

COMMUNITY CENTER LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into effective the 15th day of March, 2000, by and between **INDEPENDENT DISTRICT NO. 110**, an independent school district existing under the laws of the State of Minnesota ("Lessor"), and the **WACONIA ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic and a political subdivision duly organized and existing under the laws of the State of Minnesota ("Lessee").

RECITALS

A. Lessor is constructing the Waconia Middle School and a community center within a single, integrated building facility on real property located in the City of Waconia and owned by Lessor, as legally described on attached Exhibit "A" (the "Land").

B. Lessor has agreed to lease a portion of such building to Lessee for the operation of a community center.

NOW, THEREFORE, in consideration of the mutual covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties recite and agree as follows:

TERMS

1. Definitions.

For purposes of this Lease, the terms and phrases listed in this Section have the meanings set forth below unless the context of the Lease indicates otherwise.

"Accessways" shall mean the driveways and walkways on the High School Parcel used to access the Premises as depicted on attached Exhibit "B."

"Adult Recreation" shall mean such recreational programs and activities, to the extent suitable for conduct in the Community Center, as shall be primarily targeted to families or post-high school aged groups and individuals, including without limitation the following: (i) such league or non-league sports activities as basketball, volleyball, floor hockey, tennis, badminton, handball, softball and football; (ii) such exercise classes as aerobics, kick boxing, tae kwon do, yoga, tai chi, dance lessons and golf lessons; (iii) such other recreational activities as aquatic activities and ping pong; and (iv) such services related to off-site recreational activities, as provision of trail maps, rental of cross country ski and snow shoe equipment, provision of picnic kits, and other similar services.

"Applicable Law" shall mean (i) all applicable provisions of all constitutions, statutes, ordinances, rules, regulations, and orders of all governmental and/or quasi-governmental bodies other than Lessor; (ii) reasonable rules and policies that are regularly adopted by Lessor with respect to all of Lessor's public school buildings and that concern the health, safety and well being of Lessor's public school students; provided, however, that any such rule or policy shall only be considered "Applicable Law" hereunder at such point in time that a written copy of the same is delivered to Lessee and the City of Waconia, and (iii) orders, judgments and decrees of all courts and arbitrators. Lessor shall promptly provide Lessee with a complete copy of its rules and policies prior to or upon execution of this Lease and with written notice of any rules and policies that are canceled or repealed.

"Building" shall mean the building depicted on attached "Exhibit C."

"Casualty" shall mean a fire, explosion, tornado, or other cause of serious damage to or destruction of all or a portion of the Building.

"Commencement Date" shall have the meaning ascribed to it in Section 3 below.

"Common Areas" shall mean those areas of the Property described and depicted on attached Exhibit "D." "Common Areas" shall additionally mean such additional common areas of the Property as may be reasonably necessary for access and use of the Premises by Lessee, its sublessees and assigns and their employees, independent contractors, agents, lessees, licensees, and invitees, as such Premises may be hereinafter modified by subsequent written construction change orders or other written agreements between Lessor and Lessee.

"Community Center" shall mean that community recreation center to be constructed and located in the Building, all as depicted on attached Exhibit "E."

"Consulting Architect" shall mean the City's consulting architect, S.E.H., 3535 Vadnais Center Drive, 200 S.E.H. Center, Roseville, Minnesota, or the Secretary of Lessee.

"Environmental Law" shall mean the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq.; the Hazardous Materials Transportation Act, §1802 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. §1251 et seq.; the Clean Water Act, 33 U.S.C. §1321 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq.; the Minnesota Environmental Response and Liability Act, Minn. Stat. ch. 115B; the Minnesota Petroleum Tank Release Cleanup Act, Minn. Stat. ch. 115C; and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, all as may be from time to time amended.

"Fiscal Year of Lessor" shall mean July 1 to June 30.

"Hazardous Substances" shall mean asbestos, ureaformaldehyde, polychlorinated biphenyls ("PCBs"), nuclear fuel or material, chemical waste, radioactive material,

explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law.

"High School Parcel" shall mean that property owned by Lessor and legally described on attached Exhibit "F".

"Land" shall have the meaning ascribed to it in the Recitals above.

"Lease" shall mean this Lease Agreement, all exhibits attached hereto, and all properly executed amendments, modifications and supplements to this Lease.

"Lessee's Share of Utilities" shall mean Lessee's share of monthly utility charges as measured by the Utility Meters, which share shall equal the sum of:

- (1) Zero percent (0%) of the electricity measured by Electrical Meter A;
- (2) Thirty-four percent (34%) of the electricity measured by Electrical Meter B;
- (3) One hundred percent (100%) of the electricity measured by Electrical Meter C;
- (4) Zero percent (0%) of the electricity measured by Electrical Meter D;
- (5) Four percent (4%) of the natural gas measured by the Gas Meter after natural gas measured by the Gas Sub-meter has been subtracted therefrom;
- (6) Sixty-eight (68%) of the natural gas measured by the Gas Sub-meter;
- (7) Seventeen percent (17%) of the hot water measured by the Hot Water Meter;
- (8) Fourteen percent (14%) of the cold water measured by the Main Cold Water Meter after water measured by the Cold Water Sub-meter has been subtracted therefrom;
- (9) Forty-six percent (46%) of the water measured by the Cold Water Sub-meter;
- (10) Zero percent (0%) of the water measured by the Irrigation Meter; and
- (11) Zero percent (0%) of the utilities measured by the Other Meters.

"Operating Costs" shall mean the collective reference to the Operating Costs for the Premises, the Operating Costs for the School, the Operating Costs for the Shared Space, and the Related Building Operating Costs.

"Operating Costs for the Premises" shall mean Lessee's Share of Utilities, Telecommunications Charges of Lessee and the following expenses associated with those portions of the Premises that are not part of the Shared Space:

(1) The expense of all real estate taxes attributable to the Premises solely as a result of activities conducted thereon by Lessee, its sublessees or assigns;

(2) Expenses of redecorating the Premises to the extent such redecorating does not constitute a Required Capital Improvement;

(3) Expenses associated with Required Capital Improvements to the Premises made with Lessee's consent (subject to Section 6) other than Required Capital Improvements to the Shared Space and Related Building Capital Improvements; and

(4) Expenses of refuse collection and disposal relating to the Premises or otherwise incurred in connection with Lessee's operation of the Community Center (other than typical janitorial services).

"Operating Costs for the School" shall mean all expenses of every nature relating to the Property except to the extent otherwise allocated between the parties pursuant to this Lease.

"Operating Costs for the Shared Space" shall mean:

(1) Expenses associated with pool and gym supplies, pool chemicals and pool and gym equipment when such equipment is shared by the parties; and

(2) Expenses associated with Required Capital Improvements to the Shared Space other than Related Building Capital Improvements.

"Permitted Uses" shall collectively mean either (i) as to the City of Waconia, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota (the "City"), in its capacity as direct sublessee of the Lessee, such uses as are expressly permitted in that Waconia Community Center Use Agreement, dated on even date herewith, by and between Lessor and the City; or (ii) as to Lessee and any other direct or indirect sublessee (other than the City) or assignee of Lessee, and only to the extent permitted under Applicable Law, (A) any and all social, recreational and athletic activities and programs commonly associated with the operation of a community center with like facilities and equipment in which a Minnesota governmental entity maintains an ownership or leasehold interest and materially participates in the operational management thereof, such activities and programs including aquatic activities, educational meetings and activities, business gatherings, meetings of civic organizations, and social gatherings, such as birthday parties, family reunions, and weddings; and (B) health care services ancillary to the uses described in (A) above, and consisting of the following services: (i) fitness consultations including exercise instruction, exercise testing and exercise prescription, (ii) health and

wellness services including instruction, fitness challenges, programs, games, and activities which enhance excitement and fun while promoting wellness, (iii) therapeutic massage, (iv) injury prevention services, and (v) athletic performance training; and (C) such other uses that Lessor may, in its sole discretion, acknowledge in writing to be a permitted uses.

"Personal Property" shall mean all such personal property used in the ownership, management, operation, security, maintenance and repair of, and any improvements on or to, the Property.

"Premises" shall mean that portion of the Property depicted on Exhibit "G" as the Premises and the overhead track circling the gym area depicted as Shared Space.

"Project Architect" shall mean Abendroth, Rego & Youngquist Architects, Inc.

"Property" shall mean the collective reference to the Land and the Building.

"Related Building Operating Costs" shall mean:

(1) Expenses associated with the following to the extent they are incurred in connection with the Building: shared security measures, janitorial services, window washing, measures taken to comply with governmental rules, regulations, requirements and orders (other than capital expenditures, determined as described below), and maintenance and repair, including charges under maintenance and service contracts and the cost of all supplies relating to such maintenance and repair, but excepting any capital expenditures, as determined in accordance with generally accepted accounting principles, and supplies used in connection with the Shared Space;

(2) Expenses associated with the following to the extent they are paid or incurred in connection with the Property or Accessways: real estate taxes and assessments, except to the extent described in the definition for "Operating Costs for the Premises", insurance premiums and deductibles, excluding any insurance required by Section 8(d), and snow removal, provided, however, that all expenses associated with the initial construction of the Accessways (to be conveyed by District to the City of Waconia for use as a public road) on the north boundary of the High School Property shall be solely those of the District and not "assessments" hereunder; and

(3) All expenses associated with Related Building Capital Improvements.

"Related Building Capital Improvements" shall mean Required Capital Improvements to those primary Building systems and portions of the Building that materially benefit the Community Center including supporting walls and roofs for the Premises and Shared Space, HVAC, plumbing, telecommunications, and electrical systems.

"Rent" shall mean Base Rent, Lessee's contribution to Operating Costs, and all other amounts that Lessee is required to pay pursuant to the terms of this Lease.

"Required Capital Improvement" shall mean any reasonably necessary capital improvement: (A) needed to repair or replace a damaged or worn capital asset; (B) required by an insurance carrier that provides insurance in regard to the applicable property; (C) required by any law, rule, regulation, or order of any governmental or quasi-governmental authority having jurisdiction; or (D) made to extend the life of an existing capital asset.

"School" shall mean that public middle school to be constructed and located in the Building, all as depicted on attached Exhibit "H".

"Shared Space" shall mean the gym area and the pool area of the Community Center as depicted on attached Exhibit "I", but excluding the overhead track circling the gym area, which shall be considered part of the Premises.

"Taking" shall mean acquisition by a public authority having the power of eminent domain of all or part of the Property by condemnation or conveyance in lieu of condemnation.

"Telecommunications Expenses of Lessee" shall mean Lessee's share of the monthly telecommunications charges associated with the Building, such share each month equaling the sum of the following:

(1) Lessee's proportionate share of monthly voice line charges based upon the number of telephones located in the Premises during any given month in relation to the total number of telephones located in the Building; plus

(2) Lessee's proportionate share of monthly video and data line charges based upon actual usage data derived from available routers and switches, or if none for a given usage, then Lessee's proportionate share based upon the number of computers, televisions, or other equipment using the type of service at issue and located in the Premises in relation to the total number of the same located in the Building; plus

(3) All monthly long distance voice charges associated with telephones located in the Premises; less

(4) Any savings directly realized as a result of no-cost service being provided to Lessee or the City of Waconia.

"Term" shall have the meaning ascribed to it in Section 3 below.

"Utility Meters" shall mean the collective reference to the following utility meters serving the Property.

(1) Electrical meter serving the School ("Electrical Meter A");

- (2) Electrical meter serving mostly the Shared Space ("Electrical Meter B");
- (3) Electrical meter serving mostly the Premises ("Electrical Meter C");
- (4) Electrical meter related to outdoor power and lighting ("Electrical Meter D");
- (5) Natural gas meter serving the Building (the "Gas Meter");
- (6) Natural gas condensation line sub-meter measuring the natural gas used for heating the area of the Shared Space consisting of the lap and recreational swimming pools and for heating most of the Premises (the "Gas Sub-meter");
- (7) Potable hot water meter for the Building measuring hot water use unrelated to heating (the "Hot Water Meter");
- (8) Potable main cold water meter measuring cold water usage for the Building (the "Main Cold Water Meter");
- (9) Sub-meter for cold water supplied to the area of the Shared Space consisting of the lap and recreational swimming pools (the "Cold Water Sub-meter");
- (10) Cold water meter for outdoor irrigation (the "Irrigation Meter"); and
- (11) All other utility meters serving the Property or the High School Parcel (the "Other Meters").

2. Premises.

Lessor hereby leases the Premises to Lessee, and Lessee hereby leases the Premises from Lessor, on an exclusive, continuous, and uninterrupted basis, for the duration of the Term, in accordance with the provisions of this Lease.

3. Term.

(a) Term. This Lease shall be for a term of thirty (30) years (the "Term"), and shall commence upon the Date of Substantial Completion of the Building (the "Commencement Date"). For purposes of this Lease, the "Date of Substantial Completion of the Building" shall mean the date as of which: (i) the Building is substantially completed in accordance with the plans and specifications therefor, including without limitation the Plans (as hereinafter defined), and paid for in full, free of all mechanics', labor, materialmen's and other similar lien claims; (ii) said substantial completion has been approved and certified by the Project Architect; (iii) certificate(s) of substantial completion in a form reasonably acceptable to Lessor for the Building (and, as to the Leasehold Improvements, in form reasonably acceptable to Lessee) has/have been signed by the Project Architect and the general contractor for the Building and delivered to Lessor and Lessee; (iv) no substantial

punch-list items remain to be completed; and (v) unconditional certificates of occupancy for all of the Building have been issued by all appropriate governmental authorities.

(b) Extension of Lease Term. Upon written notice by Lessee to Lessor delivered not less than twenty-four (24) months prior to the expiration of the Term, which notice shall inform Lessor of Lessee's interest in extending the Term of the Lease, the parties agree to meet and discuss in good faith the possibility of extending the Term of the Lease for an additional period of time. Any such extension of the Lease shall be by mutual agreement of the parties.

4. Common Areas and Accessways/Licenses.

(a) Common Areas and Accessways. Lessee, its sublessees and assigns and their employees, independent contractors, agents, lessees, licensees, and invitees shall have, for the duration of the Term, a non-exclusive right to use, in common with Lessor, its employees, independent contractors, agents, students and invitees, the Common Areas and Accessways. Lessor shall not materially change or modify the Common Areas depicted on attached Exhibit "D" or the Accessways depicted on attached Exhibit "B" without Lessee's written consent, which consent shall not be unreasonably withheld; provided, however, Lessor may temporarily alter or obstruct such Common Areas and Accessways for purposes of making or performing such repairs or maintenance as may be reasonably necessary thereto so long as Lessor makes reasonable efforts, to the extent necessary and practicable, to provide reasonable alternatives to any Common Areas or Accessways so altered or obstructed. Lessor may reasonably change and modify other Common Areas if, in the exercise of good business judgment, Lessor determines such changes or modifications are advisable with a view to the improvement of the convenience and use thereof by Lessee.

(b) Temporary Accessway. Lessor hereby agrees to convey to the City of Waconia that certain road depicted on attached Exhibit "B" as extending easterly from the easterly terminus of the driveway depicted as one of the Accessways and continuing to the westerly edge of the right-of way for Oak Avenue (the "Public Road"). Until such conveyance has been duly approved and executed by Lessor, the Public Road shall be one of the Accessways for purposes of this Lease. Upon such conveyance, the Public Road shall cease to be one of the Accessways for purposes of this Lease.

