

LEASE

THIS LEASE (this "Lease") is made and entered into as of August ____ 2026, by and between Branch Church of Shorewood, Minnesota ("Lessee") and Waconia Public Schools (ISD 110) ("Waconia Public Schools").

Background

WHEREAS, Waconia Public Schools owns and operates the Waconia Middle School, located at 1400 Community Dr., Waconia, MN 55387 (the Middle School, including all buildings, facilities, parking areas and other common areas being referred to in this Lease as the "Property");

WHEREAS, Lessee intends to construct a permanent facility for its church mission in the City of Waconia at a later date;

WHEREAS, Lessee desires to lease certain portions of the Property as a temporary site for worship services, educational programs, and related activities.

NOW, THEREFORE, FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are acknowledged, Waconia Public Schools and Lessee agree as follows:

1. **TERM:** Waconia Public Schools demises and leases the "Premises" (as defined below) to Lessee and Lessee leases the Premises from Waconia Public Schools for a period commencing on September 1, 2026 (the "Commencement Date") and ending on June 30, 2027, unless sooner terminated or extended as provided in this Lease (the "Term"). The parties acknowledge and agree that Lessee's rights under this Lease are limited to the use of the Premises during the days and times expressly set forth in this Lease and any approved Facility Request. Except during such approved periods of use, Waconia Public Schools shall retain exclusive possession, custody, control, and use of the Premises and Property.
2. **EXTENSIONS OF TERM:** The Premises will be used as a temporary site for Lessee's conduct of its worship services, educational programs, and related activities. If construction of a permanent site is not completed or, in Lessee's sole determination, may not be completed prior to the expiration of the Term, then Waconia Public Schools grants to Lessee four (4) successive rights and options to extend the Term in six (6) month increments each per option, for a total additional period of up to two (2) years, on the same terms and conditions as applicable during the original Term, but subject to the rental rates in effect at that time. To exercise any such option to extend the Term, Lessee must give Waconia Public Schools at least ninety (90) days' prior written notice of Lessee's exercise of any such option. Upon any exercise of such an option, the Term will be extended accordingly for purposes of this Lease.
3. **EARLY TERMINATION:** Waconia Public Schools grants to Lessee the right, at Lessee's option, to terminate this Lease prior to the expiration of the Term (or prior to the expiration of any extension of the Term) upon sixty (60) days' prior written notice, if (i) the construction of

Lessee's own facility is complete, or (ii) Lessee has decided that the Premises are not necessary or adequate to serve Lessee's needs, or (iii) Lessee otherwise elects to terminate this Lease, all as determined by Lessee in its sole discretion.

4. PREMISES: As used in this Lease, the "Premises" will have the meaning provided in this Section. Initially, the Premises will mean and refer to those parts of the Property (the rooms, lounge, commons, areas, auditorium, etc.) identified in the initial Facility Request attached to this Lease as Exhibit A. Any portions of the Property considered to be part of the Premises for this Lease will be deemed to be Premises only during the times identified in a Facility Request or as set forth in this Lease (e.g., such as set up times). Waconia Public Schools and Lessee will cooperate and work together to accommodate any changes to space needs as they arise from time to time. Lessee recognizes that school related events take precedence over Lessee's use and activities, but Waconia Public Schools will provide Lessee with the following use rights:

4.1 Sundays: Throughout the Term and any extensions, Waconia Public Schools grants Lessee the right to use the Premises identified on Exhibit A on Sundays from 6:00am until 12:00pm; provided, however, that such use shall remain subject to weather-related closings or school events that require modification, relocation, or cancellation of Lessee's use, but Lessee's use of the Premises will take precedence over all non-school events. This Lease and the rental rates are based upon the whole time period specified in the Facility Request, regardless of the number of services or other activities conducted.

4.2 Holidays: Lessee hereby requests the addition of Holiday services. At Lessee's existing campuses, these one hour services currently occur between 6:00am to 1pm. Waconia Public Schools agrees to use its best efforts to make the premises available for Holiday services, after all building, school district and current user needs are met. Lessee understands and acknowledges that the events identified on Exhibit B (Known Holiday Scheduling Conflicts) currently conflict with one or more of the requested holiday service times. Lessee further acknowledges that additional conflicts may arise from time to time due to school events, activities, maintenance needs, emergency situations, elections, or other District operational requirements, including but not limited to events similar in nature to those identified above.

