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DRAFT 09/17/2024

**LEASE-PURCHASE AGREEMENT**

between

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION, as Trustee  
as Lessor**

and

**INDEPENDENT SCHOOL DISTRICT NO. 283  
(ST. LOUIS PARK PUBLIC SCHOOLS), MINNESOTA  
as Lessee**

Dated as of October 1, 2024

Relating to

**CERTIFICATES OF PARTICIPATION, SERIES 2024A**

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This **LEASE-PURCHASE AGREEMENT** dated as of October 1, 2024 (the “Lease”), is executed by **ZIONS BANCORPORATION, NATIONAL ASSOCIATION**, a national banking association, solely in its capacity as trustee under the Trust Agreement (as defined herein) (the “Trustee”), as lessor, and **INDEPENDENT SCHOOL DISTRICT NO. 283 (ST. LOUIS PARK PUBLIC SCHOOLS), MINNESOTA**, a public corporation and political subdivision of the State of Minnesota (the “District”), as lessee.

## RECITALS

WHEREAS, the District is authorized by Minnesota Statutes, Section 465.71, to acquire real and personal property by entering into lease-purchase agreements;

WHEREAS, on September [24], 2024, the District adopted a resolution (the “Authorizing Resolution”) authorizing the execution of this Lease and the consummation of the transaction contemplated hereby;

WHEREAS, the Trustee and the District will enter into this Lease to finance Project Costs (as defined herein), Costs of Issuance (as defined in the Trust Agreement) and certain other authorized costs (if any); and

WHEREAS, the inclusion of the principal amount of the Rental Payments (as defined herein) in excess of \$1,000,000.00 in the total amount of indebtedness of the District will not cause the District to be in violation of Minnesota Statutes, Section 475.53, or any other statutory provisions relating and applicable to indebtedness of the District.

NOW, THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

## ARTICLE I

### DEFINED TERMS

Section 1.1. Defined Terms. The capitalized terms used herein and in the exhibits hereto have the meanings set forth in this Section or elsewhere herein, unless otherwise stated. Capitalized terms used herein and not defined in this Section have the meanings assigned to them in the Trust Agreement.

*Closing Date* means October [24], 2024, the date upon which the Certificates (as defined in the Trust Agreement) are delivered to the Original Purchaser (as defined in the Trust Agreement) against payment therefor.

*Contractor* means any person or business hired by the District as a contractor to complete the Improvements or any portion thereof.

*District Buildings* means the existing and any future buildings owned by the District on the District Land.

*District Land* means the real property owned by the District, which is immediately adjacent to the Land.

*Fiscal Year* means the twelve month fiscal period of the District which commences on July 1 every year and ends on the following June 30.

*Ground Lease* means the Ground Lease Agreement dated as of the date hereof, between the District, as ground lessor, and the Trustee, as ground lessee, relating to the Land.

*Hazardous Material* means (a) oil, flammable substances, explosives, radioactive materials, hazardous wastes or substances, toxic wastes or substances or any other substances, materials or pollutants which (i) pose a hazard to the Project, the District Land, the District Buildings or other adjacent premises or to persons on or about the Project or other adjacent premises, (ii) cause the Project, the District Land, the District Buildings to be in violation of any local, state or federal law, rule, regulation or ordinance, or (iii) are defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “pollutant or contaminant” or “toxic substances” or words of similar import under any applicable local, state or federal law or under the regulations, policy guidelines or other publications adopted or promulgated pursuant thereto, including, but not limited to (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., (2) the Hazardous Materials Transportation Act, as amended, 49 U.S.C. § 1601, et seq., (3) the Resource Conservation and Recovery Act, as amended, 42 U.S.C. § 6901, et seq., (4) the Clean Air Act, as amended, 42 U.S.C. § 7412, (5) the Toxic Substance Control Act, as amended, 15 U.S.C. § 2601 et seq., (6) the Clean Water Act, as amended, 33 U.S.C. § 1317 and 1321(b)(2)A, (7) the Minnesota Environmental Response and Liability Act, as amended, Minnesota Statutes, Section 115B.02, Subdivisions 8, 9 and 13 and (8) rules, regulations, ordinances and other publications adopted or promulgated pursuant to the aforesaid laws; (b) asbestos in any form which is or could become friable, urea formaldehyde foam insulation; and (c) any other chemical, material or substance, exposure to which is prohibited, limited or regulated by any governmental authority or may or could pose a hazard to the health and safety or property interests of the District or its employees, the occupants of the Project, the District Land, the District Buildings or other adjacent premises or to persons on or about the Project, the District Land, the District Buildings or other adjacent premises.

*Improvements* means the improvements to the Land financed with proceeds of the Lease and the Certificates, as further described in Exhibit A.

*Independent Counsel* means an attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of the Trustee or the District.

*Interest Portion* means the portion of any Rental Payment designated as and comprising interest as shown in Exhibit B.

*Land* means the real property described legally described in Exhibit A, located in Hennepin County, Minnesota.

*Lease Term* means the period during which this Lease is in effect as specified in Section 4.1.

*Net Proceeds* means any insurance proceeds or condemnation award, paid with respect to the Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

*Nonappropriation* means the failure of the governing body of the District to appropriate money for any Fiscal Year of the District sufficient for the continued performance of this Lease by the District, as evidenced by the passage of a resolution specifically prohibiting the District (a) from performing its obligations under this Lease, and (b) from using any moneys to pay the Rental Payments due under this Lease for a designated Fiscal Year and all subsequent Fiscal Years.

*Permitted Encumbrances* means, as of any particular time, (a) liens for taxes and assessments not then delinquent, or which the District may, pursuant to Article VII, permit to remain unpaid; (b) this Lease and the Ground Lease and any amendments hereto and thereto; (c) the Trust Agreement; (d) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, and any lien which the District may, pursuant to Article VII, permit to remain unpaid; (e) minor defects and irregularities in the title to the Project which do not, in the aggregate, in the opinion of the District, materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (f) easements or other rights that are for the benefit of the Project and authorized pursuant to Article VII and easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (g) rights reserved to or vested in any municipality or governmental or other public authority to control or regulate or use in any manner any portion of the Project which do not materially impair the use of the Project for the purposes for which they are or may reasonably be expected to be held; (h) any obligations or duties affecting any portion of the Project of any municipality or governmental or other public authority with respect to any right, power, franchise, grant, license or permit; (i) present and future valid zoning laws and ordinances; and (j) any encumbrances listed in Exhibit A.

*Prepayment Price* means the Principal Portion to be prepaid pursuant to Section 10.1, plus accrued interest to the date of prepayment.

*Principal Portion* means the portion of any Rental Payment designated as and comprising principal as shown in Exhibit B.

*Project* means the Land and the Improvements together.

*Project Costs* means any and all costs associated with the acquisition and construction of the Improvements, but not including Costs of Issuance.

*Rental Payment* means each payment due from the District to the Trustee on each Rental Payment Date during the Lease Term as shown in Exhibit B.

*Rental Payment Date* means the date upon which any Rental Payment is due and payable as shown in Exhibit B.

*State* means the State of Minnesota.

*Trust Agreement* means the Trust Agreement dated as of the date hereof, between the Trustee and the District, relating to this Lease, and any amendment thereof or supplement thereto.

*Trustee* means the Trustee, acting in its capacity as trustee under the Trust Agreement.