(c) Mutual Licenses to Access Mechanical Rooms and Storage Areas. During the Term, Lessor hereby grants Lessee a non-exclusive license of ingress and egress through those portions of the Building as are required to access, using the most direct route reasonably available, the mechanical rooms and storage areas of the Premises. During the Term, Lessee hereby grants Lessor a non-exclusive license of ingress and egress through those portions of the Premises as are required to access, using the most direct route reasonably available, the mechanical rooms and storage areas located within the Community Center that are not part of the Premises.

5. Rent.

(a) Base Rent. Lessee shall pay to Lessor during the Term a base rent of One Dollar (\$1.00) per year (the "Base Rent"), payable in advance on the first day of each anniversary of the Commencement Date.

(b) Additional Rent. In addition to the base rent set forth in Section 5(a) of this Lease, Lessee shall throughout the Term pay to Lessor, as additional rent, "Lessee's Proportionate Share" (as defined in Section 5(d) of this Lease) of all annual Operating Costs. On, or prior to, the Commencement Date and thereafter sixty (60) days prior to each ensuing Fiscal Year of Lessor, Lessor shall furnish Lessee with an estimate of the Operating Costs for the next ensuing Fiscal Year of Lessor or fractional portion thereof, and Lessee shall pay to Lessor, on the first day of each month during such Fiscal Year of Lessor an amount (hereinafter called the "Monthly Operating Rent") equal to one-twelfth (1/12th) of Lessee's Proportionate Share of the estimated Operating Costs for such Fiscal Year of Lessor. The aggregate Monthly Operating Rent made during any given Fiscal Year of Lessor is collectively referred to herein as the "Annual Estimated Payment".

(c) Statement of Operating Costs. By no later than sixty (60) days after the end of each Fiscal Year of Lessor during the Term, Lessor shall furnish Lessee with an audited statement of the actual Operating Costs for such immediately preceding Fiscal Year of Lessor. If the actual Operating Costs for the applicable Fiscal Year of Lessor exceed the Annual Estimated Payment, Lessee shall pay Lessor the difference. If the Annual Estimated Payment exceeds the actual Operating Costs, Lessor shall pay Lessee the difference. Any such payment shall be made within thirty (30) days after Lessor has furnished Lessee with such statement unless Lessee has elected to make an audit under Section 5(e), in which case payment shall be due upon completion of the audit as described in Section 5(e). Within ninety (90) days after the expiration or earlier termination of this Lease, Lessor shall furnish Lessee with an audited statement of the actual Operating Costs for the period of time from the beginning of the then current Fiscal Year of Lessor to the date of expiration or termination. Upon Lessee's receipt of such statement, the parties shall use the procedure described above to make a final adjustment of Operating Costs between themselves.

(d) Calculation. "Lessee's Proportionate Share" shall at all times equal the sum of:

- (1) One hundred percent (100%) of the Operating Costs for the Premises;
- (2) Thirty-four percent (34%) of the Operating Costs for the Shared Space;
- (3) Seventeen percent (17%) of the Relating Building Operating Costs; and
- (4) Zero percent (0%) of the Operating Costs for the School.

(e) Audit. Lessor's reasonable determination of Operating Costs, both estimated and actual, shall be binding upon Lessee; provided that Lessee shall have the right, within six (6) months after the end of any Fiscal Year of Lessor to examine and cause to be audited Lessor's books and records relating to Operating Costs for such preceding fiscal year. Any such audit shall be conducted by a certified public accountant approved by both Lessor and Lessee, which approvals shall not be unreasonably withheld. The results of any such audit shall be conclusive; any adjustment required as a result of such audit shall be paid within thirty (30) days after the audit report is received by Lessor and Lessee; and Lessee shall bear all costs of the audit unless the audit discloses an overpayment by Lessee of five percent (5%) or more of the actual amount due, in which case Lessor shall bear the costs of the audit.

(f) Payment of Rent. All monthly installments of Rent shall be due and payable in advance, without demand, as follows: (i) the first monthly installment shall be due and payable on the Commencement Date; and (ii) all subsequent monthly installments shall be due and payable on the first business day of each month during the Term. If applicable, the first and/or last monthly payments hereunder shall be prorated based upon the actual number of days of each such month comprising a portion of the Term.

(g) Interest. All Rent and other sums payable hereunder by Lessee which are not paid within thirty (30) days after its or their due date shall bear interest from such due date to the date paid at the rate of eight (8%) per annum; provided, however, that interest shall not accrue on any sums disputed in good faith to the extent such sums are finally determined by agreement between the parties, order of any court, decision of any arbitrator or otherwise, not to be the obligation of Lessee.

6. Required Capital Improvements and Related Building Capital Improvements.

Lessor shall obtain Lessee's consent prior to making any Required Capital Improvements to the Premises other than Required Capital Improvements to the Shared Space or Related Building Capital Improvements. Lessee may not withhold its consent to any Required Capital Improvement to the Premises unless i) Lessee has a reasonable objection to Lessor's selection of equipment, materials and/or vendors; or ii) Lessee agrees to take such action as will make the Required Capital Improvement no longer necessary. As to Required Capital Improvements to the Shared Space (other than the Premises) or Related Building Capital Improvements, Lessor shall, except in case of emergency, seek Lessee's input with respect to selection of equipment, materials and/or vendors, all of which input shall not be binding upon Lessor.

7. Possession.

(a) Early Entry. The Lessee, its sublessees and assigns shall have the right to enter the Premises prior to the Commencement Date to outfit and prepare the same for use without paying Rent so long as Lessee, its sublessees, or assigns do not commence business.

All other provisions of this Lease shall be applicable during the period between the date of early entry and the Commencement Date.

(b) Delays. This Lease shall not be void or voidable and Lessor shall not be liable to Lessee for any loss or damage resulting from any delay in delivering possession of the Premises to Lessee that is beyond Lessor's control, and no Rent shall be due for the period prior to the Commencement Date.

(c) Quiet Enjoyment. If Lessee pays the Rent and other charges and performs all of Lessee's obligations under this Lease, Lessor covenants that Lessee may peaceably and quietly possess and enjoy the Premises under this Lease for the duration of the Term. Lessee shall not vacate or abandon the Premises during the Term without Lessor's prior written consent.

8. Leasehold Improvements.

Lessor and Lessee shall have the following rights and obligations with regard to leasehold improvements:

(a) Lessor Construction. Lessor shall construct, on behalf of Lessee, those certain leasehold improvements, alterations and additions comprising the Premises as may be reflected in the "Plans" (as hereinafter defined) (collectively, the "Leasehold Improvements"), all as more fully described and set forth on those certain plans and specifications described on Exhibit "J" attached hereto (together with any and all amendments or modifications thereto, or replacements or substitutions thereof, collectively referred to herein as the "Plans").

(b) Bidding. Lessor warrants that it has complied with all bidding laws and bonding requirements that apply to it as a public entity.

(c) Quality of Lessor's Work/Construction Contracts. Lessor agrees (unless otherwise provided in the Plans) to construct the Leasehold Improvements in a good and workmanlike manner substantially in accordance with the Plans. Lessor will utilize first quality new materials in compliance with all applicable laws, ordinances, rules and statutes.

(d) Lessor's Construction Insurance. Lessor agrees to obtain and maintain public liability insurance, builder's risk insurance and worker's compensation insurance adequate to fully protect Lessee as well as Lessor from and against any and all liability for death or injury to person or damage to property by reason of construction of the Leasehold Improvements. All such insurance shall name Lessee and the City of Waconia as additional

insureds, and all premiums and deductibles associated with such insurance shall be prorated between Lessor and Lessee as follows:

Lessor 83%

Lessee 17%

Lessee shall reimburse Lessor for its proportionate share of such insurance costs. Lessor shall indemnify Lessee, its officers, employees, agents, contractors, licensees and invitees against all claims, demands and actions, and all related costs and expenses (including reasonable attorneys' fees) for injury, death, disability or illness of any person, damage to property, or contractual liability to third parties arising out of construction of the Leasehold Improvements, whether direct or indirect, to the extent not covered by the insurance described herein (except to the extent caused by the negligence or willful misconduct of Lessee, its officers, employees, agents, contractors, licensees or invitees).

(e) Cost of Leasehold Improvements. Except for any change orders made after the effective date of this Lease that are mutually accepted in writing by both Lessor and Lessee, the cost of the Leasehold Improvements (including architectural and engineering fees) shall be Three Million, Seven Hundred Forty-Eight Thousand, Five Hundred Eighty-Two and no/100 Dollars (\$3,748,582.00), less seventeen percent (17%) of any utility rebates received by the District from Minnesota Valley Electric Cooperative Company or any other utility in regard to the Building (the "Leasehold Costs").

(f) Reimbursement of Leasehold Costs. As Leasehold Costs are incurred by Lessor, Lessor shall separately invoice such Leasehold Costs to Lessee for reimbursement by Lessee to Lessor. Lessor and Lessee agree that the Leasehold Costs shall be due and payable from Lessee to Lessor as follows: (i) as to amounts owed by Lessor to all contractors constructing the Leasehold Improvements, or professionals performing architectural, engineering or consulting services with respect to the Leasehold Improvements, as follows: (A) following receipt of written approval by the Consulting Architect, which approval shall not be unreasonably withheld; and (B) in any event on or before the due dates specified in the applicable construction, architect, engineering and/or consulting contract(s), agreement(s) and/or invoice(s) pursuant to which Lessor is obligated to make payment of such Leasehold Costs; and (ii) with respect to all other Leasehold Costs, if any, on or before the due dates specified in the applicable contract(s), agreement(s) and/or invoice(s) pursuant to which Lessor is obligated to make payment of such Leasehold Costs. Lessor shall furnish to Lessee copies of properly executed lien waivers for all contractors for such Leasehold Improvements not later than thirty (30) days following the date of final payment to each such contractor.

(g) Change Orders. Any change order to the Leasehold Improvements must be approved in writing by the Consulting Architect. Any change order to the other portions of the Community Center or Common Areas must be approved by the Consulting Architect if it exceeds \$10,000.00, which approval shall not be unreasonably withheld. Any change order to the balance of the Building must be approved by the Consulting Architect if it exceeds

\$10,000.00 and would materially affect the Community Center portion of the Building, which approval shall not be unreasonably withheld.

(h) Damage or Destruction During Construction. If the Building is damaged or destroyed by Casualty during construction, Landlord shall collect any proceeds of insurance and proceed with due diligence to repair the damage or destruction and continue with construction; provided, however, that if more than fifty percent (50%) of the Building, as then constructed, is damaged or destroyed, Landlord may elect to terminate this Lease as of the date of the Casualty by giving written notice to Lessee within thirty (30) days after the Casualty. If Landlord so elects to terminate this Lease, Landlord shall reimburse Lessee for all sums paid by Lessee to Landlord for Leasehold Improvements, less any deductibles allocated to Lessee in accordance with Section 8(d).

(i) Title. Except as provided below, all of the Leasehold Improvements shall become the property of Lessor upon completion, subject to Lessee's rights to receive compensation for the same under Sections 8, 25, 26 and 28 of this Lease. Notwithstanding any provision to the contrary above, the Leasehold Improvements constituting removable fixtures and personal property and Lessee's other removable fixtures and personal property shall remain Lessee's property, including but not limited to, such items as are listed on attached Exhibit "K".

9. Use.

Lessee shall use the Premises for the Permitted Uses and shall not permit the Premises to be used for any other purposes.

10. Parking.

All parking spaces located within designated parking areas on the Property shall be provided to Lessee, its sublessees and assigns and their employees, independent contractors, agents, lessees, licensees, and invitees in common with Lessor and Lessor's employees, agents, contractors, lessees, or invitees on a first-come first-served basis. Notwithstanding any provision to the contrary above, Lessee shall have the right to designate one (1) area near the Community Center entrance for deliveries and up to four (4) exclusive parking spaces near the entrance of the Community Center or elsewhere for the exclusive use of the Community Center manager and Community Center staff.

11. Maintenance and Repairs.

(a) Repairs and Maintenance by Lessor. Lessor shall maintain and repair the Community Center (excluding Lessee's removable trade fixtures and personal property, or any removable trade fixtures and personal property of any sublessee or assignee of Lessee) and those portions of the heating, air conditioning, plumbing, electrical, telecommunications and other Building systems otherwise located within the Building to the extent serving in whole or in part the Community Center, and the Common Areas and Accessways, all in good

repair, reasonable wear and tear excepted, such maintenance to include the snowplowing of the above described areas, as appropriate. Lessee shall promptly give Lessor written notice of any defect or need for repairs, after which Lessor shall have a reasonable opportunity to cure such defects or make such repairs. In the event of any failure by Lessor to commence to cure any such defects or make any such repairs to the Community Center within ten (10) days after receipt from Lessee of written notice of any defect or need for repairs, then Lessee may cure such defects and prosecute such repairs itself, and apply the cost of the same against the next maturing monthly installment or installments of Rent due hereunder. Notwithstanding the above, if the defect or item in need of repair is insignificant in nature, does not interfere with the Permitted Use of the Premises or Shared Space, and does not pose a hazard to person or property, then Lessee shall not exercise its right to self help unless Lessor fails to commence a cure to the defect or to make the repair within thirty (30) days after receipt of Lessee's written notice. For purposes hereof, the phrase "commence to cure any such defects or make any such repairs" shall include commencement of any necessary compliance by Lessor with any public bidding requirements applicable under the law. Subject to Lessee's right to cure defects or make repairs, as hereinabove provided, Lessor's liability to Lessee shall be limited to curing such defects or making such repairs, and Lessor shall not be in default of this Lease for any delay in making a repair provided it has used reasonable efforts to make the repair in a timely fashion.

(b) Covenant Against Waste. Each party covenants to the other not to do or suffer any waste to the Community Center, the Common Areas and the Accessways.

(c) No Ouster or Constructive Eviction. Any reasonable entry onto the Premises in accordance with the terms of this Lease by Lessor or its employees, or any other party at the direction of Lessor, pursuant to this Lease, shall never be construed as altering, abating or diminishing Lessee's rights or obligations under this Lease.

12. Rules.

Lessor and Lessee may, by mutual agreement, establish written rules and regulations applying to the Community Center and Common Areas. Lessee agrees to abide by Lessor's written rules and regulations when using other portions of the Building.

13. Compliance with Laws.

Each party shall promptly comply with all laws, ordinances, rules, orders, regulations and other requirements of governmental and quasi-governmental authorities now existing or subsequently enacted that apply to the party or its activities, including but not limited to Environmental Law. Neither party shall install, use, generate, store or dispose of any Hazardous Substances in or about the Property without the written consent of the other party. Notwithstanding the above, such consent shall not be required for supplies and chemicals relating to janitorial services or maintenance of the lap and recreational swimming pools, nor shall it relate to refined petroleum products used in the normal course of either party's operations. In addition, such consent shall not be required for lab chemicals reasonably used

by Lessor to educate its public school students or to substances directly related to any permitted health care activities hereunder. Lessee shall promptly pay any other charges by any governmental authority on Lessee's personal property or removable trade fixtures in the Premises or relating to Lessee's use of the Premises. Lessor shall promptly pay any taxes or other charges by any governmental authority on Lessor's personal property or trade fixtures in the Building or on the Property, or relating to Lessor's use of the Property.

14. Name of Community Center/Signs.

The name of the Community Center shall be the "Waconia Community Center." Lessee shall be allowed to place signs on the interior and exterior of the Building and elsewhere on the Property and the High School Property as described on Exhibit "L." Placement of any other signs elsewhere on the Property or High School Property shall be prohibited without first obtaining the advance written consent of the District; provided, however, the District's consent may not be unreasonably withheld with respect to the placement of signs by Lessee within the Premises and those Common Areas located within the Community Center. Each party shall contribute to the costs associated with the signs described in attached Exhibit "L" as described in such exhibit.

