/GREDA	YCENA/Yanmar	City	Itasca County	Total
Site Work Construction	350,000		239,000			589,000
Building Construction			2,728,500	234,000	197,000	3,159,500
A&E			107,500			107,500
Building/Site Contingency			244,000			244,000
Equipment CAPEX		450,000	1,550,000			2,000,000
Paint System CAPEX	1,000,000		2,300,000			3,300,000
	$1,350,000	$450,000	$7,169,000	$234,000	$197,000	$9,400,000

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