## ARTICLE II

### REPRESENTATIONS AND COVENANTS

Section 2.1. Representations and Covenants of the District. The District represents to and covenants with the Trustee that

- (a) the District is a duly formed and validly existing public corporation and political subdivision of the State, governed by the Constitution and laws of the State;
- (b) the District is authorized under the Constitution and laws of the State to acquire, construct, operate and maintain the Improvements;
- (c) the District has authority to execute and deliver this Lease, to enter into the transactions contemplated hereby and to perform all of its obligations hereunder;
- (d) the officers of the District executing and delivering this Lease have been duly authorized to do so under the terms and provisions of a resolution of the governing body of the District, or by other appropriate official action;
- (e) in authorizing and executing this Lease, the District has complied with all open meeting laws, all public bidding laws and all other State and federal laws including, without limitation, Minnesota Statutes, Section 475.53, and any other laws relating to the indebtedness of the District applicable to this Lease, the sublease of the Land and lease of the Improvements and the acquisition, construction, operation and maintenance of the Improvements;
- (f) the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the District will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the District is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the District or any of its property, of any court or governmental body, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any



of the property or assets of the District under the terms of any instrument or agreement to which the District is a party;

- (g) the Improvements are necessary to the District in order for the District to perform its essential governmental functions and the District will use the Project during the Lease Term to carry out the governmental or proprietary purposes of the District;
- (h) subject to the provisions of Section 4.5, the officers of the District responsible for budget preparation will include in the annual budget request, for each Fiscal Year during the Lease Term, commencing with the Fiscal Year commencing July 1, 2025, moneys sufficient to pay and for the purpose of paying all Rental Payments and other obligations of the District under this Lease, and will take all actions within their power to seek to have that portion of the budget approved;
- (i) the District has moneys available and sufficient to pay all obligations under this Lease in the current Fiscal Year (if any);
- (j) the District presently intends to continue this Lease for a term sufficient to pay all the Rental Payments specified in Exhibit B as the same become due and payable, and reasonably believes that moneys in an amount sufficient to make all Rental Payments can and will lawfully be appropriated or budgeted and made available for this purpose;
- (k) this Lease does not constitute a general obligation of the District, and the full faith and credit and taxing powers of the District are not pledged for the payment of the Rental Payments or other amounts coming due, or other actions required to be performed, hereunder;
- (l) the governing body of District is not obligated to appropriate or otherwise provide moneys for the payment of the Rental Payments or any other amounts coming due hereunder in any future Fiscal Year, and in the event this Lease is terminated by the District by Nonappropriation, the District will not be liable for general, special, incidental, consequential or other damages resulting therefrom, except as provided in Section 4.6;
- (m) the District does not rely on any warranty of the Trustee, either express or implied, as to the title or condition of the Project or that it will be suitable to the District's needs, and recognizes that the Trustee is not obligated to operate or maintain the Project or to expend any funds thereon, and acknowledges the Trustee has made no such warranty either express or implied;
- (n) the District has good and marketable title to the Land, subject only to Permitted Encumbrances;
- (o) the Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the acquisition, construction, operation and maintenance of the Improvements on the Land;

- (p) all taxes, assessments or impositions of any kind with respect to the Land (if any), except current taxes (if any), have been paid in full;
- (q) the Land is properly zoned for the purpose of the Improvements;
- (r) the Land complies in all material respects with all presently applicable building and zoning, health, environmental and safety ordinances and laws and all other applicable laws, rules and regulations;
- (s) the Improvements are or will be in compliance with all applicable building and design codes and the District's requirements;
- (t) except as disclosed in the Official Statement (as defined in the Trust Agreement), to the best of the knowledge of the District, (i) no Hazardous Materials have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Land, (ii) the Land is not now, and never has been, used as a landfill, dump or other disposal, storage, transfer or handling area for Hazardous Materials for industrial, military or manufacturing purposes, or as a gasoline service station or a facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products, (iii) no above ground or underground tanks have been located under, in or about the Land and subsequently removed or filled, and (iv) to the extent storage tanks currently exist on or under the Land, such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable federal, state and local statutes, regulations, ordinances, and other regulatory requirements;
- (u) except as disclosed in the Official Statement, to the best of the knowledge of the District, the Land is not located in a flood hazard area and has never been subject to material damage from flooding;
- (v) except as disclosed in the Official Statement, no member of the governing body of the District or any other officer of the District has any significant or conflicting interest, financial, employment or otherwise, in the District or the Project or in the transactions contemplated hereby;
- (w) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against or affecting the District, nor to the best knowledge of the District is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the right of the District to execute this Lease or the ability of the District to make the payments required hereunder or to otherwise comply with the obligations contained herein, or to consummate the transactions contemplated; or (ii) the transactions contemplated by this Lease or any other document, agreement or certificate which is used or contemplated for use in the consummation of the transactions contemplated by this Lease;

- (x) the District has not made, done, executed or suffered, and will not make, do, execute or suffer, any act or thing whereby the District's interest in any property now or hereafter included in the Project will be or may be impaired, changed or encumbered in any manner whatsoever except as permitted by this Lease and the Ground Lease;
- (y) the District shall file with the Internal Revenue Service the information reporting statement required by Section 149(e) of the Internal Revenue Code of 1986 (the "Code"), and the Treasury Regulations promulgated thereunder (the "Regulations");
- (z) the District will take no action with respect to the Lease or the Project that would cause the Interest Portion of the Rental Payments to become includible in gross income for federal income tax purposes under the Code and Regulations; and the District will take, and will cause its officers, employees and agents to take, all affirmative actions legally within its/their power necessary to ensure that the Interest Portion of the Rental Payments does not become includible in gross income for federal income tax purposes under the Code and the Regulations;
- (aa) the economic useful life of the Improvements is substantially greater than the Lease Term; and
- (bb) during the Lease Term, the District shall perform all obligations imposed upon it by the Trust Agreement.

Section 2.2. Representations and Covenants of the Trustee. The Trustee represents to and covenants with the District that the Trustee has authority to execute and deliver this Lease, to enter into the transaction contemplated hereby, and to perform all of its obligations hereunder; that the officers of the Trustee executing and delivering this Lease have been duly authorized to do so; and that the execution and delivery of this Lease, the consummation of the transactions contemplated hereby, and the performance of or compliance with the terms and conditions of this Lease by the Trustee will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, any mortgage, deed of trust, lease or any other restriction or any agreement or instrument to which the Trustee is a party or by which it or any of its property is bound, or any order, rule or regulation applicable to the Trustee or any of its property, of any court or governmental body.

### ARTICLE III

#### PAYMENT OF COSTS; ACQUISITION AND CONSTRUCTION OF IMPROVEMENTS; LEASE AND SALE OF PROJECT

Section 3.1. Payment of Costs. In order to ensure that funds sufficient to pay all Project Costs and Costs of Issuance (as defined in the Trust Agreement) will be available for such purposes when required, the District shall cause the Trustee to deposit (in the Trust Fund) on the Closing Date, the amounts specified in Section 4.1 of the Trust Agreement, which amounts will be held, invested and disbursed as provided therein.

The District reserves the right to modify the scope of the Improvements. No such change in the Improvements, however, will increase the amount of moneys required to be deposited by the Trustee pursuant to this Section or alter the Rental Payments or Prepayment Price, but if any such change increases the Project Costs beyond the amount available to pay it, the District shall be solely responsible for paying such excess Project Costs.