15. Warranties by Lessor/Acceptance of Premises.

(a) Assignment of Warranties and Guaranties. Lessor hereby assigns to Lessee, in common with Lessor, any and all warranties and guaranties of third parties held by Lessor with regard to the Premises, except in the event the same are unassignable, in which case Lessor shall enforce the same for the benefit of Lessee. Lessor shall provide copies of all material warranties and guaranties to Lessee. Neither Lessor nor any agents or employees of Lessor have made any representations or promises with respect to the Premises or the Building, except as described below or otherwise provided in this Lease.

(b) Condition of Premises. Lessee shall have a period of sixty (60) days from the date that Lessee, its sublessees or assigns takes possession of the Premises to provide Lessor with a list of any defects and incomplete or unsatisfactory items with respect to the Leasehold Improvements. Lessor shall be obligated within a reasonable amount of time not to exceed ninety (90) days to cure any such items. In addition, at any time during the Term, Lessee may inform Lessor of defects or unsatisfactory items in respect to the Leasehold Improvements that may be covered by warranty or guaranty. Lessor shall seek to enforce any applicable warranty or guaranty to correct such defect or unsatisfactory item to the extent that Lessee cannot enforce such claim itself; provided, however, that all costs and expenses of such enforcement efforts, including the commencement and prosecution of legal action, shall be borne by Lessee. Lessee shall have the right to choose all legal counsel, architects, engineers and other advisors.

(c) Compliance with Codes. Lessor warrants that upon delivery of the Premises to Lessee that the interior and exterior of the Premises will meet with all present codes required at the time by regulations of governing authorities including, without limitation, the

Americans with Disabilities Act (the "ADA"). Lessor makes no representation or warranty as to compliance of the Premises with such future codes as may hereafter be required by regulations of governing authorities.

(d) Covenant of Title and Quiet Enjoyment. Lessor represents and warrants that (i) it is the owner of the Property and the Premises, and (ii) Lessee or any permitted assignee or sublessee of Lessee, upon the payment of rent and performance of the covenants hereunder, shall and may peaceably and quietly have, hold and enjoy the Premises and Leasehold Improvements thereon during the term of this Lease.

(e) Construction of Building. Lessor warrants that it shall substantially complete the construction of the Building, all other improvements shown on the Plans, all Common Areas depicted on attached Exhibit "D" and the Accessways depicted on attached Exhibit "B."

(f) Hazardous Substances. Lessor represents and warrants that (i) no Hazardous Substances have been generated, treated, stored, transferred from, or disposed of, or otherwise placed, deposited in or located on the Property in violation of any Environmental Law, nor has any activity been undertaken on the Property that would cause or contribute to the Property becoming a treatment, storage or disposal facility within the meaning of any Environmental Law; (ii) there has been no discharge, release or threatened release of Hazardous Substances from the Property; (iii) there are no Hazardous Substances or conditions in or on the Property that may support a claim or cause of action under any Environmental Law; and (iv) the Property is not now, and to the best of Lessor's knowledge never has been, listed on any list of sites contaminated with Hazardous Substances, nor used as landfill, dump, disposal or storage site for Hazardous Substances.

16. Alterations.

(a) Lessee shall not make any structural alterations, additions, expansions, or improvements in or to the Premises or Building without first obtaining the prior written consent of Lessor. Lessee may make nonstructural alterations, additions or improvements in or to the Premises without Lessor's prior written consent to the extent the aggregate annual cost (prorated in the case of any fractional calendar year during the Term) of such nonstructural alterations, additions or improvements is less than or equal to \$25,000.00. In the case of any nonstructural alterations, additions or improvements by Lessee in or to the Premises which require Lessor's prior written consent, as hereinabove provided, such consent shall not be unreasonably withheld. All other alterations, additions expansions and improvements to the Community Center and Common Areas shall be by mutual agreement of the parties. If a party exercises its right to unilaterally make an alteration, addition, or improvement as provided in this Section, it shall give the other party not less than sixty (60) days notice prior to the commencement of the anticipated work.

(b) Except in regard to meeting its maintenance and repair obligations in accordance with Section 11(a) of this Lease, Lessor shall not (i) make any alterations,

additions or improvements in or to the Premises without first obtaining the prior written consent of Lessee, (ii) make any structural alterations, additions or improvements to that portion of the Community Center other than the Premises without first obtaining the prior written consent of Lessee, which consent shall not be unreasonably withheld; or (iii) materially change or modify the Common Areas or the Accessways except as described in Section 4 of this Lease.

(c) The party making any alterations, additions or improvements shall comply with all applicable laws and rules applying to it as a governmental entity in regard to bidding, contracting, bonding, and similar requirements. All work shall be constructed with new materials and in compliance with all applicable laws, ordinances, rules, orders, regulations, or other requirements of governmental authorities.

(d) All alterations, additions and improvements to the Premises, except removable trade fixtures and personal property, shall become the property of Lessor upon installation and shall be surrendered with the Premises upon termination of the Lease.

(e) In the event of any material alteration at any time during the Term of any portion of the Building by or for the benefit of Lessor or Lessee, or their respective lessees, sublessees or assigns, Lessee's Proportionate Share of Operating Costs shall be equitably adjusted in such manner and amount as shall reasonably reflect the impact of such alteration on Lessor and Lessee, and their respective lessees, sublessees or assigns, and any material changes in use of the Building as a result thereof, and this Lease shall be amended accordingly.

17. Utilities and Service.

(a) Lessor shall be responsible for obtaining and maintaining on a continuing basis all water, natural gas, electric, heating, air conditioning, telecommunications and janitorial services for the Premises. The cost of all such utilities and services and any other utilities or services for the Premises shall be included in the Operating Costs as specifically provided herein. Lessor shall not be liable for any loss or damage resulting from any temporary interruption of these utilities or services due to repairs, alterations or improvements, or any variation, interruption or failure of energy, or any other cause unless caused by the negligence or willful misconduct of Lessor, its employees, agents, contractors, students or invitees. No such interruption or failure of these utilities or services shall be deemed as an eviction of Lessee or shall relieve Lessee from any of its obligations under this Lease. Lessor, however, shall use its reasonable efforts to restore all disrupted services and utilities as quickly as possible and Lessee shall have the rights of self-help described in Section 11(a) of this Lease.

(b) Disposal of medical and hazardous material waste shall be the sole responsibility and expense of the party that used, produced or otherwise brought it onto the Property. Each party shall comply with all laws, ordinances, and rules pertaining to the disposal of such materials.

18. Entry by Lessor.

Lessor and its agents, contractors and mortgagees shall have the right to enter the Premises at reasonable times and on reasonable advance notice (except in the case of emergencies) for inspecting, cleaning, repairing, or exhibiting the Premises.

19. Estoppel Certificate.

Within ten (10) days after written request from a party, the other party shall execute, acknowledge and deliver to the requesting party a document that can be relied upon by third parties stating (a) that this Lease is unmodified and is in full force and effect (or if modified, that the Lease is in full force and effect as modified and stating the modifications), (b) the dates to which rent and charges have been paid, (c) the current Monthly Rent, (d) the dates on which the Term begins and ends, (e) that Lessee, its sublessees or assigns have accepted the Premises and are in Possession, (f) that the party furnishing the Certificate is not in default under this Lease (or if in default, stating in reasonable detail the scope and nature of each such default), and such other information as requesting party may reasonably require.

20. Assumption of Risks.

Except as otherwise expressly provided in this Lease, each party assumes all risk of loss or damage to such party's personal property within the Building, including any loss or damage caused by water leakage, fire, windstorm, explosion, theft, act of the other party, or other cause.

21. Indemnification.

(a) Lessee shall defend, indemnify and hold harmless Lessor, its officials, employees, agents, contractors, and invitees against any and all claims, demands actions, losses, liabilities, damages, penalties, judgments, injunctive relief and all related costs and expenses (including reasonable attorneys' fees) for injury, death, disability or illness of any person or damage to property or natural resource arising out of Lessee's possession of the Premises, Lessee's use of the Premises, Shared Space or Common Areas, or a breach by Lessee of its obligations under this Lease, whether foreseeable or unforeseeable, except to the extent caused by 1) the negligence or willful misconduct of Lessor, its employees, agents, contractors, students or invitees or 2) a breach by Lessor of its obligations under this Lease. The foregoing obligation to indemnify includes, without limitation, the obligation to indemnify against all costs in law or in equity of removal, response, investigation, remediation of any kind, and disposal of Hazardous Substances, all costs of determining whether property is in compliance with Environmental Laws, and all costs of causing property to be in compliance with all applicable Environmental Laws.

(b) Lessor shall defend, indemnify and hold harmless Lessee, its officials, employees, agents, contractors, invitees, successors and assigns (including sublessees),

against any and all claims, demands, actions, losses, liabilities, damages, penalties, judgments, injunctive relief and all related costs and expenses (including reasonable attorneys' fees) for injury, death, disability or illness of any person or damage to property or natural resource arising out of Lessor's possession or use of the Property, except for the Premises while Lessee or its successors or assigns are in possession of the same, Lessor's possession or use of the Accessways, or a breach by Lessor of its obligations under this Lease, whether foreseeable or unforeseeable, except to the extent caused by 1) the negligence or willful misconduct of Lessee, its employees, agents, contractors, or invitees or 2) a breach by Lessee of its obligations under this Lease. The foregoing obligation to indemnify includes, without limitation, the obligation to indemnify against all costs in law or in equity of removal, response, investigation, remediation of any kind, and disposal of Hazardous Substances, all costs of determining whether property is in compliance with Environmental Laws, and all costs of causing property to be in compliance with all applicable Environmental Laws.

(c) Notwithstanding anything to the contrary in this Lease, and with respect only to claims, demands, actions, losses, liabilities, damages, penalties arising or accruing, whether asserted or unasserted, prior to any termination of this Lease or removal of Lessee from the Premises, together with any costs and expenses (including reasonable attorneys' fees) related thereto, (collectively, the "Existing Indemnification Obligations"), such Existing Indemnification Obligations shall survive any such termination or removal of Lessee.

22. Insurance.

(a) Lessee's Insurance. Unless Section 22(b) applies, Lessee, the City of Waconia or any other governmental sublessee or assignee (other than collateral assignee) of the entire Premises subject to the liability limits of Minnesota Statutes §466.04, as amended, shall keep in force, at its expense, throughout the Term :

(1) commercial general liability insurance, naming Lessor as an additional insured; with limits in accordance with those set forth in Minnesota Statutes §466.04, as amended; and

(2) property insurance covering the full replacement value of Lessee's removable trade fixtures and personal property in the Building.

(b) Insurance Required of a Non-Governmental Sublessee or Assignee of the Entire Premises. If Lessee subleases or assigns, voluntarily or involuntarily, its interest in the entire Premises to a non-governmental entity or any governmental entity that is not subject to the liability limits of Minnesota Statutes §466.04, as amended, such sublessee or assignee (other than a collateral assignee) shall keep in force, at its expense:

(1) commercial general liability insurance, naming Lessor as an additional insured, with a combined policy limit of at least \$4,000,000 applying to bodily and

personal injury, which limit may be satisfied by a basic commercial liability policy or such a policy in combination with umbrella or excess policies; and

(2) property insurance covering the full replacement value of such sublessee's or assignee's removable trade fixtures and personal property in the Building.

(c) Insurance Required of a Non-Governmental Sublessee or Assignee of a Portion of the Premises. If Lessee or the City of Waconia subleases or assigns (other than through a license or permit) its interest in a portion of the premises to a non-governmental entity, such sublessee or assignee (other than a collateral assignee) shall keep in force, at its expense:

(1) commercial general liability insurance, naming Lessor as an additional insured, with a combined policy limit of at least \$2,000,000 applying to bodily and personal injury, which limit may be satisfied by a basic commercial liability policy or such a policy in combination with umbrella or excess policies; provided, however, that if the portion of the Premises so subleased or assigned includes any pool, the combined policy limit shall be that specified in Section 22(b)(1); and

(2) property insurance covering the full replacement value of such sublessee's or assignee's removable trade fixtures and personal property in the Building.

(d) Lessor's Insurance. Lessor shall keep in force, at its expense, throughout the Term:

(1) commercial general liability insurance, naming Lessee and Lessee's sublessees and assignees, if any, as additional insureds, with liability limits then in accordance with those set forth in Minnesota Statutes §466.04, as amended; and

(2) "all risk" property insurance covering the full replacement value of 1) the Building and other improvements on the Property and 2) Lessor's trade fixtures and personal property in the Building.

(e) Certificates. Prior to the Commencement Date, from time to time, the parties shall deliver to each other certificates of insurance or copies of policies of insurance showing the above-described coverage to be in effect with premiums fully paid. The certificates or policies of insurance shall provide that the other party shall be notified in writing thirty (30) days prior to any cancellation of, material change in, or failure to renew such insurance.

(f) Escalation of Required Insurance Amounts. The amount of insurance required by Sections 22(b)(1) and 22(c)(1) shall increase by twenty-five percent (25%) on the tenth (10th) anniversary of the Commencement Date and by an additional twenty-five percent (25%) on the twentieth (20th) anniversary of the Commencement Date.

23. Waiver.

If permitted under applicable policies of insurance, Lessee and Lessor hereby release one another, and their respective sublessees and assigns, from any and all liability (to the other or anyone claiming through or under them by way of subrogation or otherwise) for any loss or damage covered by property insurance or coverable by any other insurance required by this Lease, whether or not the loss or damage resulted from the fault or negligence of the other party or anyone for whom such party is responsible. Lessee and Lessor shall use reasonable efforts to obtain policies of insurance which provide that this release shall not adversely affect the rights of the insureds under their respective policies.

24. Assignment and Subletting.

(a) Neither party may transfer or assign this Lease or any interest under this Lease without the other's prior written consent, which consent shall not be unreasonably withheld or delayed. Notwithstanding the foregoing:

(1) Lessee is authorized to assign or sublease this Lease to the City of Waconia, a body politic and corporate under the laws of the State of Minnesota, without Lessor's consent, pursuant to that Community Center Lease with Option to Purchase Agreement, dated on even date herewith, by and between Lessee and the City of Waconia (the "Sublease"), provided that Lessee remains liable to Lessor for all obligations of this Lease. Notwithstanding any provision to the contrary above, Lessee shall be released from liability hereunder if the City of Waconia pays the Bond described in the Sublease in full and the Sublease is fully assigned to the City of Waconia as a result thereof; provided, however, that as a condition of such release the City of Waconia must affirm to Lessor in writing that it accepts assignment of this Lease and agrees to be bound by the provisions and obligations of this Lease.

(2) Lessee is authorized to collaterally assign this Lease to any lender (in each case, the "Lender") of Lessee which has financed, in whole or in part, the Leasehold Costs (in each case, the "Financed Obligations"); provided, however, that (i) such assignment shall at all times be limited only to the then outstanding balance of the Leasehold Costs, as so financed; (ii) the rights of the Lender, as so assigned, shall at all times be no greater than the rights of Lessee hereunder (provided, however, that the Lender shall not otherwise have the right to collaterally assign this Lease in accordance with this Section 24(a)(2)); (ii) in the event the Lender acquires or succeeds to the interest of Lessee under this Lease through summary proceedings, foreclosure action, absolute assignment, or otherwise, the Lender shall, at the election and upon the request of Lessor and without further instruments of attornment, fully attorn to and recognize Lessor as the Lender's landlord under this Lease upon the then executory terms of this Lease; and (iii) Lessee's right to collaterally assign this Lease to the Lender under this Section, and any such collateral assignment, shall automatically terminate and expire upon payment in full to the Lender of all of the Financed Obligations owing to such Lender.

