PURCHASING AGENT AGREEMENT

THIS AGREEMENT is made by and between Knutson Construction Company ("Agent") and Independent School District No. 832 (Mahtomedi Public Schools) ("Owner"), a Minnesota municipality exempt from paying state sales and use tax under Minn. Stat. § 297A.70.

RECITALS

A. Owner is undertaking the construction of renovations, improvements and repairs to various school sites and facilities ("the Project"); and

B. Owner wishes to purchase materials, supplies and equipment for the Project (collectively, "Sales Tax-Exempt Materials") as described in **Exhibit A**, attached hereto; and

C. Owner, through Agent, has solicited separate bids for the Sales Tax-Exempt Materials, the award of which was not contingent upon the successful award of any other part of the Project; and

D. Agent is the successful bidder for the Sales Tax-Exempt Materials; and

E. Agent desires to act as Owner's purchasing agent for purposes of acquiring the Sales Tax-Exempt Materials for use exclusively in the Project

IT IS THEREFORE AGREED between the parties hereto that:

1. This Agreement is made with reference to, and where applicable shall be governed by, the Project specifications and provisions set forth in the Contract Documents as such are defined therein (the "Owner/Contractor Agreement"), attached as **Exhibit B**.

2. Owner appoints Agent to act as its purchasing agent for purchasing the Sales Tax-Exempt Materials and further authorizes Agent to appoint such subagents as Agent deems appropriate for carrying out the purposes of this Agreement, which subagents shall have similar powers of appointment.

3. It is understood and agreed that: (a) Owner takes title to the Sales Tax-Exempt Materials at the point of delivery; (b) Owner assumes the risk of loss for all Sales Tax-Exempt Materials; and (c) Owner bears all risk for defects in the Sales Tax-Exempt Materials, including Sales Tax-Exempt Materials incorporated into the real estate; provided, however, that to the extent Owner is prejudiced by lack of timely notice as provided herein, Agent shall be responsible for any resulting loss or damages incurred by Owner. Warranties against inherent defects in the Sales Tax-Exempt Materials run from the vendor and not the Agent. Prior to acceptance and payment, Agent shall determine on Owner's behalf that all such materials conform to the plans and specifications for the Project and are free from obvious or apparent defects. Agent shall promptly notify the Owner of any and all defects of which Agent becomes or reasonably should become aware. As Owner's agent, Agent shall contact the vendor for

immediate replacement or correction of defective Sales Tax-Exempt Materials, and to obtain all other remedial action for breaches of warranty. Nothing in this Agreement shall be deemed to preclude Owner from proceeding against Agent if a loss of any Sales Tax-Exempt Materials occurs as a consequence of Agent's fault or negligence or that of Agent's employees or representatives, including the failure of Agent to notify Owner in accordance with this Section.

4. Agent (and any subagents) shall include the following Notice to Vendors/Suppliers in all purchase orders and other documents furnished to a vendor or supplier in connection with the purchase of any Sales Tax-Exempt Materials:

NOTICE TO VENDORS/SUPPLIERS

> The materials to which this document relates are being purchased by Knutson Construction Company as the purchasing agent of Independent School District No. 832 (Mahtomedi Public Schools) ("the Owner"). Because the Owner is a Minnesota municipality, this purchase is exempt from sales tax under Minn. Stat. § 297A.70.

5. Agent shall exercise reasonable care in performance of its duties as purchasing agent, including the inspection of the Sales Tax-Exempt Materials for obvious or apparent defects or the failure of such materials to conform to the plans, specifications and all Contract Documents relating to the Project.

6. Owner shall pay an amount to be determined at Project completion for all of the Sales Tax-Exempt Materials purchased by Agent under this Agreement. Agent shall direct vendors and suppliers to deliver invoices for the Sales Tax-Exempt Materials to the Agent with a clear and conspicuous project designation on the invoice. Agent shall submit invoices for payment to Owner as part of its Contractual Pay Application Process. Upon payment by the Owner to the Agent, the Agent will pay vendors and suppliers. Agent will provide Owner with lien waivers for the Sales Tax-Exempt Materials, all in the manner required by the Contract Documents.

7. Agent shall promptly notify Owner of any sales and use tax audit by the Minnesota Commissioner of Revenue or of the threatened imposition or assessment of any sales or use taxes. Owner may, at its sole option and cost, dispute, contest or otherwise resist the imposition or assessment of any such taxes. Owner may, at its sole option and cost, dispute, contest or otherwise resist the imposition or assessment of any such taxes. On reasonable notice to Owner, Agent may (but is not obligated to) take such actions as it deems reasonable in response to the threatened imposition or assessment of taxes, which actions shall be deemed to have been taken on Owner's behalf. If any Minnesota sales or use taxes are imposed or assessed with respect to any Sales Tax-Exempt Materials purchased pursuant to this Agreement, Owner shall be solely responsible for the payment of such taxes, including any related penalties and interest, and shall hold Agent harmless and indemnify Agent from any such cost or expense related thereto, including any legal fees and costs incurred by Agent in connection therewith or in connection with the enforcement of this paragraph. Notwithstanding the foregoing, Owner

shall have no obligation to pay, and Agent shall be solely liable, for any tax resulting from Agent's failure to comply with the terms of this Agreement.

8. The agency relationship created by this Agreement is intended to be in compliance with Minnesota Rule 8130.1200 and its current interpretation by the Minnesota Department of Revenue.

9. The alternative dispute resolution provisions (if any) in the Owner/Contractor Agreement are incorporated herein by reference and are applicable to any dispute between the parties hereto arising out of this Agreement.

10. Owner may terminate this Agreement at any time and for any reason. Upon receiving notice of termination, Agent shall cease making any purchases and shall promptly notify any subagents it has appointed that such appointment has likewise been terminated, that they are to cease initiating any new purchases, and that they are to likewise notify any subagents they have appointed that they are to cease initiating any new purchases. Any purchases that were initiated by Agent or subagent prior to its receiving notice of termination and that cannot be reasonably reversed after it received notice of termination shall be deemed to have been made with authority.

11. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective heirs, legal representatives, assigns, and any subagents appointed pursuant to this Agreement.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this ____ day of ________________, 2026.

INDEPENDENT SCHOOL DISTRICT NO. 832 (MAHTOMEDI PUBLIC SCHOOLS), a Minnesota municipality ("Owner")

Date: ____________________ By: ___________________________________

Its: Board Chair

Date: ____________________ By: ___________________________________

Its: Clerk

KNUTSON CONSTRUCTION CO., a Minnesota corporation
("Agent")

Date: ____________________ By: ___________________________________

Its: ___________________________________

EXHIBIT A
TO
MATERIALS PURCHASING AGENT AGREEMENT

MATERIALS