If moneys on hand in the Project Account (as defined in the Trust Agreement) are not sufficient to pay all Project Costs and complete the acquisition and construction of the Improvements as planned, the Trustee is not required to provide additional moneys. In such event, the District shall, without altering the Rental Payments or Prepayment Price, provide additional moneys, or reduce the size or the scope of the Improvements so that the moneys in the Project Account are sufficient to complete the acquisition and construction of the Improvements without impairing the use or marketability thereof.

Section 3.2. District to Act as Agent; Acquisition and Construction of Improvements. The Trustee hereby irrevocably appoints the District as its agent in connection with the acquisition and construction of the Improvements. The District, as agent of the Trustee, has or will enter into all contracts with any Contractors providing for the acquisition and construction of the Improvements in accordance with District's specifications. The Trustee will have no obligation whatsoever with respect to the design, acquisition, construction, installation or operation of the Improvements and no obligation whatsoever with respect to the Improvements other than the obligations set forth in Section 3.1. Upon completion of the Improvements, the District shall execute and deliver to the Trustee a Certificate of Acceptance substantially in the form of Exhibit C.

Section 3.3. Sublease of Land; Lease of Improvements. The Trustee hereby subleases the Land and leases the Improvements to the District, and the District hereby subleases the Land and leases the Improvements from the Trustee, upon the terms and conditions set forth in this Lease. The Land is subleased, and the Improvements are leased, in its/their present condition, without representation or warranty of any kind by the Trustee, and subject to (a) the rights of parties in possession, (b) the existing state of title, (c) all applicable legal requirements now or hereafter in effect and (d) Permitted Encumbrances.

Section 3.4. Possession and Enjoyment. The Trustee shall provide District with quiet use and enjoyment of the Project during the Lease Term and the District shall peaceably and quietly have and hold and enjoy the Project during the Lease Term, without suit, trouble or hindrance from the Trustee, except as expressly set forth in this Lease and the Ground Lease. The Trustee will, at the request and cost of the District, join in any legal action in which the District asserts its right to such possession and enjoyment, to the extent the Trustee may lawfully do so.

Section 3.5. Trustee Access to Project. The Trustee will have the right at all reasonable times to examine and inspect the Project and such rights of access to the Project as may be reasonably necessary to cause the proper maintenance thereof in the event of failure by the District to perform its obligations hereunder. Notwithstanding the foregoing, the Trustee will not be required to access the Project or cause the proper maintenance thereof.

Section 3.6. Payment and Performance Bonds. To the extent required by law, the District shall cause each Contractor to provide a payment bond or bonds and a performance bond

or bonds, or another form of financial guaranty covering performance of all contracts and payment for labor and materials.

Section 3.7. District Liability. As between Trustee and District, District assumes liability for all risk of loss during the acquisition, construction, installation and operation of the Improvements. District shall require that each Contractor maintain in force during the entire acquisition, construction and installation period of the Improvements, builder's risk or property damage insurance in an amount at least equal to the full value of all work done and materials and equipment provided or delivered by the Contractor, as well as comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like projects.

Section 3.8. Default in Contractor Performance. In the event a Contractor defaults under any contract related to the construction of the Improvements, the District will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the District against such Contractor. The District agrees to advise the Trustee, in writing, of the steps it intends to take in connection with any such default. If the District so notifies the Trustee, the District may, in good faith, in its own name or in the name of the Trustee, with notice to the Trustee, prosecute or defend any action or proceeding or take other action involving the Contractor or surety which the District deems reasonable. In such event, the Trustee shall cooperate fully with the District, but at the expense of the District. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, are to be paid into the Project Account.

#### ARTICLE IV

#### LEASE TERM; TRANSFER OR SURRENDER OF PROJECT; NONAPPROPRIATION

Section 4.1. Lease Term. This Lease will be in effect for a term commencing upon the execution and delivery hereof and ending as provided in Section 4.2.

Section 4.2. Termination of Lease. The Lease Term will end and the Lease will terminate upon the occurrence of the first of the following events:

- a) payment by the District of all Rental Payments due hereunder;
- b) prepayment by the District of all Rental Payments due hereunder or discharge of such obligation pursuant hereto;
- c) termination of this Lease by the District by Nonappropriation; or
- d) default by the District and election by the Trustee to terminate this Lease.

Section 4.3. Transfer of Project to the District. Upon termination of the Lease pursuant to Section 4.2, clauses (a) or (b), and payment of all amounts owed to Trustee under the Trust Agreement, fee title to the Project will pass to the District, unencumbered by the Trustee or the Ground Lease or the Lease, and the Trustee will have no further interest therein. In such event, the Trustee and its officers shall, at the expense of the District, take all actions necessary to authorize, execute and deliver to the District such documents as the District shall reasonably

require to evidence the transfer of legal title to the Project to the District and the release of any interests of the Trustee in the Project.

Section 4.4. Surrender of Project to the Trustee. Upon termination of the Lease pursuant to Section 4.2, clauses (c) or (d), the District shall surrender possession of the Project to the Trustee in the condition in which it was originally received from the Trustee, except as improved, repaired, rebuilt, restored, altered or added to as permitted or required hereby, ordinary wear and tear excepted. The District may, in such event, remove from the Project all personal property not financed with proceeds of the Lease or otherwise a part of the Project by operation of the Lease; provided, however, that the District shall repair any damage caused by such removal.

Section 4.5. Termination by the District. Upon the occurrence of an event of Nonappropriation, the District may terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the District, in the manner and subject to the terms specified in this Section and Section 4.6. The District may effect such termination by giving the Trustee a written notice of termination and paying to the Trustee any Rental Payments which are due and have not been paid at or before the end of its then-current Fiscal Year.

Section 4.6. Effect of Nonappropriation. In the event of termination of this Lease by the District by Nonappropriation, the District shall surrender possession of the Project for the term of the Ground Lease to the Trustee in accordance with Section 4.4 and convey to the Trustee or release its interest in the Project under this Lease within 10 days after the expiration of the Lease Term, and the District will not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years; provided, however, that if the District has not delivered possession of the Project to the Trustee in accordance with Section 4.4 and conveyed to the Trustee or released its interest in the Project within 10 days after the expiration of the Lease Term, the Lease termination will nevertheless be effective, but the District will be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days during which the District fails to take such actions and for any other loss suffered by the Trustee as a result of the District's failure to take such actions as required.

## ARTICLE V

### RENTAL PAYMENTS

Section 5.1. Rental Payments. The District shall pay Rental Payments during the Lease Term in the amounts and on the dates specified in Exhibit B. All Rental Payments will be paid to the Trustee at its offices at the address specified in Section 13.1, or to such other person or entity to which the Trustee has assigned such Rental Payments pursuant to Section 11.1, at such place as such assignee may from time to time designate by written notice to the District. The District shall pay the Rental Payments exclusively from moneys legally available therefor, in lawful money of the United States of America, to the Trustee or, in the event of assignment of the right to receive Rental Payments by the Trustee, to its assignee.