4.3 Other Changes to Premises and/or Times: Lessee may, from time to time, request additional rooms or facilities at the Property and/or additional or different time periods of use, subject to availability. If Lessee deems appropriate, Lessee may, from time to time, discontinue use of portions of the Premises designated by Lessee. Any such additions or changes will be incorporated into a Facility Request form.

4.4 Common Areas: Lessee's lease of the Premises includes the nonexclusive use, in common with other users of the Property, of the Property's common areas. Common areas include the cafeteria, bathrooms, entrances, drives, and parking areas. Lessee recognizes that other functions and events will occur from time-to-time throughout the year that share common areas with the common areas that may be used by Lessee.

4.5 Security for Kids Area Programming: Lessee requires a locked, secured area during service times for Lessee's children's programs covering the ages of birth through fifth grade. Waconia Public Schools will provide the secured classroom pods as identified on the attached Exhibit A. Lessee understands that security for these areas is not the responsibility of Waconia Public Schools and Lessee will need to post volunteers at the designated entry points to the classroom pods. Lessee shall be solely responsible for the supervision, care, custody, control, and security of all participants attending Lessee activities.

4.6 Facility Requests: For ease of Waconia Public Schools's administration, room and other facility or space assignments constituting the Premises and the total rental charges to be paid by Lessee will be managed in monthly blocks and documented by use of Facility Requests signed by Waconia Public Schools and Lessee in the same format as Exhibit A. Lessee may, however, make changes or additions to room or other assignments within each monthly block as provided in Section 4.3.

4.7 Lessee's Access to Premises: Waconia Public Schools will provide a custodian on site, at Lessee's expense, who will be available to unlock and lock the Property and the assigned rooms constituting the Premises during the times set forth in this Lease or in any Facility Request. In addition, from time to time, Lessee will have additional, reasonable access to the Premises to maintain equipment owned by Lessee or perform other necessary preparations or work. Arrangements for such additional access will be scheduled by Lessee through Waconia Public Schools's Facility Coordinator.

4.8 Waconia Public Schools's Notification to Lessee of other Scheduled Activities: Waconia Public Schools will provide Lessee with periodic notice of all other scheduled activities at the Property (such as concerts, sporting events, testing events, plays, musicals, etc.) so that Lessee will have reasonable advance notice to anticipate any adaptations it may need to make to its planning and related activities. Lessee acknowledges that ten (10) days' advance notice is sufficient for events that may interfere with Lessee's use of its leased spaces. Except for the guaranteed Sunday time, Lessee recognizes that school activities take precedence over Lessee's activities and/or any future additions to room assignments and/or additional days. To allow for adequate time to respond to scheduling changes, Waconia Public Schools will use its best efforts to provide at least ten (10) days' advance, written notification of any activity that may impact or require rescheduling of Lessee-related activities (other than on Sunday) with Lessee's understanding that small groups are permitted to rent other non-Lessee spaces within seven days of use.

5. USE: The Premises will be used by Lessee for the preparation for and conduct of its worship services, educational programs, and other activities Lessee considers related to or in support of its church mission. In no event will Lessee use the Premises for any illegal purpose and no hazardous materials or substances will be stored, generated or used by Lessee.

6. RENT: Lessee covenants to pay to Waconia Public Schools rent as provided in this Lease. Rent is payable in arrears after Lessee's use and will be billed monthly. The rent represents a

“gross” rent for the use of the Premises and all services provided by Waconia Public Schools and no other additional rent or charges (e.g., share of common area expenses, utilities, insurance, etc.) will be due from Lessee under this Lease, except that personnel and equipment charges specified in any Facility Request are billed in addition to the rental payments for use of the Premises.

6.1 Initial Rental Rates and Other Charges; Future Changes: Initially, for the first year of the Term, the rental rates and other charges to be paid by Lessee for the Premises are set forth on the initial Facility Request attached as Exhibit A, and as otherwise established per Waconia Public Schools’s existing schedule for use of the Property. Rates payable by Lessee are subject to change annually per the schedule established and published by Waconia Public Schools for users of the Property, but Waconia Public Schools agrees that the rates payable by Lessee under this Lease will not increase by more than 5% per year.