(3) The Lessor and the City of Waconia, as assignee or sublessee, shall be allowed to further sublease portions of the Premises to Ridgeview Medical Center, its successors, assigns, and affiliates for use as medical office space as depicted on Exhibit M attached hereto; provided, however, and notwithstanding the foregoing, Lessee shall remain liable to Lessor for all obligations of this Lease unless otherwise released as described above. Further, any such sublease shall require Ridgeview Medical Center to properly dispose of its medical waste, if any, and to indemnify Lessor, Lessee and the City of Waconia from its failure to do so.

(b) Except as otherwise provided in this Section 24, any assignment or subletting by any assignee or sublessee shall also require Lessor's prior written consent, which shall not be unreasonably withheld. No sublessee or assignee shall use the Premises for any purpose not permitted under this Lease or in any other ways contrary to the provisions of this Lease.

25. Damage or Destruction.

If the Building is damaged by Casualty, the damage (excluding damage to removable trade fixtures or personal property of Lessee) shall be repaired by Lessor at its expense to a condition as near as reasonably possible to the condition prior to the Casualty; provided, however, that if more than twenty-five percent (25%) of the total usable area in the Building is rendered untenable, Lessor may choose not to repair the damage if it chooses to abandon occupancy of the Building in its entirety, and, in such instance, Lessor may terminate this Lease as of the date of the Casualty by giving written notice to Lessee within thirty (30) days after the Casualty, and shall thereafter proceed to abandon occupancy of the Building within a reasonable period of time. If this Lease is not terminated, Lessor shall begin repairs within ninety (90) days after the Casualty and complete the repairs within a reasonable time, subject to any Permitted Delay, and Lessee shall repair any improvements (other than the Leasehold Improvements) paid for by Lessee within sixty (60) days thereafter. If Lessor fails to undertake such repairs within ninety (90) days, then Lessee may, upon thirty (30) days' written notice to Lessor and failure by Lessor within such thirty (30) day period to commence such repairs, terminate this Lease. In the event this Lease is terminated in accordance with this Section, all proceeds of any policy of insurance covering the Building (excluding proceeds attributable to any removable trade fixtures or personal property of Lessee) shall be allocated as between, and paid to, Lessor and Lessee, and all cleanup costs related to the occurrence of the Casualty which are not covered by such policy of insurance, including, without limitation costs of demolition, shall be allocated as between, and paid by, Lessor and Lessee, as follows: (i) Lessor shall receive and pay eighty-three and four tenths percent (83.4%) of such proceeds and cleanup costs, respectively; and (ii) Lessee shall receive and pay sixteen and six-tenths percent (16.6%) of such proceeds and cleanup costs, respectively. One hundred percent (100%) of any proceeds of insurance covering and any removable trade fixtures and personal property of Lessee shall be paid to Lessee. In the absence of any termination of this Lease in accordance with this Section, all proceeds of any policy of insurance covering the Building, including without limitation the Leasehold Improvements (but excluding other improvements paid for by Lessee for any removable

trade fixtures or personal property of Lessee) shall be paid to Lessor and any proceeds of insurance covering any removable trade fixtures and personal property of Lessee shall be paid to Lessee. In the event Lessee is unable to use the Premises for a period of at least fourteen (14) days as a result of Casualty to the Premises, Building and/or Land, then thereafter, unless this Lease is terminated pursuant to the provisions of this Section 25, Lessee shall be entitled to an abatement of Rent until such time as Lessee's ability to use the Premises is restored.

26. Eminent Domain.

If there is a Taking of twenty-five percent (25%) or more of the total usable area of the Building, either party may terminate this Lease as of the date the public authority takes possession, by written notice to the other party within thirty (30) days after the Taking. If there is a Taking of any portion of the Premises so as to render the Premises unsuitable for Lessee's use, Lessee shall have the right to terminate the Lease effective as of the date the public authority takes possession by giving written notice to Lessor within thirty (30) days after the Taking. If this Lease is terminated under this Section, any rents and other payments (excluding Leasehold Costs) shall be prorated as of the termination and shall be proportionately refunded to Lessee, or paid to Lessor, as the case may be, and (i) in the case of a Taking by other than Lessee, all damages, awards and payments for the Taking, excluding damages, awards and payments attributable to any removable trade fixtures or personal property of Lessee, (collectively, the "Condemnation Damages") shall be allocated as between, and paid to, Lessor and Lessee, and all costs related to the occurrence of the Taking which are not covered by such Condemnation Damages, including without limitation costs of demolition, shall be allocated as between, and paid by, Lessor and Lessee, as follows: (A) Lessor shall receive and pay eighty-three and four tenths percent (83.4%) of such Condemnation Damages and costs, respectively; and (B) Lessee shall receive and pay sixteen and six-tenths percent (16.6%) of such Condemnation Damages and costs, respectively; and (ii) in the case of a Taking by Lessee, all Condemnation Damages shall belong to Lessor irrespective of the basis upon which they were made or awarded, except that Lessee shall be entitled to any amounts awarded to the extent applicable to the Leasehold Improvements. In the absence of any termination of the Lease under this Section, all damages, awards and payments for the Taking shall belong to Lessor irrespective of the basis upon which they were made or awarded. Notwithstanding anything to the contrary in this Lease, One hundred percent (100%) of any damages, awards and payments attributable to any removable trade fixtures or personal property of Lessee, or to any relocation payment or allowance with respect to Lessee, shall be paid to Lessee. If this Lease is not terminated as a result of the Taking, Lessor shall restore the remainder of the Premises to a condition as near as reasonably possible to the condition prior to the Taking, and the Monthly Rent shall be abated for the period of time the space is untenable in proportion to the square foot area untenable and this Lease shall be amended appropriately to reflect the deletion of the space taken.

27. Defaults.

(a) If (i) Lessee defaults in the payment of Rent or other amounts under this Lease and such default continues for thirty (30) days after written notice by Lessor to Lessee, (ii) Lessee defaults in any other obligation under this Lease and such default continues for thirty (30) days after written notice by Lessor to Lessee, (iii) any proceeding is begun by or against Lessee to subject the assets of Lessee to any bankruptcy or insolvency law; or for an appointment of a receiver of Lessee or for any of Lessee's assets, or (iv) Lessee makes a general assignment of Lessee's assets for the benefit of creditors (individually, an "Event of Default," and collectively, the "Events of Default"), then Lessor may, with or without terminating this Lease, cure the default and charge Lessee all costs and expenses of doing so or reenter the Premises, remove all persons and property, and regain possession of the Premises, all without waiver or loss of any of Lessor's rights under this Lease, including, subject to Section 27(d) below, Lessor's right to payment of Rent. Lessor also may terminate this Lease.

(b) Lessee waives any right of restoration to possession of the Premises after re-entry, notice of termination, or after judgment for possession. If this Lease is terminated under this Section 27, subject to Section 27(d) below, Lessee shall indemnify Lessor against all loss of Rent and against other damages which Lessor may incur as a result of the termination for the remainder of the Term, and against all related attorney fees and other expenses.

(c) If Lessee is in default and notice of termination of Lessee's right to possession has been mailed to Lessee at the Premises and it appears in Lessor's reasonable judgment that Lessee has abandoned or vacated the Premises, Lessor may re-enter the Premises and retake possession without legal action and without relieving Lessee of the obligation to pay Rent or any other obligations under this Lease. In the event of litigation between Lessor and Lessee, the non-prevailing party shall pay reasonable attorneys' fees and disbursements to the prevailing party.

(d) Notwithstanding anything to the contrary in this Section 27, in the event of any termination of this Lease or any re-entry by Lessor of the Premises as aforesaid, whether under any proceeding, provision of law or otherwise, by reason of an Event of Default hereunder on the part of Lessee, Lessee covenants and agrees forthwith that Lessor may re-let the Premises or any part or parts thereof, either in the name of Lessor or otherwise (but shall have no obligation to do so), and in that connection may make any suitable alterations or refurbish the Premises, or both, or change the character or use of the Premises, for a term or terms, which may at Lessor's option be less than or exceed the period that would otherwise have constituted the balance of the Term of this Lease, and may grant reasonable concessions or free Base Rent in connection therewith; provided, however, in the event of any such re-letting of all or a portion of the Premises, or any occupation or use thereof by Lessor in lieu of re-letting, and to the extent thereof and for such portion of the Term so re-let, or used or occupied by Lessor, Lessee's obligations to pay Rent hereunder shall be

proportionately abated; provided further, however, Lessor shall be entitled to recover from Lessee all costs of re-entry and re-letting including, without limitation, the cost of any cleanup, removal of Lessee's property and fixtures, refurbishing to the extent required to bring the condition of the Premises, without substantial modification to the Premises, to a level consistent with other similar properties available for lease, expenses from Lessee's failure to quit the Premises, attorneys' fees, court costs, brokers' commissions, and advertising costs, and no such abatement of Lessee's obligations to pay Rent hereunder shall occur until such time as Lessor has received payment in full of the foregoing.

(e) If either party defaults in any of its obligations under this Lease, it shall promptly reimburse the other party for all costs (including reasonable attorneys' fees) incurred by the other party in enforcing its rights under this Lease, whether or not this Lease is terminated and whether or not suit is brought. No right or remedy shall preclude any other right or remedy, no right or remedy shall be exclusive of or dependent upon any other right or remedy, and any right or remedy may be exercised independently or in combination.

28. Termination of Lease by Lessor.

(a) Right to Terminate. Lessor may terminate this Lease ("Lessor's Voluntary Termination"), effective as of June 30 of any calendar year, upon 1) delivery by Lessor to Lessee, on or before February 1 of such calendar year, of advance written notice of termination; and 2) Lessor's payment to Lessee in any coin or currency of the United States of America which, at the respective date of payment, is legal tender for public and private debts, the sums described in subparagraph (b) of this Section.

(b) Payment Upon Voluntary Termination. If Lessor exercises its right of Voluntary Termination, Lessor shall, on or before the effective date of such termination, pay to Lessee each of the following amounts:

(1) The sum obtained by adding i) the then unamortized balance of the agreed amount of Three Million Eight Hundred Thousand and no/100 Dollars (\$3,800,000.00) amortized over a period of thirty (30) years using straight line amortization from and after the Commencement Date and ii) Lessee's proportionate share of the then unamortized aggregate balance of any Required Capital Improvements and Related Building Capital Improvements, such improvements to be amortized pursuant to and using useful lives based upon generally accepted accounting principals assuming straight line amortization;

(2) Any redemption premiums or redemption penalties that would be incurred by Lessee if Lessee chose to prepay the revenue bonds associated with the Leasehold Improvements at the time of Voluntary Termination; and

(3) The lesser of (i) the Operating Losses (as hereinafter defined) incurred by the Community Center for the five (5) year period commencing as of the Commencement Date, or (B) Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00). For purposes

of this Section 28, "Operating Losses" shall mean, for the five (5) year period commencing as of the Commencement Date, the difference between (i) Lessee's actual gross income received from Community Center operations during such period, less (ii) Lessee's actual and direct expenses incurred in connection with Community Center operations during such period.

(c) Agreement Not to Operate Community Center. In the event of termination under this Section 28, Lessor covenants and agrees that Lessor will not operate a fee generating community center of any nature whatsoever at the Building for the remaining balance of the Term of the Lease; provided, however, that nothing herein shall prevent Lessor from using the Premises for (i) educational activities that do not generate fees or for (ii) activities that generate fees provided such activities are not Adult Recreation and the fees generated are not annual membership fees (regardless of how structured or billed). This covenant shall survive the termination of this Lease.

(d) Effect. Payment by Lessor to Lessee of the sums described in this Section 28 and Lessor's agreement not to operate a community center shall be Lessee's sole and exclusive remedy for Lessor's Voluntary Termination, and Lessee hereby waives any and all rights to specific performance, damages, or any other remedy available in equity or in law except to the extent required to enforce the rights granted Lessee under this Section.

29. Accord and Satisfaction.

No waiver of any provision of this Lease shall be deemed a waiver of any other provision or a waiver of that same provision on a subsequent occasion. The receipt of Rent by Lessor with knowledge of a default under this Lease by Lessee shall not be deemed a waiver of the default. Lessor and Lessee shall not be deemed to have waived any provision of this Lease unless it is done by express written agreement between the parties. Any payment by Lessee and acceptance by Lessor of a lesser amount than the full amount of all Rent and other charges then due shall be applied to the earliest amounts due. No endorsement or statement on any check or letter for payment of rent or other amount shall be deemed an accord and satisfaction, and Lessor may accept such check or payment without prejudice to its right to recover the balance of any rent or other amount or to pursue any other remedy provided in this Lease.

30. Return of Possession to Lessor.

On expiration of the Term or sooner termination of this Lease, Lessee shall return possession of the Premises to Lessor, without notice from Lessor, in good order and condition, except for ordinary wear and damage, destruction or conditions Lessee is not required to remedy under this Lease. If Lessee does not return possession of the Premises to Lessor, Lessee shall pay Lessor all resulting damages Lessor may suffer and shall indemnify Lessor against all claims made by any new lessee of all or any part of the Premises. Upon expiration or termination, Lessee shall give Lessor all keys for the Premises and shall inform Lessor of all combinations on any locks and safes on the Premises. Any property left in the

Premises after expiration or termination of this Lease or after abandonment of the Premises shall be deemed abandoned by Lessee and shall be the property of Lessor to dispose of as Lessor chooses.

31. Holding Over.

If Lessee remains in possession of the Premises after expiration of the Term without a new lease, it may do so only with written consent by Lessor, and any such holding over shall be from month-to-month subject to all the same provisions of this Lease; provided, however, Rent shall be as stated in Lessor's written consent, or, in the absence of any provision for such in Lessor's written consent, the same as provided for in this Lease except that Lessee shall pay Lessor one hundred and fifty percent (150%) of the amount that would otherwise be payable in regard to Operating Costs for the Premises. The month-to-month occupancy consented to by Lessor may be terminated by Lessor or Lessee on the last day of any month by at least thirty (30) days prior written notice to the other.

32. Brokers.

Lessor and Lessee represent and warrant to one another that neither of them has employed or otherwise used any broker or agent in relation to this Lease. Lessor shall indemnify and hold Lessee harmless, and Lessee shall indemnify and hold Lessor harmless, from and against any claims for brokerage or other commissions or fees arising out of any breach of the foregoing representation and warranty by the respective indemnitors.

33. Notices.

Any notice required or permitted to be sent hereunder shall be in writing and shall be sent in a manner requiring a signed receipt such as Federal Express type delivery, courier delivery, or if mailed, registered or certified mail, return receipt requested, to the following addresses, or to such other address as may be specified from time to time in writing by the Lessor or Lessee:

To Lessee:

President
Waconia Economic Development Authority
109 Elm Street South
Waconia, MN 55387

with a copy to:

J. Michael Melchert
Melchert • Hubert • Sjodin, PLLP
121 West Main Street
Suite 200
Waconia, MN 55387-1023

To Lessor:

Superintendent
Independent School District #110
24 South Walnut Street
Waconia, MN 55387

with a copy to:

Jeffrey D. Carpenter, Esq.
Rider, Bennett, Egan & Arundel, LLP
2000 Metropolitan Centre
333 South Seventh Street
Minneapolis, Minnesota 55402

Notice shall be deemed effective upon receipt in the case of courier delivery; upon the expiration of one (1) day following mailing via Federal Express type delivery; and upon the expiration of three (3) days following mailing in the case of registered or certified mail.