Section 5.2. Current Expense. The obligations of the District under this Lease, including its obligation to pay the Rental Payments in any Fiscal Year for which this Lease is in effect, constitute a current expense of the District for such Fiscal Year and do not constitute an

indebtedness of the District within the meaning of the Constitution and laws of the State, except as provided by Minnesota Statutes, Section 465.71. Nothing herein constitutes a pledge by the District of any taxes or other moneys, other than moneys lawfully appropriated from time to time by or for the benefit of the District in the annual budget of the District and the proceeds or Net Proceeds of the Project to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.3. Interest Component. A portion of each Rental Payment is paid as and represents the payment of interest. Exhibit B sets forth the interest component of each Rental Payment, herein defined as the Interest Portion.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Section 4.5 (granting the District's right to terminate the Lease by Nonappropriation), the obligation of the District to make Rental Payments or any other payments required hereunder is absolute and unconditional in all events. Notwithstanding any dispute between the District and the Trustee, or any other person, the District shall make all Rental Payments and other payments required hereunder when due and will not withhold any Rental Payment or other payment pending final resolution of such dispute nor will the District assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The District's obligation to make Rental Payments or other payments during the Lease Term may not be abated through accident or unforeseen circumstances (including, without limitation, the occurrence of any environmental liability). However, nothing herein will be construed to release the Trustee from the performance of its obligations hereunder; and if the Trustee should fail to perform any such obligation, the District may institute such legal action against the Trustee as the District may deem necessary to compel the performance of such obligation or to recover damages therefor.

## ARTICLE VI

### INSURANCE; DISTRICT NEGLIGENCE; DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 6.1. Liability Insurance. Unless self-insurance is provided by the District, as evidenced by a written certificate specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall take such measures as may be necessary to insure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition, maintenance, use or operation of the Project or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the District. The Net Proceeds of all such insurance must be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid. All insurance policies or riders required by this Section must name the District and the Trustee as insured parties.

Section 6.2. Property Insurance. Unless self-insurance is provided by the District, as evidenced by a written certificate specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall procure and maintain continuously in effect during the Lease Term, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as

will be at least sufficient so that a claim may be made for the full replacement cost of any part of the Project damaged or destroyed. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts and need not cover land and building foundations. The Net Proceeds of insurance required by this Section will be applied to the prompt repair, restoration or replacement of the Project or to the prepayment of Rental Payments as provided herein. Any Net Proceeds not needed for those purposes will be paid to the District. All insurance policies or riders required by this Section must name the District and the Trustee as insured parties.

Section 6.3. Worker's Compensation Insurance. If required by State law, and unless self-insurance is provided by the District, as evidenced by a written certificate specifying the terms and amounts thereof and subject further to the annual verification of the adequacy of the amount of such self-insurance by an independent actuary, the District shall carry worker's compensation insurance covering all employees on, in, near or about the Project. Any insurance policy or rider required by this Section must name the District as insured party.

Section 6.4. Requirements for All Insurance; Reporting. Unless self-insurance is provided by the District, all insurance policies (or riders) required by this Article are to be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State. Insurance policies must contain a provision that the insurer will not cancel or revise coverage thereunder without giving written notice to the insured parties at least 10 days before the cancellation or revision becomes effective. The District shall furnish to the Trustee certificates evidencing insurance coverage as required herein throughout the Lease Term from time to time upon request of the Trustee. The Trustee may rely on such certificates and will have no duty or obligation to determine the sufficiency of such insurance certificates or the insurance coverage described therein.

Section 6.5. Risk of Loss; District Negligence. As between the Trustee and the District, the District assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the District, the Trustee or of third parties, and whether such property damage be to the District or the Trustee's property or the property of others, which is proximately caused by the negligent conduct of the District, its officers, employees, agents and lessees, or arising out of the operation, maintenance or use of the Project by the District, its officers, employees, agents and lessees. To the extent permitted by law, the District hereby assumes responsibility for and agrees to indemnify, defend and hold harmless the Trustee, its directors, officers, employees and agents, and any assignee of the Trustee, without payment being made by the Trustee, from and against all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Trustee or its directors, officers, employees, agents or assignees that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part on the foregoing or the acceptance or administration of this Lease, the Ground Lease or the Trust Agreement, to the maximum extent permitted by law. The obligations of the District under this Section will survive the termination of this Lease and any resignation or removal of the Trustee.

Section 6.6. Damage, Destruction and Condemnation. If the Project or any portion thereof is destroyed in whole or in part or damaged by fire or other casualty, or if title to or the



temporary use of the Project or any part thereof, or the interest of the District or the Trustee in the Project or any part thereof, is taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the District will have the rights specified in this Section with respect to the Net Proceeds of any insurance or condemnation award. The District shall apply all Net Proceeds to (a) the prompt repair, restoration, modification, improvement or replacement of the Project and this Lease will continue in effect, or (b) prepay Rental Payments in whole in accordance with Section 10.2. In either event, all Net Proceeds not needed for such purposes will belong to the District.

Section 6.7. Insufficiency of Net Proceeds. If the Net Proceeds are insufficient to (a) pay in full the cost of any repair, restoration, modification, improvement or replacement of the Project or (b) prepay Rental Payments in whole in accordance with Section 10.2, as the case may be, the District shall pay any amounts required to complete the work or prepay Rental Payments in excess of the amount of the Net Proceeds after application of the Net Proceeds. If by reason of insufficiency of the Net Proceeds, the District makes any payments pursuant to the provisions of this Section, the District is not entitled to any reimbursement therefor from the Trustee nor is the District entitled to any diminution of the Rental Payments due with respect to the Project.

Section 6.8. Cooperation of Trustee. The Trustee shall cooperate fully with the District, at the expense of the District, in filing any proof of loss with respect to any insurance policy covering the casualties and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the District to litigate in any proceeding resulting therefrom in the name of and on behalf of the Trustee. In no event will the Trustee voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the District.

Section 6.9. Condemnation of Other Property Owned by the District. The District shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for destruction of, damage to or taking of District Land or District Buildings.

## ARTICLE VII

### GENERAL MATTERS

Section 7.1. Use; Permits. The District shall exercise due care in the use, operation and maintenance of the Project, and may not use, operate or maintain the Project improperly, carelessly, in violation of any State and federal law or for a purpose or in a manner contrary to that contemplated by this Lease. The District shall obtain all permits and licenses necessary for the construction, installation, operation, possession and use of the Project. The District shall comply with all State and federal laws applicable to the construction, installation, operation, possession and use of the Project, and if compliance with any such State and federal law requires changes or additions to be made to the Project, such changes or addition are to be made by the District at its expense.

Section 7.2. Maintenance and Modification of Project by District. The District may, at its expense, remodel the Project and make repairs, replacements, substitutes, additions,

modifications and improvements thereto. All additions, modifications and improvements will comprise part of the Project and be subject to the provisions of this Lease; provided, however, that an addition to the Project constructed on District Land outside of the then-exterior walls of the Project will not become part of the Project. Permitted additions, modifications and improvements may not in any way damage the Project, and the Project, upon completion of any additions, modifications and improvements made pursuant to this Section, must be of a value not less than the value of the Project immediately prior to the making of such additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the District in such manner and on such terms as are determined by the District. The District will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any additions, modifications or improvements made by the District pursuant to this Section; provided, however, that if any such lien is established and the District first notifies the Trustee of the District's intention to do so, the District may in good faith contest any lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Trustee notifies the District that, in the opinion of Independent Counsel, by non-payment of any such item, the interest of the Trustee in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture. If the Trustee provides the District with such opinion of Independent Counsel, the District shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Trustee with full security against any such loss or forfeiture, in form satisfactory to the Trustee. The Trustee will cooperate fully with the District in any such contest, upon the request and at the expense of the District.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges; Compliance with Governmental Requirements. Except as expressly limited by this Section, the District shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Project, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against the District or the Trustee. The District shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District will be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. The District will not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Trustee, its successors or assigns, unless such tax is made in lieu of or as a substitute for any tax, assessment or charge which is the obligation of the District under this Section.