6.2 Rental Periods: For ease of Waconia Public Schools’s administration, room and other assignments making up the Premises from time to time and the total rental charges will be managed in rental periods consisting of monthly blocks. Lessee, however, may make changes or additions to room assignments within each block of weeks as provided in Section 4.3. Adjustments to and/or any additional payments for such changes in room assignments will be made in the subsequent rental period.

6.3 Rental Payments: Waconia Public Schools will invoice Lessee for rent and other charges due under this Lease monthly in arrears. Lessee agrees to pay such rent and other charges within thirty (30) days after receipt of Waconia Public Schools’s invoice. Payments will be remitted by Lessee to such addresses as Waconia Public Schools specified in writing from time to time.

7. ALTERATIONS AND MODIFICATIONS: Except as expressly provided in this Lease (including, without limitation, Section 19), Lessee may not make any material alterations, modifications or renovations to the Premises without Waconia Public Schools’s prior written consent.

8. REPAIRS/MAINTENANCE/UTILITIES: Except as otherwise provided in Section 9, Waconia Public Schools shall maintain the Property and Premises in accordance with its normal maintenance and operating practices. Waconia Public Schools shall provide routine cleaning services, remove refuse generated through normal use of the Premises, and provide electricity, water, heating, air conditioning, and other utilities customarily available for use of the Premises.

9. TENANT’S RESPONSIBILITY FOR DAMAGE BEYOND NORMAL WEAR AND TEAR: Lessee cleans and maintains all of its owned facilities at a high level, believing this plays a role in making a positive impression on its attendees. Lessee intends to instill the same level of “ownership” in its staff, volunteers, and attendees at the Premises. However, recognizing that from time-to-time there may be situations where the Premises may be damaged beyond normal wear and tear, Waconia Public Schools will repair any such damage at Lessee’s expense, and

Waconia Public Schools will submit an invoice to Lessee for the repair and/or restoration of any such damage.

10. CUSTODIAL SERVICES DURING TENANT'S USE OF PREMISES: Waconia Public Schools will provide one of its staff custodians, at Lessee's expense, to clean bathrooms and hallways and remove trash the day of the Lessee's use of the Premises. Prior to Lessee's first use of the Premises, Waconia Public Schools requests that Lessee provide a general outline of custodial duties and standards so that a schedule and understanding of the needs for Lessee's use can be established.

11. SIGNAGE: Lessee, at its expense, may post temporary directional signage both inside and outside of the Property during Lessee's permitted use of the Premises on Sundays. All signage shall be displayed only during Lessee's authorized occupancy period and shall be removed by Lessee at the conclusion of each Sunday use. Subject to Lessee's securing of any approvals required by the City of Waconia for posting signs on public roadways, Waconia Public Schools agrees that Lessee may use temporary outdoor "sandwich board" signage to direct people to the parking areas at the Property. Lessee, at its expense, may also use temporary trade show style signage indoors to direct people to the information booth, auditorium, kids' areas, and possibly the bathrooms. Lessee shall be solely responsible for the installation, maintenance, and removal of all such signage. Signage may not be stored on Waconia Public Schools' property when not in use.

12. SUBLETTING OR ASSIGNMENT: Lessee may not assign its interest in this Lease, in whole or in part, or permit the subletting of the Premises or any part thereof, without the prior written consent of Waconia Public Schools, which consent is at Waconia Public Schools' sole discretion.

13. INSURANCE, WAIVER OF SUBROGATION, AND INDEMNITY:

13.1 Insurance Coverage: Lessee, at its expense, shall maintain commercial general liability insurance with an aggregate limit of Two Million and No/100 Dollars (\$2,000,000.00), insuring against all liability of Lessee and its authorized agents, invitees, employees and/or representatives arising out of and in connection with Lessee's use and occupancy of the Premises. Prior to its first use of the Premises, Lessee will provide Waconia Public Schools with a certificate evidencing such insurance coverage, naming Waconia Public Schools as an additional insured thereon. Lessee, at its expense, will maintain a policy of all risk (or fire and extended coverage) property insurance (replacement cost coverage) with respect to Lessee's own property. Waconia Public Schools, at its expense, will maintain on the Property a policy of all risk (or fire and extended coverage) insurance in the amount of the Property's full replacement cost, insuring against all risks normally insured against by reasonably prudent owners of comparable properties. In addition, to the extent Waconia Public Schools maintains commercial general liability insurance covering injury, death, disability or

illness of any person, or damage to property, occurring in, on or about the Property, Waconia Public Schools will provide Lessee with a certificate evidencing such insurance coverage.