34. Governing Law.

This Lease shall be construed under and governed by the laws of Minnesota. If any provision of this Lease is illegal or unenforceable, it shall be severable and all other provisions shall remain in force as though the severable provision had never been included.

35. Entire Agreement.

This Lease contains the entire agreement between Lessor and Lessee regarding the Premises. Each party agrees that it has not relied on any statement, representation or warranty of any person except as set out in this Lease. This Lease may be modified only by an agreement in writing signed by Lessor and Lessee. No surrender of the Premises, or of the remainder of the Term, shall be valid unless accepted by Lessor in writing.

36. Successors and Assigns.

All provisions of this Lease shall be binding on and for the benefit of the successors and assigns of Lessor and Lessee.

37. Conflict of Interest: Representatives Not Individually Liable.

No member, official or employee of Lessor or Lessee shall have any personal interest, either direct or indirect, in this Lease, nor shall any such member, official, or employee participate in any decision relating to this Lease which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

38. Waiver.

One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act. The failure or delay on the part of either party to enforce or exercise, at any time, any of the provisions, rights or remedies in this Lease shall in no way be construed to be a waiver thereof, nor in any way to affect the validity of this Lease or any part thereof, or the right of the party to thereafter enforce each and every such provision, right or remedy.

39. Relationship of Parties.

Nothing contained herein shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the method of computation of rent nor any other provisions contained in this lease nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of Lessor and Lessee.

40. Headings.

The paragraph titles herein are for convenience only and do not define, limit or construe the contents of such paragraphs.

41. Memorandum of Lease.

At the request of either party to this Lease, the other party shall enter into a Memorandum of Lease for the purpose of recording the same in lieu of recording this Lease.

42. Force Majeure.

In the event that either party hereto shall be delayed or hindered in or prevented from the performance required hereunder by reason of strikes, lockouts, labor troubles; failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the party delayed in performing work or doing acts (hereinafter, "Permitted Delay" or "Permitted Delays"), such party shall be excused for the period of time equivalent to the delay caused by such Permitted Delay.

43. Further Assurances.

Lessor and Lessee shall also execute and deliver such other or further documents or agreements, including without limitation any amendment or restatement hereof, and take

THIS IS A SIGNITURE PAGE TO THAT CERTAIN COMMUNITY CENTER
LEASE AGREEMENT BY AND BETWEEN INDEPENDENT SCHOOL DISTRICT
110 AND THE CITY OF WACONIA, MINNESOTA, DATED MARCH 15, 2000

INDEPENDENT SCHOOL DISTRICT
#110

By: [Signature]
Print Name: Robert Hiben
Its: Board Chair

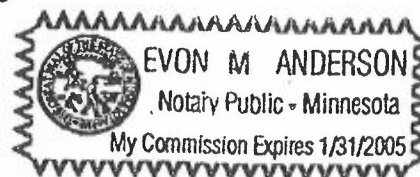
By: [Signature]
Print Name: Jo Ann Bothmann
Its: Clerk

STATE OF MINNESOTA)
) ss.:
COUNTY OF ~~CARVER~~)
 Hennepin

The foregoing was acknowledged before me this 15th day of March 2000 by
Robert Hiben the Board Chair of Independent School District #110, an independent
school district existing under the laws of the State of Minnesota, on behalf of the District.

[Signature]
Notary Public

STATE OF MINNESOTA)
) ss.:
COUNTY OF CARVER)



The foregoing was acknowledged before me this 15 day of March, 2000
by Jo Ann Bothmann the Clerk of Independent School District #110, an
independent school district existing under the laws of the State of Minnesota, on behalf of the
District.

[Signature]
Notary Public

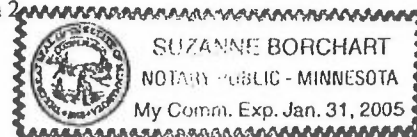


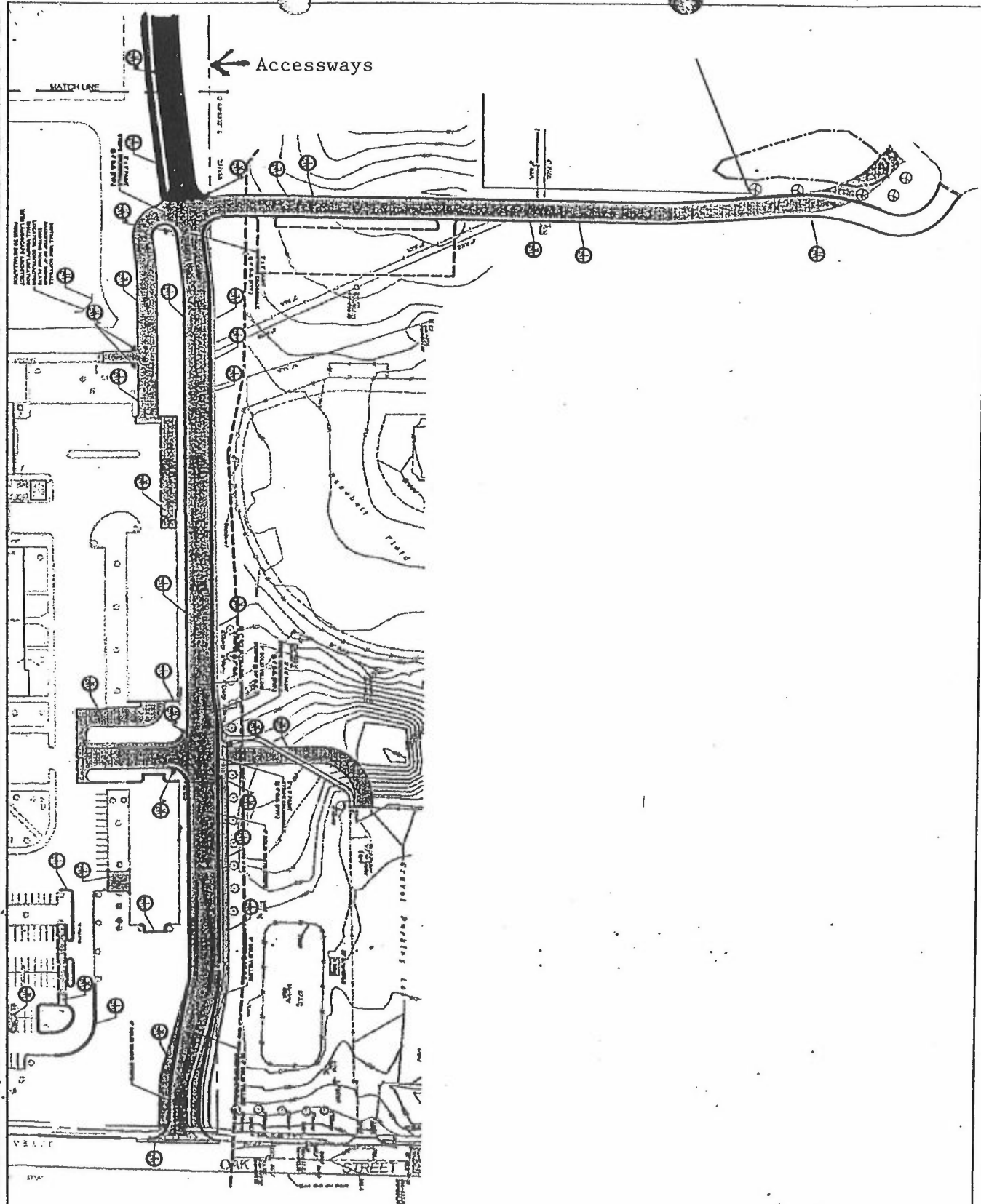
EXHIBIT A

Middle School Property Legal Description

The north 779.86 feet of the west 10.00 acres of the Southwest Quarter of the Southeast Quarter and the east 509.44 feet of the north 779.89 feet of the Southeast Quarter of the Southwest Quarter, all in Section 22, Township 116, Range 25, Carver County, Minnesota.

EXHIBIT B

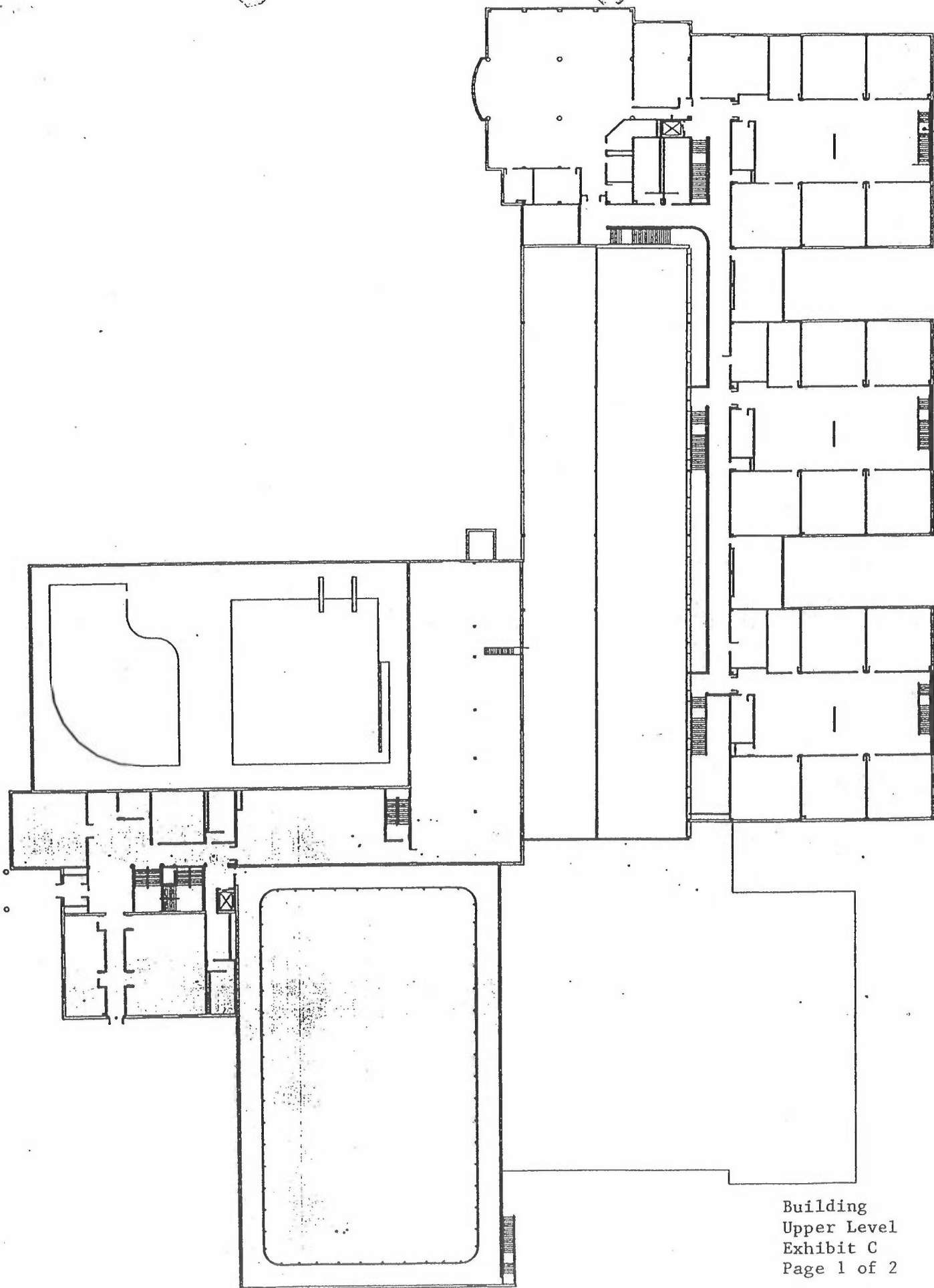
Accessways



- PAVING, SIGNAGE AND STRIPING NOTES:**
1. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
 2. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
 3. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
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- LEGEND**
- 1. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
 - 2. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
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 - 9. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.
 - 10. ALL PAVING AND SIGNAGE SHALL BE DONE BY THE CITY OF CHICAGO.

EXHIBIT C

Building



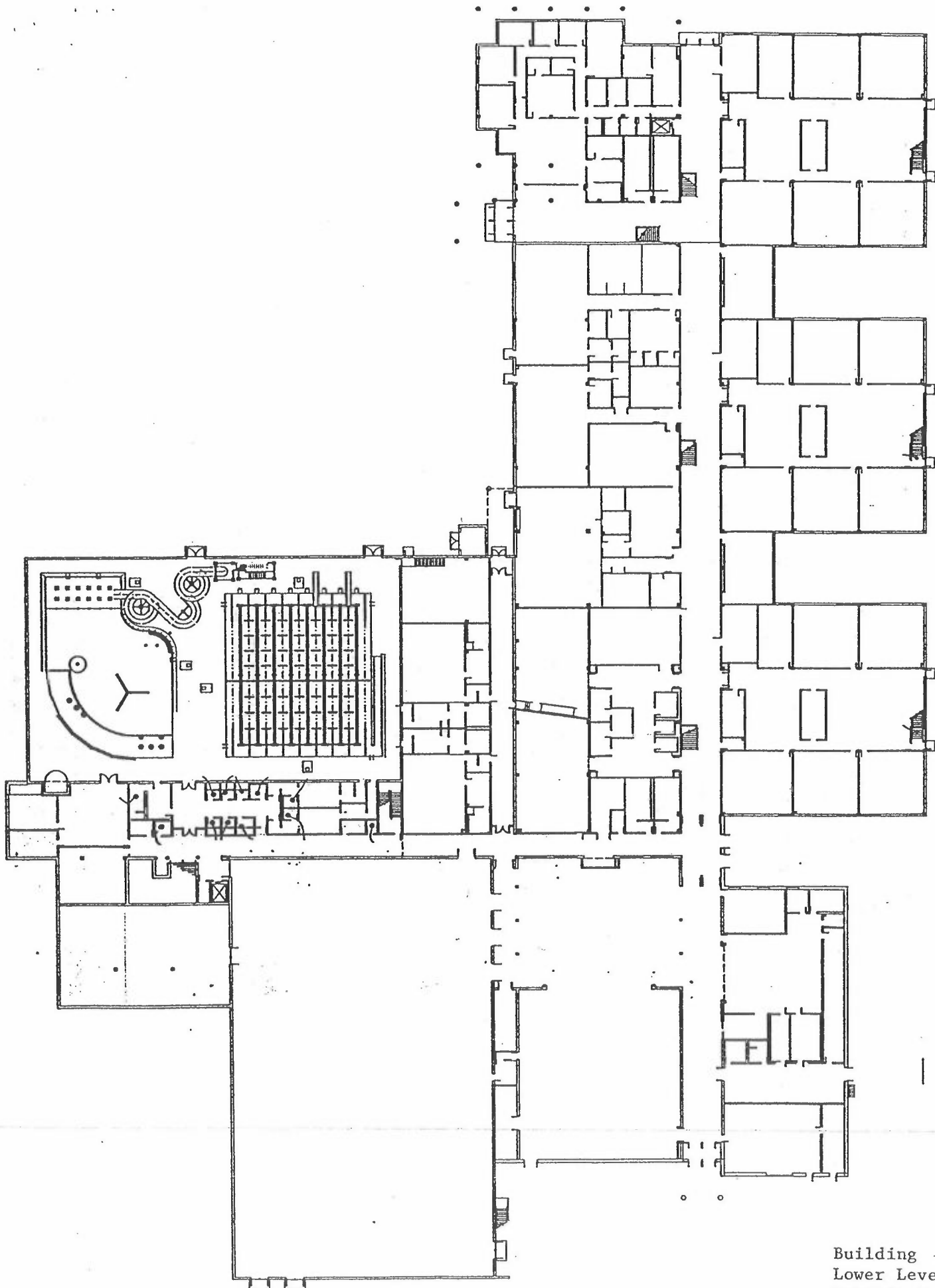
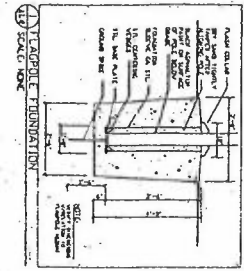