The District may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility charges and other charges and, in the event of any such contest, may permit the taxes, assessments, utility charges or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Trustee shall notify the District that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Trustee in the Project will be materially endangered or the Project or any part thereof will be

subject to loss or forfeiture. If the Trustee provides the District with such opinion of Independent Counsel, the District shall promptly pay such taxes, assessments, utility charges or other charges or provide the Trustee with full security against any loss which may result from nonpayment, in form satisfactory to the Trustee. The District will notify the Trustee in writing prior to contesting any of the above referenced charges if it intends to leave such charges unpaid during the period of such contest.

The District, at its expense, shall comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Project or the Trustee's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance requires changes in the Project or property owned by the District or interfere with the use and enjoyment of the Project or any part thereof. The District will take such actions, at the District's cost and expense, to enable the District to obtain all permits and similar authorizations needed for the use of the Project.

Section 7.4. Easements. The Trustee may, from time to time at the request of the District, and at the District's cost and expense, cooperate and join with the District in

(a) granting easements and other rights in the nature of easements or releasing existing easements or other rights in the nature of easements that are for the benefit of the Project; and

(b) executing and delivering to any person any instrument appropriate to

- i. confirm that such grant, release or amendment of an easement or other right in the nature of easement is not detrimental to the proper conduct of the operations of the District on or in the Project;
- ii. show the consideration, if any, being paid for such grant, release or amendment of an easement or other right in the nature of easement;
- iii. show that such grant, release or amendment of an easement or other right in the nature of easement does not materially impair the use of the Project or reduce their value; or
- iv. confirm that the District will remain obligated hereunder to the same extent as if such grant, release or amendment of an easement or other right in the nature of easement had not been made, and the District will perform all obligations of the Trustee under such instrument.

The consideration, if any, received for such grant, release or amendment will be paid to the Trustee and applied and against the next succeeding Rental Payment by deposit into the Rental Payment Account (as defined in the Trust Agreement).

Section 7.5. Covenants Regarding Hazardous Materials. The District shall comply with all regulations concerning the environment, health and safety relating to the generation, use, handling, production, disposal, discharge and storage of Hazardous Materials in, on, under or about the Project. The District shall promptly take any and all necessary action in response to the storage, use, disposal, transportation or discharge of any Hazardous Materials in, on, under or about the

Project by the District or persons acting on behalf of or at the direction of the District as all applicable laws, rules, regulations or ordinances may require. The District shall also

(a) transmit to the Trustee copies of any governmental citations, orders or notices received with respect to Hazardous Materials which may result in a penalty, liability or cost greater than \$1,000;

(b) observe and comply with any and all laws, ordinances, rules, regulations, licensing requirements or conditions relating to the use, maintenance or disposal of Hazardous Materials and all orders or directives from any official, court or governmental agency of competent jurisdiction relating to the use or maintenance or requiring the removal, treatment, containment or other disposal of such Hazardous Material;

(c) pay or otherwise dispose of any lien, charge or imposition relating thereto which, if paid, would constitute a lien upon the Project other than a Permitted Encumbrance; and

(d) to the extent permitted by law, indemnify and hold harmless the Trustee from any and all liabilities and obligations relating to or arising from the presence, at any time, of Hazardous Materials in, on, under or about the Project.

The Trustee will not be liable for any payment whatsoever with regard to clauses (a) through (c) of this Section.

Should any governmental authority or any third party demand or initiate legal action to compel the preparation of a corrective action plan or the undertaking of corrective action because of any deposit, spill, discharge, or other release of Hazardous Material that occurs during the term of this Lease or the Ground Lease, at or from or to the Project, then the District shall, at its own expense, prepare and submit the required corrective action plans and all related bonds and other financial assurances; and the District shall carry out all such corrective action.

The District's obligations and liabilities under this Section will survive the termination of this Lease and any resignation or removal of the Trustee as Trustee under the Trust Agreement.

Section 7.6. Rights of Trustee. Notwithstanding anything herein to the contrary, the Trustee, whether acting as trustee under the Trust Agreement, ground lessee under the Ground Lease or lessor hereunder, will have the same rights, indemnities, privileges and protections in the discharge of its obligations as it would have in discharging any of its obligations under the Trust Agreement.

## ARTICLE VIII

### TITLE

Section 8.1. Title. During the Lease Term, legal title to the Improvements and any and all repairs, replacements, substitutions, additions, modifications and improvements thereto (except to the extent the same are not deemed part of the Project pursuant to Article VII) will be in the Trustee, subject to the District's interests under this Lease; and legal title to the Land will be in the

District, subject to the Trustee's interests under the Ground Lease. At the end of the Lease Term, the provisions of Sections 4.3 and 4.4 apply.

Section 8.2. Security Interest. The District hereby pledges, assigns and grants to the Trustee a security interest in all of the District's right, title and interest, whether now owned or existing or hereafter acquired or arising, in and to the Improvements comprising equipment and fixtures (as such terms are defined in Article 9 of the Uniform Commercial Code as in effect from time to time in the State or any other state the laws of which are required to be applied in connection with the issue of perfection of security interests), if any, to secure the prompt payment and performance of this Lease. The Trustee will not be responsible for and makes no representation as to the legality, effectiveness or sufficiency of any security document or for the creation, perfection, priority or protection of any lien securing the Lease.

Section 8.3. Liens. During the Lease Term, the District will not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of the Trustee and the District as herein provided and Permitted Encumbrances. Except as expressly provided in Article VII and this Article, the District shall promptly, at its expense, take such action as may be duly necessary to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same arises at any time. The District shall reimburse the Trustee for any expense incurred by the Trustee in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. The Trustee, however, does not have any obligation to incur any expense or take any action in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 8.4. Installation of Personal Property. The District may, at any time and from time to time, in its sole discretion and at its own expense, install items of personal property in or upon the Project, which items must be identified by tags or other symbols affixed thereto as property of the District. All such items so identified will remain the sole property of the District, in which the Trustee will have no interest, and may be modified or removed by the District at any time provided that the District shall repair and restore any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Lease prevents the District from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest will attach to any part of the Project.

Section 8.5. Personal Property. The Improvements are and will at all times be and remain personal property notwithstanding that the Improvements or any part thereof may be or hereafter become in any manner affixed or attached to or embedded in or permanently rested upon real property or any building thereon or attached in any manner to what is permanent by means of cement, plaster, nails, bolts, screws or otherwise.

## **ARTICLE IX**

### **WARRANTIES**

Section 9.1. Maintenance of Project. The District shall, at its expense, keep the Project (and the District Buildings to the extent necessary to maintain the Project) in reasonable order and

condition in light of the use to which the Project will be put and will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extent provided for under this Lease. The Trustee has no obligation to make or pay for any repairs, replacements, restorations, improvements, alterations, or additions whatsoever on or to the Project. The Trustee has no obligation to test, inspect, service or maintain the Project under any circumstances, but such actions will be the obligation of the District.