13.2 Mutual Release/Waiver of Subrogation: Waconia Public Schools and Lessee each hereby release the other from any and all liability or responsibility for any loss, injury or damage to each other's real and/or personal property (including, without limitation, the Property, its contents, and any other property owned by Waconia Public Schools and any property owned by Lessee) caused by fire or any other casualty during the Term of this Lease or any extension, even if such fire or casualty may have been caused by the negligence of the other party or one for whom such party may be responsible, to the extent said loss, injury or damage is covered by insurance. Inasmuch as the above mutual waivers will preclude the assignment of any aforesaid claim by way of subrogation (or otherwise) to an insurance company (or any other person), Waconia Public Schools and Lessee agree if required by said policies to give to each insurance company which has issued to it policies of all risk or fire and extended coverage insurance, written notice of the terms of said mutual waivers, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waivers.

13.3 Indemnification: Lessee shall indemnify and hold Waconia Public Schools, its agents, employees, and contractors harmless from and against any and all liabilities, claims and/or losses of any kind arising, directly or indirectly, entirely or in part, out of any injury to any person occurring (1) within the Premises during Lessee's use regardless of the cause, except to the extent caused by the negligence or intentional misconduct of Waconia Public Schools, Waconia Public Schools's agents, employees, invitees or contractors, and (2) within the common areas during Lessee's use. Lessee further agrees to indemnify and hold harmless Waconia Public Schools from all liability arising out of the filing of any mechanic's or materialman's lien against the Premises by reason of any act or omission of Lessee, its agents and contractors. To the extent allowed by law, Waconia Public Schools shall indemnify and hold Lessee, its agents, employees, invitees, and contractors harmless from and against any and all liabilities, claims and/or losses of any kind arising, directly or indirectly, entirely or in part, out of any injury to any person occurring (1) within the common areas, to the extent caused by the negligence or intentional misconduct of Waconia Public Schools, Waconia Public Schools's agents, employees, invitees or contractors, and (2) any place within the Premises to the extent caused by the negligence or intentional misconduct of Waconia Public Schools, Waconia Public Schools's agents, employees, invitees or contractors.

14. DEFAULT: If Lessee fails to make any payment of rent or fails to observe or perform any other covenant, condition or provision and such default is not cured within thirty (30) days after written notice from Waconia Public Schools to Lessee (or, if such default cannot be cured within thirty (30) days, such longer period of time as is reasonable under the circumstances so long as Lessee promptly commences to cure the default and diligently prosecutes such cure thereafter), then Lessee will be deemed to be in default under this Lease.

15. **REMEDIES:** In the event of any default by Lessee (after notice and failure to cure within the time period set forth in Section 14), Waconia Public Schools may at any time thereafter exercise any and all rights it may have at law or in equity, including, without limitation, termination of this Lease. All remedies available to Waconia Public Schools will be cumulative and concurrent. No waiver or delay in enforcement by Waconia Public Schools of any breach of Lessee's obligations hereunder shall constitute a waiver of any such breach or any subsequent breach.

16. NOTICES: All notices required shall be given by registered or certified mail, postage prepaid, return receipt requested or hand delivered in person by local messenger service or by recognized overnight courier, and shall be addressed as follows:

If to Waconia Public Schools:
Community Education and Recreation
ATTN: Steven Jensen
516 Industrial Blvd
Waconia MN 55387
sjensen@isd110.org

If to Lessee:
Branch Church
Attn: Pastor Brian Suter
P.O. Box 155, Excelsior, MN 55331
Brian.Suter@branchchurchmn.org

All notices will be deemed received three (3) days after mailing, if mailed, or upon delivery, if delivered.