EXHIBIT D

Common Areas

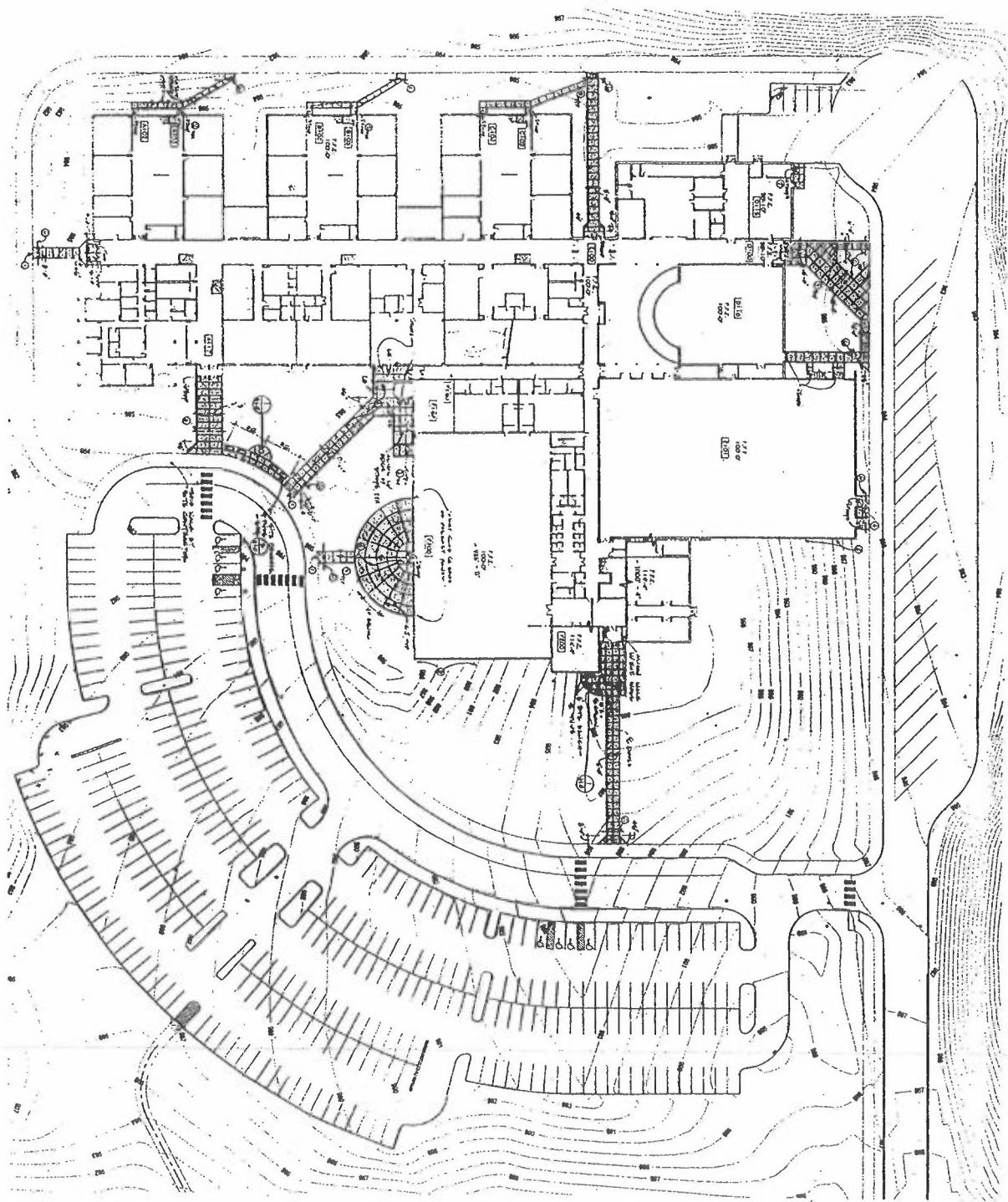
1. All of the driveways, approaches, entrances, parking lots, sidewalks, walkways, loading areas, refuse storage areas and other common areas depicted on the diagram attached as Exhibit D-1. The parties agree that the driveway depicted on the northern edge of the property shown in the diagram attached as Exhibit D-1 shall, as a Common Area, run up to and terminate at the west boundary line of the Land, as legally described in Exhibit A to this Lease Agreement, at which point such driveway as it extends eastward shall be considered an Accessway hereunder.
2. All of the hallways, pool deck areas and other areas depicted on the diagram attached as Exhibit D-2. Each party shall provide the other party with such keys to lockable doors as are necessary to allow the other party to use the Common Areas as contemplated hereunder.



Notes: 1. All foundations shall be constructed in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department. 2. All foundations shall be constructed in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department. 3. All foundations shall be constructed in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.

2. Detail BRIDGE SUPPORT

1. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
2. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
3. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
4. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
5. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
6. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
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9. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.
10. Detail the bridge support in accordance with the provisions of the International Building Code, 2003 Edition, and the International Residential Code, 2003 Edition, as amended by the local building department.



ART

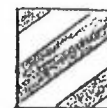
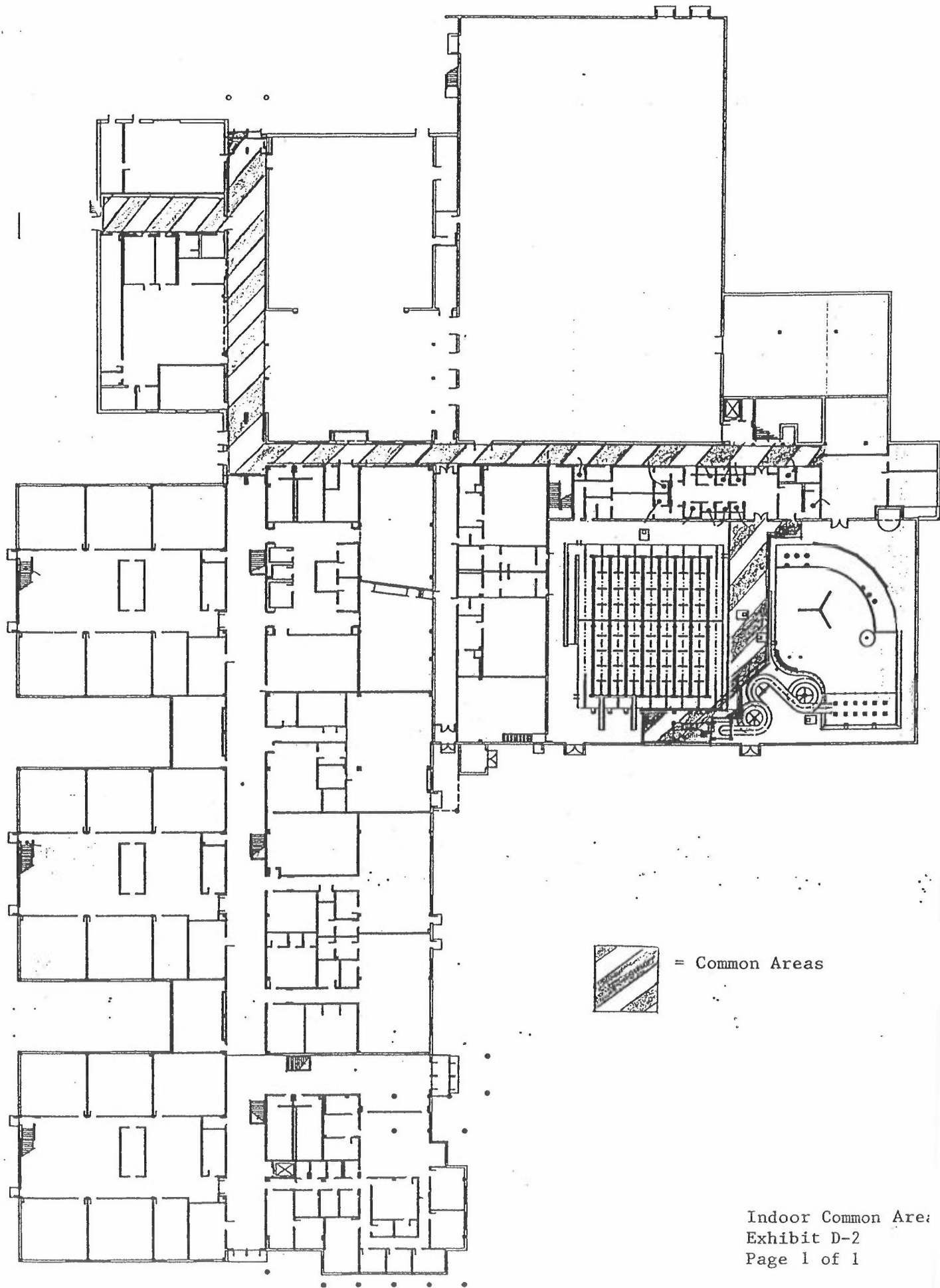
Architect, Rep & Consultant Architects, Inc.