Section 9.2. Contractor's Warranties. The Trustee hereby assigns to the District for and during the Lease Term, all of its interest in all Contractor's warranties and guarantees, express or implied, issued on or applicable to the Project or any portion thereof, and the Trustee hereby authorizes the District to obtain the customary services furnished in connection with such warranties and guarantees at the District's expense.

Section 9.3. Patent Infringement. The Trustee hereby assigns to the District for and during the Lease Term, all of its interest in patent indemnity protection provided by any Contractor with respect to the Project. Such assignment of patent indemnity protection by the Trustee to the District constitutes the entire liability of the Trustee for any patent infringement by Project furnished pursuant to this Lease.

Section 9.4. Disclaimer of Warranties. THE PROJECT IS DELIVERED AS-IS, AND TRUSTEE MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE DISTRICT OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

## ARTICLE X

### OPTION TO PREPAY; DISCHARGE

Section 10.1. Option to Prepay in Whole or in Part. The District may prepay the unpaid Principal Portion of the Rental Payments, in whole or in part and if in part, in multiples of \$5,000, on [\_\_\_\_\_] 1, 20[\_\_\_], or any day thereafter, at the Prepayment Price. Such prepayment constitutes the District's purchase option hereunder. No interest of the Trustee in the Project will be released unless prepayment is in whole. In the event of prepayment in whole, the provisions of Section 4.3 will apply.

Section 10.2. Extraordinary Prepayment Option. Notwithstanding the optional prepayment provisions in Section 10.1, the District may prepay its obligations under this Lease in whole but not in part in the event of damage or destruction of the Project or taking thereof by eminent domain as described in Section 6.6, by paying to the Trustee (a) an amount equal to all Rental Payments and other amounts then due and owing and unpaid under this Lease, (b) the Principal Portion of all Rental Payments thereafter coming due as set forth on Exhibit B, and (c) any unpaid interest accrued to the date of payment or redemption of the Certificates pursuant to Section 3.5 of the Trust Agreement. Upon such prepayment the provisions of Section 4.3 will apply.

Section 10.3. Exercise of Option to Prepay. The District shall give written notice to the Trustee of its intention to prepay and exercise its purchase option pursuant to Section 10.1 or 10.2 not less than 45 days in advance of the date of prepayment, and shall pay to the Trustee on the date of prepayment, the Prepayment Price, less any Net Proceeds to be applied to the amount to be so paid in accordance with Section 6.6. The District shall also pay any Rental Payments and other amounts then due hereunder and unpaid.

Section 10.4. Discharge of District's Obligation. The District may, at any time, discharge its obligation to pay the Rental Payments due under this Lease by depositing irrevocably into escrow, for the benefit of the Trustee, cash or securities sufficient to pay or prepay all unpaid Rental Payments on the dates when they are due or subject to prepayment as provided in Section 10.1. The District shall provide Trustee, if such escrow deposit is net funded, computations of a verification agent showing and attesting to the sufficiency of such cash and securities for this purpose. Upon such discharge, the provisions of Section 4.3 will apply. Satisfaction of the conditions in Section 7.3 of the Trust Agreement with respect to defeasance of the Certificates will be deemed to satisfy the requirements of this Section.

Section 10.5. Prerequisite: No Default. The District may not exercise the rights specified in this Article if it is in default under this Lease.

## ARTICLE XI

### ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Delegation and Assignment by Trustee. The Trustee may not delegate or assign its obligations under this Lease, and no purported delegation or assignment thereof will be effective, unless such delegation or assignment is to a successor trustee as provided in the Trust Agreement. However, all of the Trustee's right, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder, the Ground Lease and the Project may be assigned and reassigned by Trustee, in whole or in part, to one or more assignees or subassignees at any time, without the consent of District; provided that such assignment is to a successor trustee as permitted by the Trust Agreement. The District shall pay all Rental Payments due hereunder to, or at the direction of, the Trustee, or the assignee named in the most recent assignment or notice of assignment filed with the District. During the Lease Term, the District shall keep a complete and accurate written record of all such assignments.

Section 11.2. Assignment and Subleasing by District. Except as otherwise provided herein, neither this Lease nor the District's interest in the Project may be assigned or subleased by the District without the written consent of the Trustee.

Section 11.3. Restriction on Mortgage or Sale of Project by District. Except as otherwise provided herein, the District will not mortgage, sell, assign, transfer or convey its interest in the Project or any portion thereof during the Lease Term without the written consent of the Trustee.

## ARTICLE XII

### EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following are “events of default” under this Lease and the terms “event of default” or “default” mean, whenever they are used with respect to this Lease, any one or more of the following events:

(a) Failure by the District to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein and the continuation of said failure for a period of three days after written notice is given by the Trustee to the District stating that the payment referred to in such notice has not been received, or for a period of three days after telephonic or other electronic notice is given by the Trustee, such telephonic or other electronic notice to be subsequently confirmed in writing.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed under this Lease, the Trust Agreement or the Ground Lease, other than as referred to in clause (a) of this Section, for a period of 45 days after written notice is given by Trustee to District specifying such failure and requesting that it be remedied, unless the Trustee agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period but can be corrected, the Trustee will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

(c) The filing by the District of a voluntary petition in bankruptcy, or failure by the District promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the District to carry on its governmental or proprietary function or adjudication of the District as a bankrupt, or assignment by the District for the benefit of creditors, or the entry by the District into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section and Section 12.2 are subject to the following limitation:

The District cannot be deemed to be in default under this Lease if it is unable to carry out its obligations under this Lease—other than its obligation to pay Rental Payments when due, which obligation continues notwithstanding the provisions of this paragraph—by reason of *force majeure*. The term “*force majeure*” as used herein means, without limitation, any of the following: acts of God; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of the District and not resulting from its negligence. The District agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the District from carrying out its obligations under



this Lease; provided that the settlement of strikes, lockouts and other labor disturbances will be entirely within the discretion of the District and the District will not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the District unfavorable to the District.

Section 12.2. Remedies on Default. Whenever any event of default hereunder has occurred and is continuing, the Trustee may, at its option, without any further demand or notice, take one or any combination of the following remedial steps:

(a) The Trustee, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Fiscal Year in effect when the default occurs to be immediately due and payable by the District, whereupon such Rental Payments will be immediately due and payable.

(b) The Trustee, with or without terminating this Lease, may enforce the Ground Lease and repossess the Project by giving the District written notice to surrender the Project to the Trustee for the remaining term of the Ground Lease, whereupon the District shall do so in the manner provided in Section 4.4. Notwithstanding the fact that the Trustee has taken possession of the Project, the District will continue to be responsible for the Rental Payments due during the Fiscal Year then in effect. If the Project or any portion of it has been destroyed or damaged beyond repair, the District shall pay the principal amount of all unpaid Rental Payments as set forth in Exhibit B (less credit for Net Proceeds), to the Trustee. If this Lease has not been terminated, the Trustee shall return the Project to the District at the District's expense when the event of default is cured, or as required by the Ground Lease.

(c) If the Trustee terminates this Lease and takes possession of the Project, the Trustee shall use its reasonable efforts to sell or lease its interest under the Ground Lease and in the Project or any portion thereof in a commercially reasonable manner in accordance with applicable State laws. The Trustee shall apply the proceeds of such sale or lease to pay the following items in the following order:

- i. all costs incurred in securing possession of the Project;
- ii. all expenses incurred in completing the sale or lease including attorney's fees, together with all amounts otherwise owing to the Trustee under this Lease and the Trust Agreement;
- iii. the Principal Portion of all unpaid Rental Payments as shown on Exhibit B; and
- iv. the balance of any Rental Payments owed by the District during the Fiscal Year then in effect.