17. **WEATHER – RELATED CLOSINGS:** Waconia Public Schools will use its best efforts to permit Lessee to provide input prior to any weather-related decisions are made by Waconia Public Schools to close the Property on weekends; provided, however, that Waconia Public Schools shall have the final decision-making authority with respect to weather-related decisions.

18. **SNOW PLOWING:** Waconia Public Schools manages snowplowing, shoveling, and sanding/salting for the parking lot areas, drives, and sidewalks at the Property using its designated contracted snow removal company. For snow accumulations of one inch (1") or greater, Lessee agrees to pay an opening fee of \$100 per hour for the contractor to plow entrances and up to 100 parking spaces, capped at a maximum of \$700 per day. Waconia Public Schools will use its best efforts to clear these areas prior to Lessee's scheduled events. Incurred snow removal charges will be billed directly on the Lessee's regular monthly invoice. The City of Waconia manages snowplowing and sanding/salting for Community Drive. Lessee remains responsible for coordinating directly with the City of Waconia regarding plowing for public access streets leading to the Property, including Community Drive.

19. AUTHORIZED TENANT IMPROVEMENTS: Lessee desires to provide a similar worship experience for its attendees at the Premises as Lessee provides at its other campus facilities. To accomplish this objective, Lessee desires to provide some temporary, non-structural modifications to the auditorium portion of the Premises to improve sound quality, video experience, and lighting. Prior to temporary modifications, Lessee will submit all plans to Waconia Public Schools's facility staff for final approval, which approval will not be unreasonably withheld or delayed. Upon expiration or termination of this Lease, Lessee shall remove any such modifications and restore the affected areas to substantially their prior condition unless Waconia Public Schools directs otherwise in writing.

20. SURRENDER: At the expiration or termination of this Lease, Lessee will, at its expense, surrender and vacate the Premises and will, at its expense, remove all of its personal property.

21. GENERAL: If either party is successful in enforcing against the other any legal or equitable remedy for a breach of any provision of this Lease, the successful party shall be entitled to recover its expenses and reasonable attorney's fees. The parties executing this Lease represent and warrant that they have the full right and lawful authority to execute this Lease for the Term, in the manner and upon the conditions and provisions herein contained. Each party agrees to execute and deliver to the other all instruments which may reasonably be required to carry out all terms and provisions of this Lease. This Lease shall be binding upon the successors and permitted assigns of Lessee and Waconia Public Schools. This instrument embodies all of the agreements between the parties with respect to the Premises, and no oral agreements, prior correspondence or other prior writings shall be held to vary the provisions hereof. Any subsequent changes or modifications shall become effective only by a written instrument duly executed by Lessee and Waconia Public Schools. Nothing contained in this Lease shall be construed as a waiver by Waconia Public Schools of any immunities, defenses, limitations on liability, or other protections available under Minnesota law.

22. COMMUNICATION AND CONFLICT RESOLUTION: Every relationship has its share of conflict, even when things are working very well. It is Lessee's desire to create a clear communication process for dealing with conflicts so that Waconia Public Schools's staff concerns can be addressed immediately. Lessee wants to be a good neighbor throughout the community. For this purpose, until further notice, Pastor Brian Suter will be the point of contact for Lessee, and Derek Veldhuisen, Facilities Coordinator, will be the point of contact for Waconia Public Schools.

[signature page to follow]

Lessee:

Branch Church of Shorewood, MN

By: 

Its: President and Lead Pastor

By: _____

Its: _____

LANDLORD:

Waconia Public Schools (ISD 110)

By: _____

Its: _____

EXHIBIT A
Initial Facility Request

[2026-2027 Branch Church Facility request](#)

Exhibit B
Known Holiday Scheduling Conflicts

Pursuant to Section 4.2 of the Lease, Lessee acknowledges that the following known school events are anticipated to conflict with one or more requested holiday service times:

1. List Each Event Name & Date: No known Sunday school events as of Aug. 18, 2026

The parties acknowledge that the foregoing list identifies known conflicts as of the Effective Date of the Lease. Additional conflicts may arise from time to time due to school events, activities, maintenance needs, emergency situations, elections, or other District operational requirements as provided in Section 4.2.