WACONIA MIDDLE SCHOOL

CONSTRUCTION

CONSTRUCTION

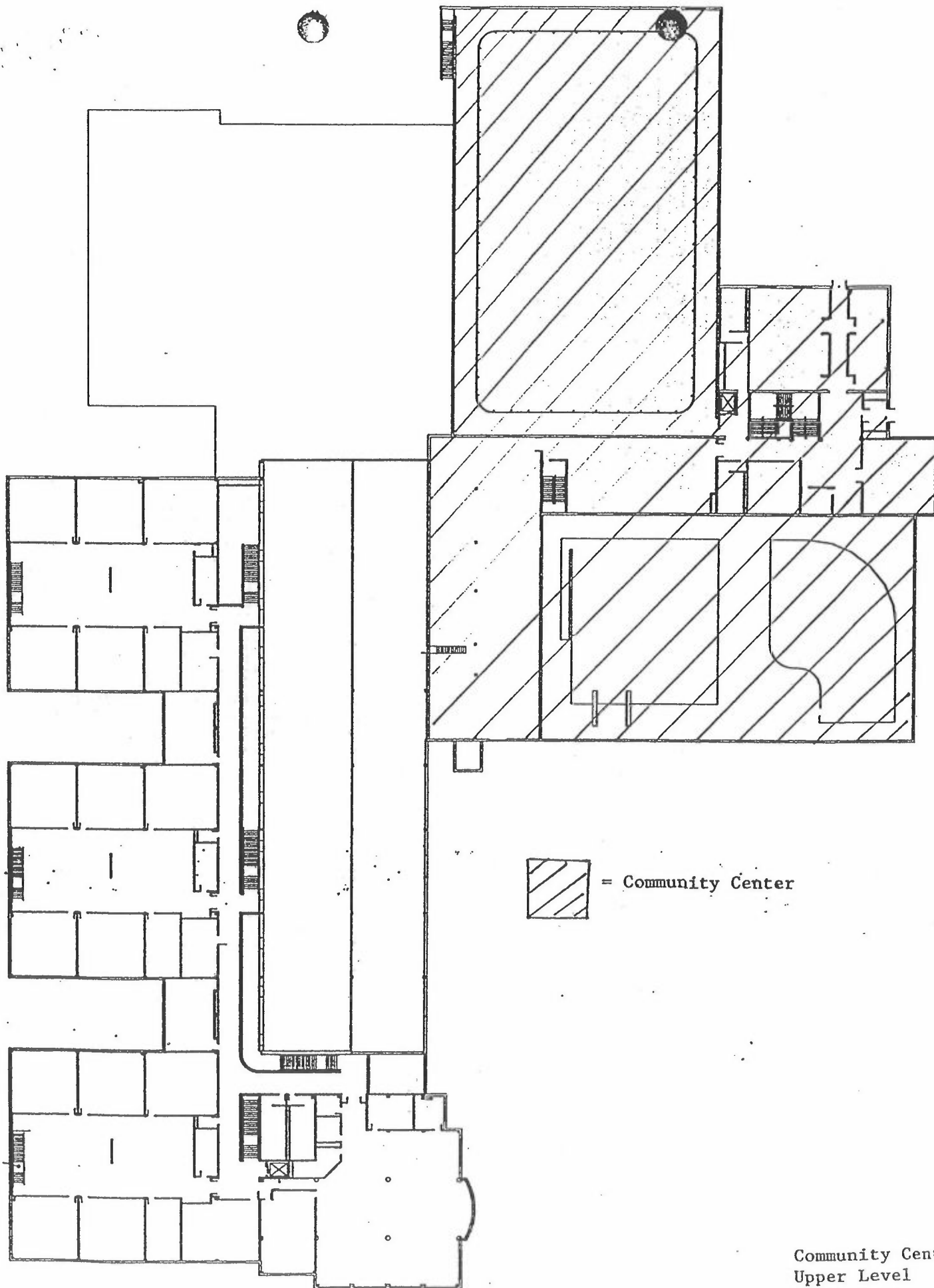
CONSTRUCTION

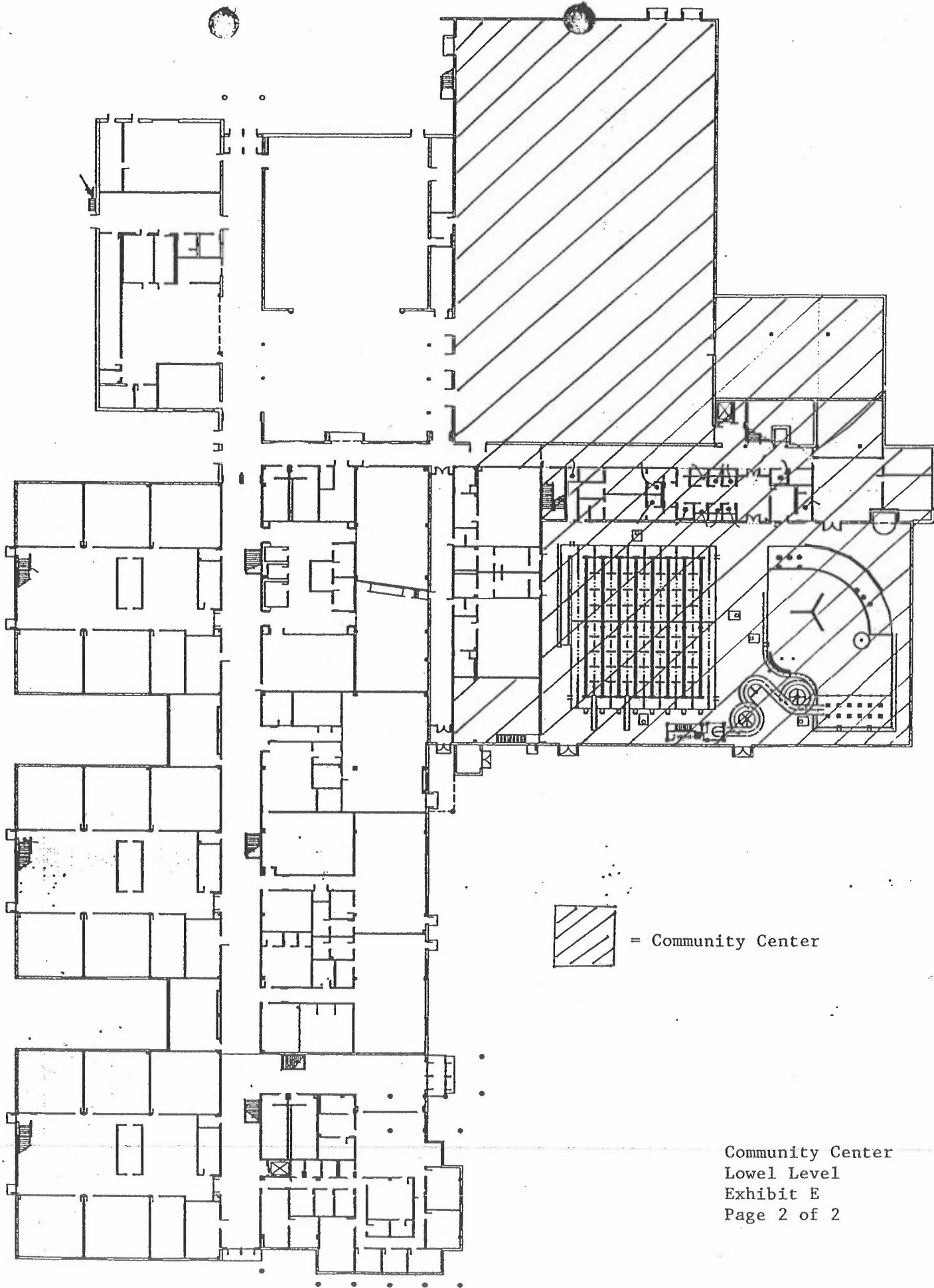


= Common Areas

EXHIBIT E

Community Center





= Community Center

Community Center
Lowel Level
Exhibit E
Page 2 of 2

EXHIBIT F

High School Parcel

The South Half of the Southeast Quarter of Section 22, Township 116, North, Range 25 West of the 5th Principal Meridian, EXCEPTING therefrom two parcels of land described as follows:

Parcel 1

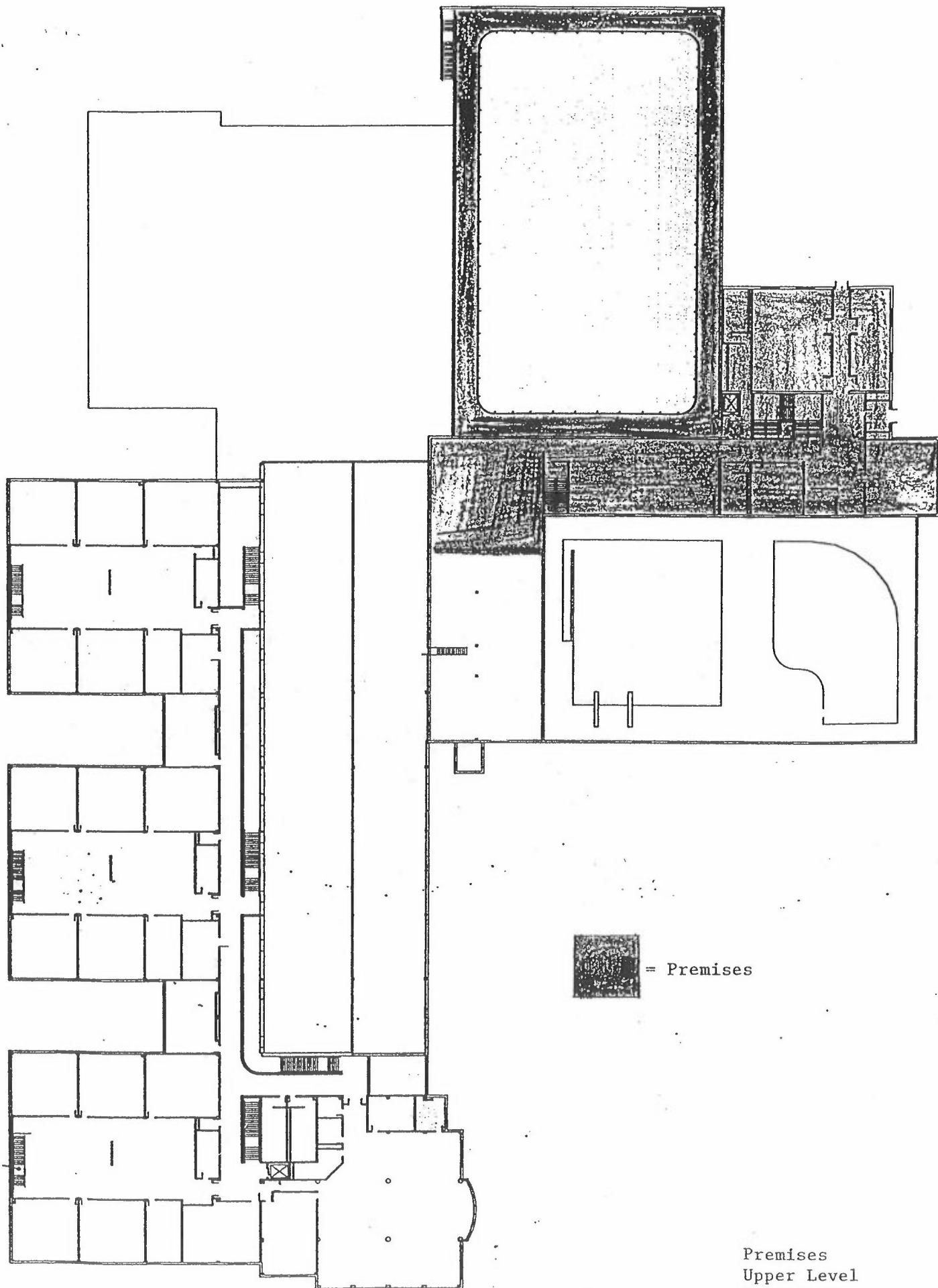
The West 10 acres of the South Half of the Southeast Quarter of said Section 22.

Parcel 2

That part of the South Half of the Southeast Quarter of said Section 22 lying southerly of the northerly right-of-way line of the Chicago and North Western Transportation Co.

EXHIBIT G

Premises



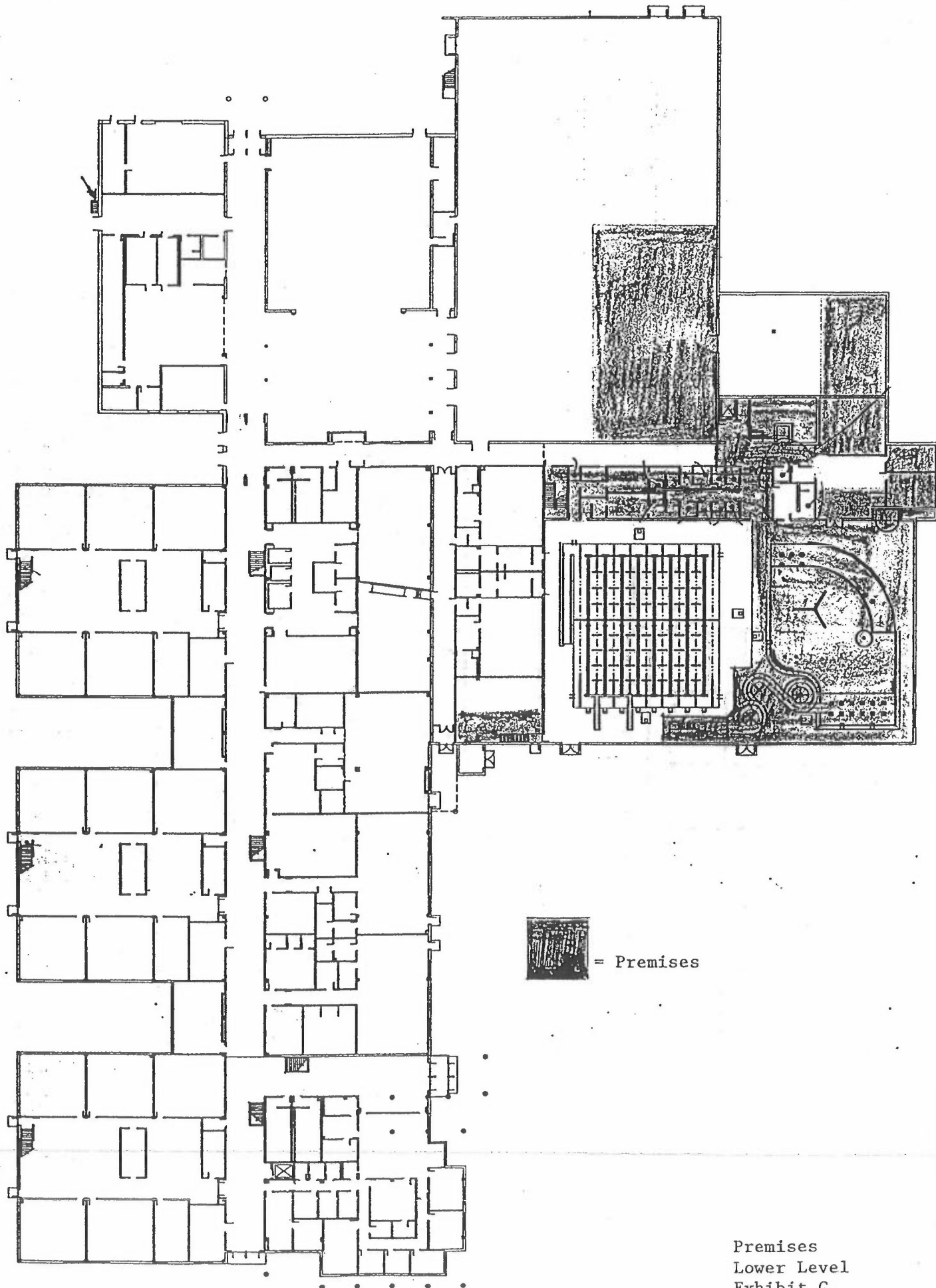
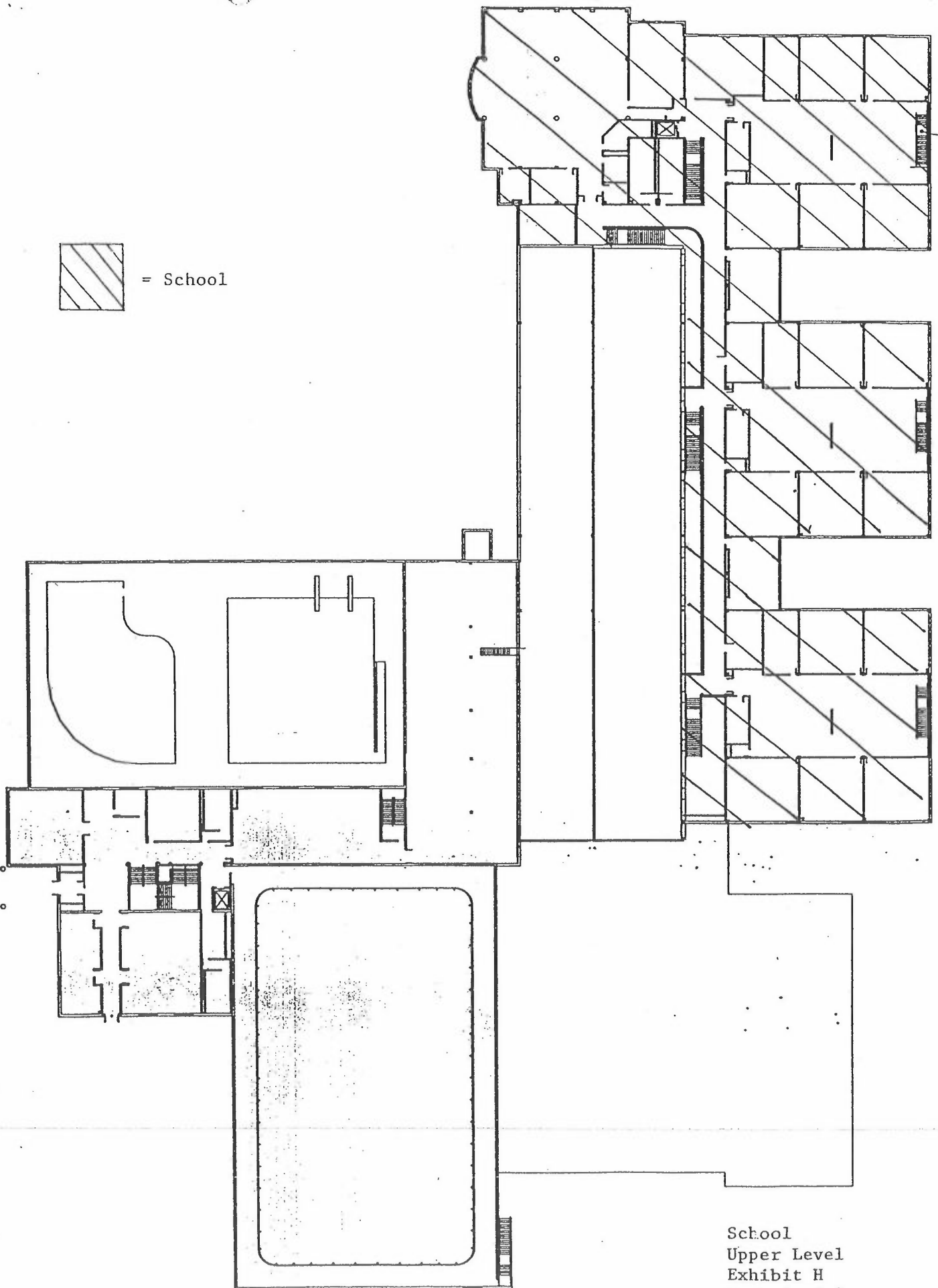