Any proceeds remaining after the requirements of clauses (i), (ii), (iii) and (iv) of this Section 12.2(c) have been met will be delivered to and retained by the District.

(d) If the proceeds of a sale or lease of the District's interest in the Project are not sufficient to pay the balance of any Rental Payments otherwise owed by the District or any other amounts otherwise owing to the Trustee under this Lease or under the Trust Agreement during the Fiscal Year then in effect, the Trustee may pursue any other remedy available at law or in equity to require the District to perform any of its obligations hereunder.

Section 12.3. No Remedy Exclusive. No remedy conferred upon or reserved to the Trustee by this Article is intended to be exclusive and every such remedy will be cumulative and in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power or 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 by the Trustee or its assignee.

## ARTICLE XIII

### ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder will be deemed given when delivered or deposited in the United States mail in registered form with postage fully prepaid to the addresses specified below, or by certified mail, overnight delivery, or when delivered by electronic means; provided, however, that the Trustee and the District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

	If to the District:	Independent School District No. 283 6300 Walker Street St. Louis Park, Minnesota Attention: Director of Business Services
	If to the Trustee:	Zions Bancorporation, National Association, as Trustee 111 West Washington St., Suite 1860 Chicago, IL 60602 Attention: Corporate Trust

Section 13.2. Severability. If any term or provision of this Lease, or the application thereof to any person or circumstance, is to any extent deemed to be invalid or unenforceable, the remainder of this Lease or the application of such term or provision to persons or circumstance other than those as to which it is invalid or unenforceable, will not be affected thereby, and each term and provision of this Lease will be valid and enforceable to the fullest extent permitted by law.

Section 13.3. Binding Effect. This Lease is binding upon, and inures to the benefit of, the parties hereto, and their respective successors and assigns.

Section 13.4. Counterparts; Electronic Execution and Counterparts. This Lease may be executed in counterparts, each of which will constitute one and the same instrument. In addition, the transaction described herein may be conducted and related documents may be received, sent or stored by electronic means copies, telecopies, facsimiles, electronic files and other

reproductions of original executed documents will be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law. The parties agree that electronic signatures will be binding upon the parties.

Section 13.5. Applicable Law. This Lease will be interpreted and enforced in accordance with the laws of the State.

Section 13.6. Recording. The District shall record this Lease in the real property records where the Land is located in the manner prescribed by law. The Trustee will not be responsible for and makes no representation as to the legality, effectiveness or sufficiency of any security document or for the creation, perfection, priority or protection of any lien securing the Lease.

Section 13.7. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by the Trustee and the District.

Section 13.8. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, article, section or clause of this Lease.

Section 13.9. No Additional Waiver Implied by One Waiver. In the event any covenant hereunder should be breached by either party and thereafter waived by the other party, the parties agree that such waiver is limited to the particular breach so waived and not deemed to waive any other breach hereunder.

Section 13.10. Financing Statements; Further Assurances and Corrective Instruments. The District shall cause to be filed such financing statements or any copy of this Lease as are necessary or desirable to perfect and maintain the perfection and priority of the Trustee's security interest granted in Section 8.2, if any, including financing statements to be filed in the real property records for purposes of perfecting the Trustee's interest in fixtures (as defined in Article 9 of the Uniform Commercial Code as in effect from time to time in the State). The District further agrees that it will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, at District's expense, such supplements hereto and such further instruments or documents as may reasonably be required to establish and maintain a valid security interest as set forth in Section 8.2, as applicable, to correct any inadequate or incorrect description of the Project hereby leased or intended so to be, to vest in the Trustee or any participant with or assignee of the Trustee or any agent of either the right to receive and apply the payments of Rental Payments required hereunder, or to otherwise carry out the expressed intention of this Lease. The Trustee will not be responsible for and makes no representation as to the legality, effectiveness or sufficiency of any security document or for the creation, perfection, priority or protection of any lien securing the Lease.

Section 13.11. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefore pay to the non-defaulting

party the reasonable fee of such attorneys and such other expenses so incurred by the non-defaulting party; provided, however, that the Trustee will be entitled to the protections provided to it as Trustee under the Trust Agreement.

Section 13.12. Financial Information. During the Lease Term, upon request of the Trustee or its assignee, the District shall provide the Trustee, not more than annually, with current financial statements, budgets, proof of appropriation for the ensuing Fiscal Year and such other financial information relating to the ability of the District to continue this Lease. The Trustee will have no duty to review or analyze any such financial statements. The Trustee will not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner therein. Compliance by the District with its continuing disclosure obligations under the Authorizing Resolution, as required by Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities Exchange Act of 1934, as amended, will be deemed sufficient to satisfy the requirements of this Section.

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

**ZIONS BANCORPORATION, NATIONAL ASSOCIATION, AS TRUSTEE**

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

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

STATE OF ILLINOIS                    )  
  ) ss.  
COUNTY OF COOK                    )

This instrument was acknowledged before me on \_\_\_\_\_, 2024,  
by \_\_\_\_\_, as \_\_\_\_\_ of Zions  
Bancorporation, National Association, a national banking association, solely in its capacity as  
trustee.

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

Commission Expiration: \_\_\_\_\_

*(STAMP)*

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

Lease-Purchase Agreement  
Independent School District No. 283 (St. Louis Park Public Schools), Minnesota  
Certificates of Participation, Series 2024A

[COUNTERPART SIGNATURE PAGE TO LEASE-PURCHASE AGREEMENT]

**INDEPENDENT SCHOOL DISTRICT NO. 283  
(ST. LOUIS PARK PUBLIC SCHOOLS),  
MINNESOTA**

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

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

STATE OF MINNESOTA            )  
  ) ss.  
COUNTY OF HENNEPIN        )

This instrument was acknowledged before me on \_\_\_\_\_, 2024,  
by \_\_\_\_\_ and \_\_\_\_\_, as Chair and  
Clerk, respectively, of INDEPENDENT SCHOOL DISTRICT NO. 283 (ST. LOUIS PARK  
PUBLIC SCHOOLS), MINNESOTA, a public corporation and political subdivision of the State  
of Minnesota.

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

Commission Expiration: \_\_\_\_\_

(SEAL)

This instrument drafted by:  
Dorsey & Whitney LLP (Canova)  
50 South Sixth Street, Suite 1500  
Minneapolis, Minnesota 55402  
(612) 340-2600

Lease-Purchase Agreement  
Independent School District No. 283 (St. Louis Park Public Schools), Minnesota  
Certificates of Participation, Series 2024A

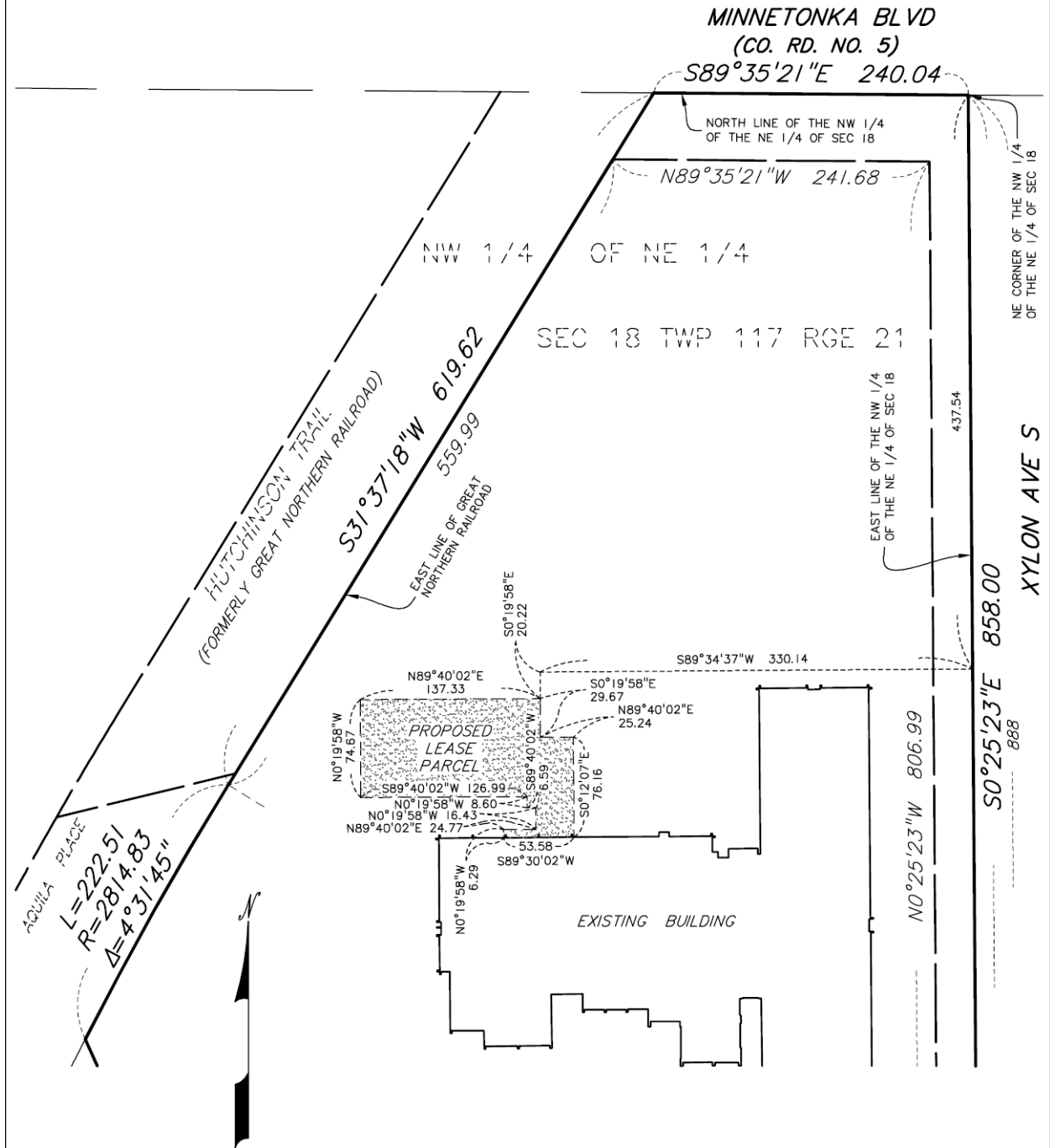
**EXHIBIT A**  
**DESCRIPTIONS OF LAND, IMPROVEMENTS AND CERTAIN PERMITTED**  
**ENCUMBRANCES**

LEGAL DESCRIPTION OF THE LAND

That part of the Northwest Quarter of the Northeast Quarter of Section 18, Township 117, Range 21, Hennepin County, Minnesota, described as follows: Beginning at the Northeast corner of the Northwest Quarter of the Northeast Quarter of said Section; thence southerly along the East line of said Northwest Quarter to a point 888 feet from the point of beginning; thence Westerly along a line parallel to the North line of said Northwest Quarter to the East line of the right of way of the Great Northern Railroad, as now existing; thence Northerly along the Easterly boundary of said right of way to the North line of said Section 18; thence Easterly along said North section line to the point of beginning; except highways now located thereon, but including all adjoining highways, streets, easements, and rights of way vacated or to be vacated and which would otherwise revert to the grantor.

Said Parcel is described as commencing at said Northeast corner of the Northwest Quarter of the Northeast Quarter of Section 18; thence on an assumed bearing of South 0 degrees 25 minutes 23 seconds East, along said east line of the Northwest Quarter of the Northeast Quarter of Section 18, a distance of 437.54 feet; thence South 89 degrees 34 minutes 37 seconds West 330.14 feet; thence South 0 degrees 19 minutes 58 seconds East 20.22 feet to the point of beginning of the parcel to be described; thence continuing South 0 degrees 19 minutes 58 seconds East 29.67 feet; thence North 89 degrees 40 minutes 02 seconds East 25.24 feet; thence South 0 degrees 12 minutes 07 seconds East 76.16 feet; thence South 89 degrees 30 minutes 02 seconds West 53.58 feet; thence North 0 degrees 19 minutes 58 seconds West 6.29 feet; thence North 89 degrees 40 minutes 02 seconds East 24.77 feet; thence North 0 degrees 19 minutes 58 seconds West 16.43 feet; thence South 89 degrees 40 minutes 02 seconds West 6.59 feet; thence North 0 degrees 19 minutes 58 seconds West 8.60 feet; thence South 89 degrees 40 minutes 02 seconds West 126.99 feet; thence North 0 degrees 19 minutes 58 seconds West 74.67 feet; thence North 89 degrees 40 minutes 02 seconds East 137.33 feet to the point of beginning.

Lease Levy Description Sketch For:  
**AQUILA ELEMENTARY SCHOOL**





DESCRIPTION OF IMPROVEMENTS

Improvements to Aquila Elementary School, including an addition of approximately 11,886 square feet to add four kindergarten, one music, and two flex classrooms, together with restrooms, corridors, and common space.

CERTAIN PERMITTED ENCUMBRANCES

None.

**EXHIBIT B**  
**RENTAL PAYMENT SCHEDULE[\*]**

[TO COME]

**[\* Rental Payment Date means the 25<sup>th</sup> day of each calendar month immediately preceding the Certificate Payment Dates (as defined in the Trust Agreement) listed in the column labeled “Period Ending” in the table immediately above.]**

**EXHIBIT C**

**FORM OF ACCEPTANCE CERTIFICATE OF DISTRICT**

Zions Bancorporation, National Association, as Trustee  
111 West Washington St., Suite 1860  
Chicago, IL 60602  
Attention: Corporate Trust

Ladies and Gentlemen:

In accordance with the terms of the Lease-Purchase Agreement dated as of October 1, 2024 (the "Lease"), between Zions Bancorporation, National Association, as trustee ("Trustee"), and the undersigned (the "District"), the District hereby certifies and represents to and agrees with Trustee as follows:

1. The Improvements, as such term is defined in the Lease, have been acquired or constructed and accepted as of the date indicated below.
2. The District has conducted such inspection and/or testing of the Improvements as it deems necessary and appropriate and hereby acknowledges that it accepts the Improvements for all purposes.
3. No event of default, as such term is defined in the Lease and no event which with notice or lapse of time, or both, could become an event of default, has occurred and is continuing at the date hereof.

**INDEPENDENT SCHOOL DISTRICT NO. s83  
(ST. LOUIS PARK PUBLIC SCHOOLS),  
MINNESOTA**

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

Title: \_\_\_\_\_

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