EXHIBIT H

School



= School



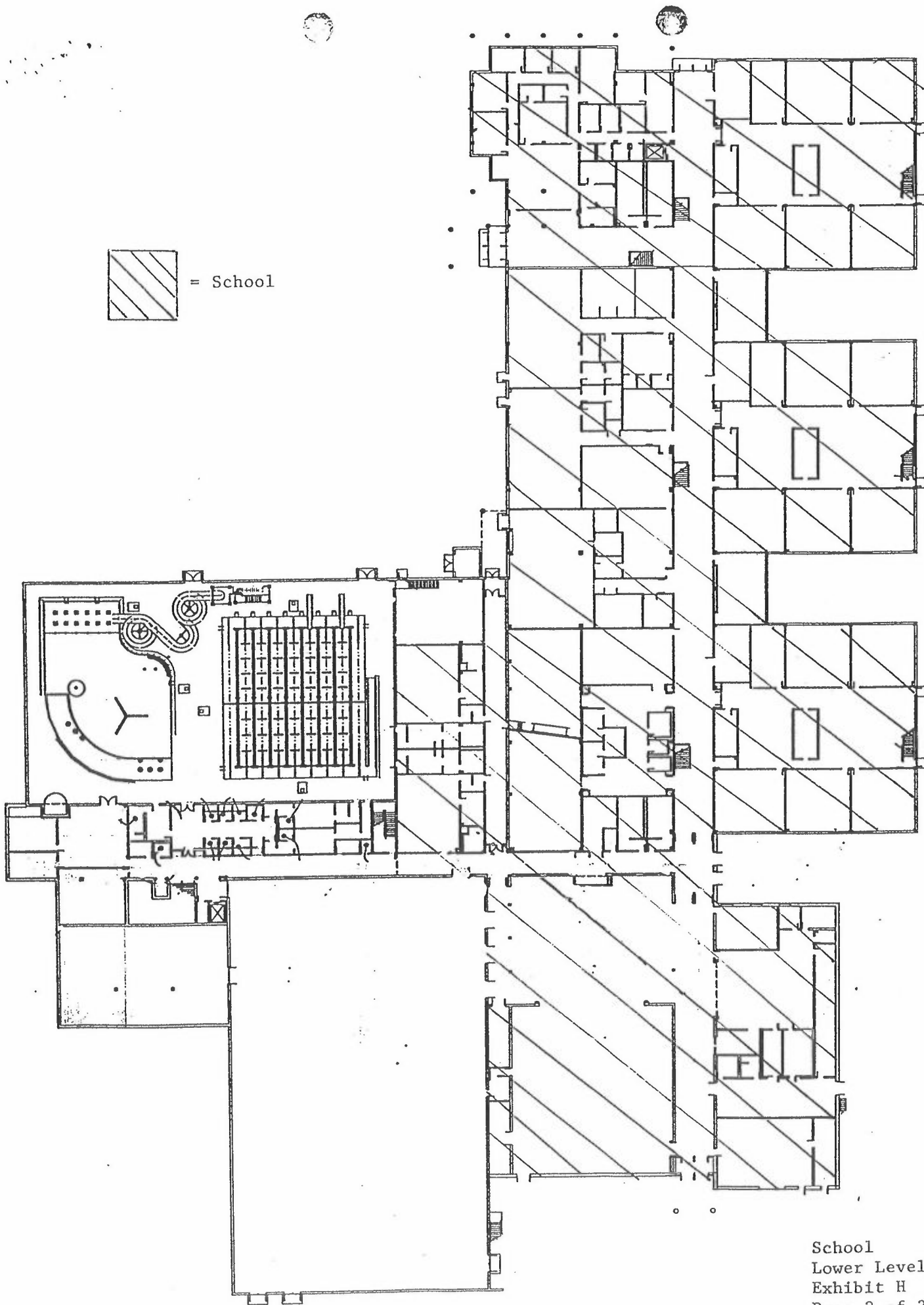


EXHIBIT I

Shared Space

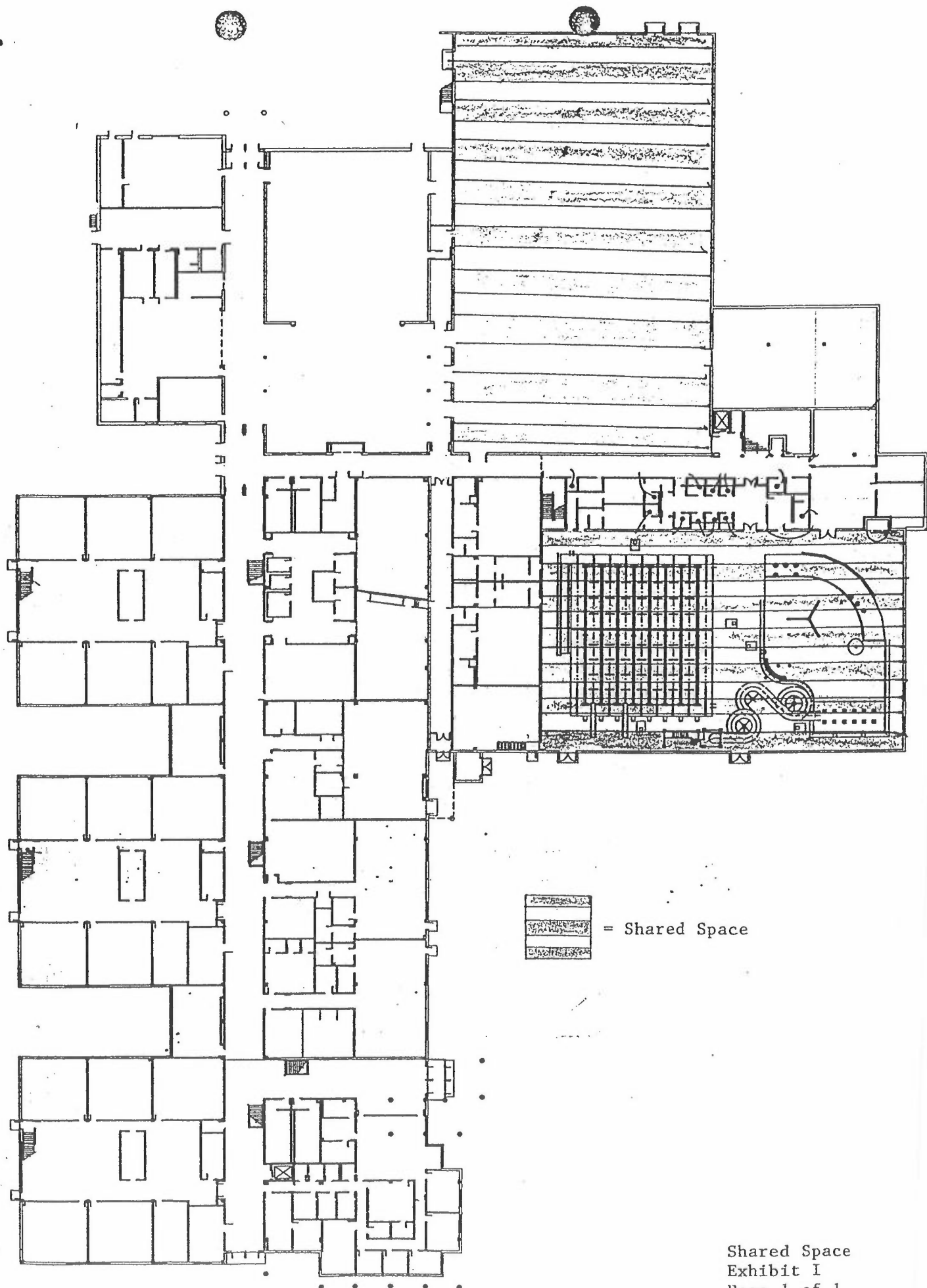


EXHIBIT J

Description of Plans and Specifications

1. Specifications for General Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
2. Specification for Mechanical Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
3. Specifications for Electrical Communications Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
4. Blueprints for General Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
5. Blueprints for Mechanical Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
6. Blueprints for Electrical & Communications Construction, 2001 Waconia Middle School & Community Center, Waconia, Minnesota, dated September 7, 1999, as prepared by Abendroth, Rego & Youngquist Architects, Inc., Commission No. 1530.
7. Together with all addendums and change orders to the above-described documents.

EXHIBIT K

Removable Fixtures and Personal Property

1. Office equipment, furniture, and supplies
2. Athletic/fitness equipment and supplies
3. Children's play structure
4. Tables and chairs
5. Storage racks

EXHIBIT L

Signs

1. Lessor hereby grants Lessee, its sublessees and assigns a non-exclusive license for the Term of the Lease to place signs regarding the Community Center at each of the following locations:
 - a. One sign pylon (allowing multiple signs) next to the Building within Location A or Location B as depicted on attached Exhibit L-1.
 - b. One sign structure (allowing multiple signs) attached to the Building within Location C as depicted on Exhibit L-1.
 - c. One sign pylon (allowing multiple signs) on the High School Parcel within location D as depicted on attached Exhibit L-2.
2. Lessee, its sublessees and assigns shall determine the exact location, design, style, and construction of each sign pylon/structure regarding the Community Center; provided, however, that any sign pylon/structure erected shall comply with all zoning requirements of the City of Waconia, Minnesota.
3. Lessee, its sublessees and assigns shall bear all costs of construction, maintenance and repair other than the cost of electricity for lighted signs, which the party with the closest electrical service shall assume; provided, however, that all costs of connecting the sign pylon or sign structure to such electrical service shall be paid as part of the costs of construction, maintenance and repair. If Lessor and Lessee agree that it would be mutually beneficial to jointly erect a sign to be used by each party, then the costs of construction, maintenance and repair (except for electricity as described above) of any such sign pylon/structure shall be borne by the parties together in direct proportion to the area of signage allocated to each party.

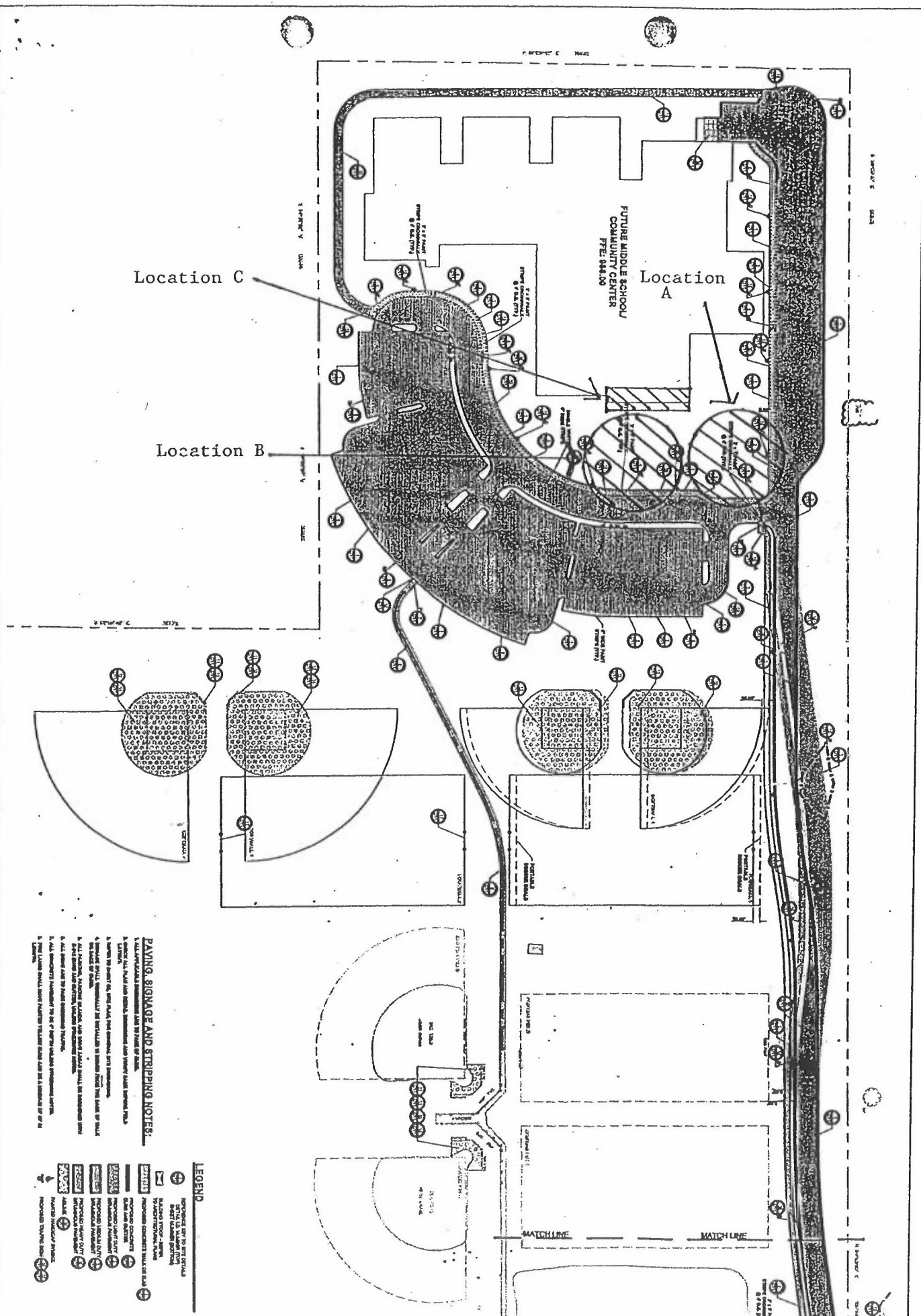
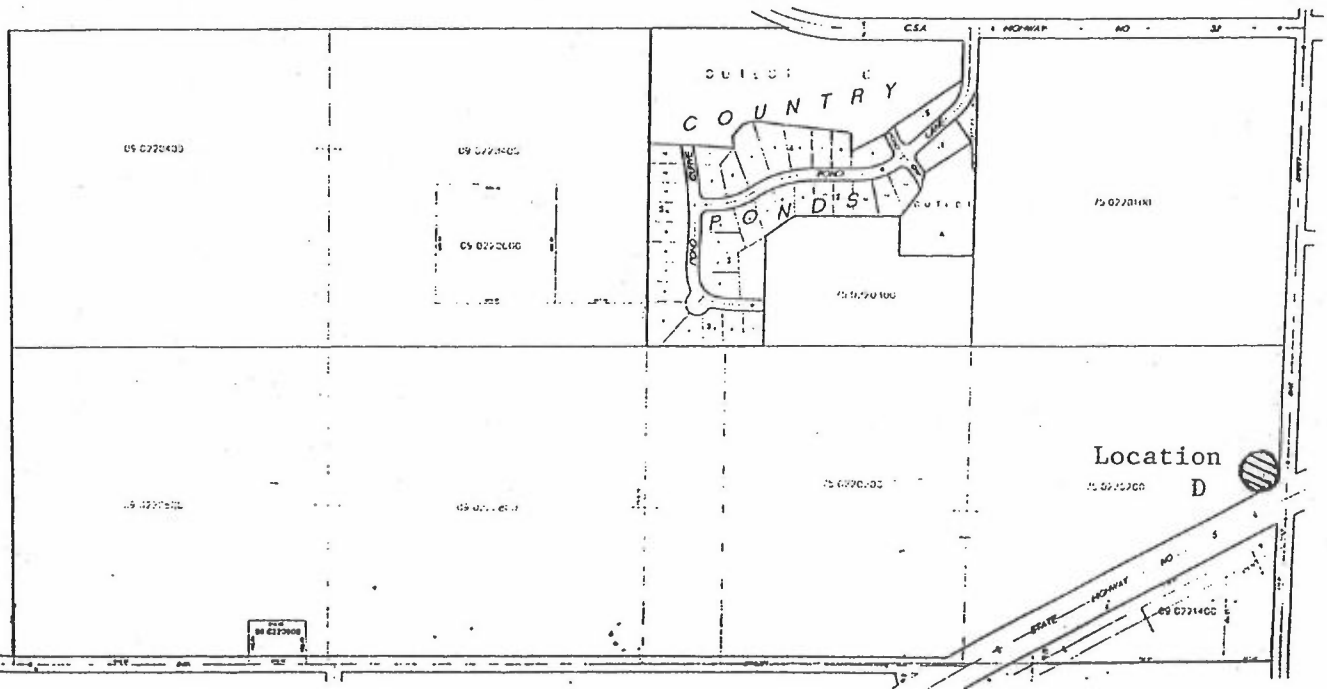


Exhibit L-1
Page 1 of 1.

COPIED WITH PERMISSION
OF CARVER COUNTY
SCAFF 40811 TO 11000



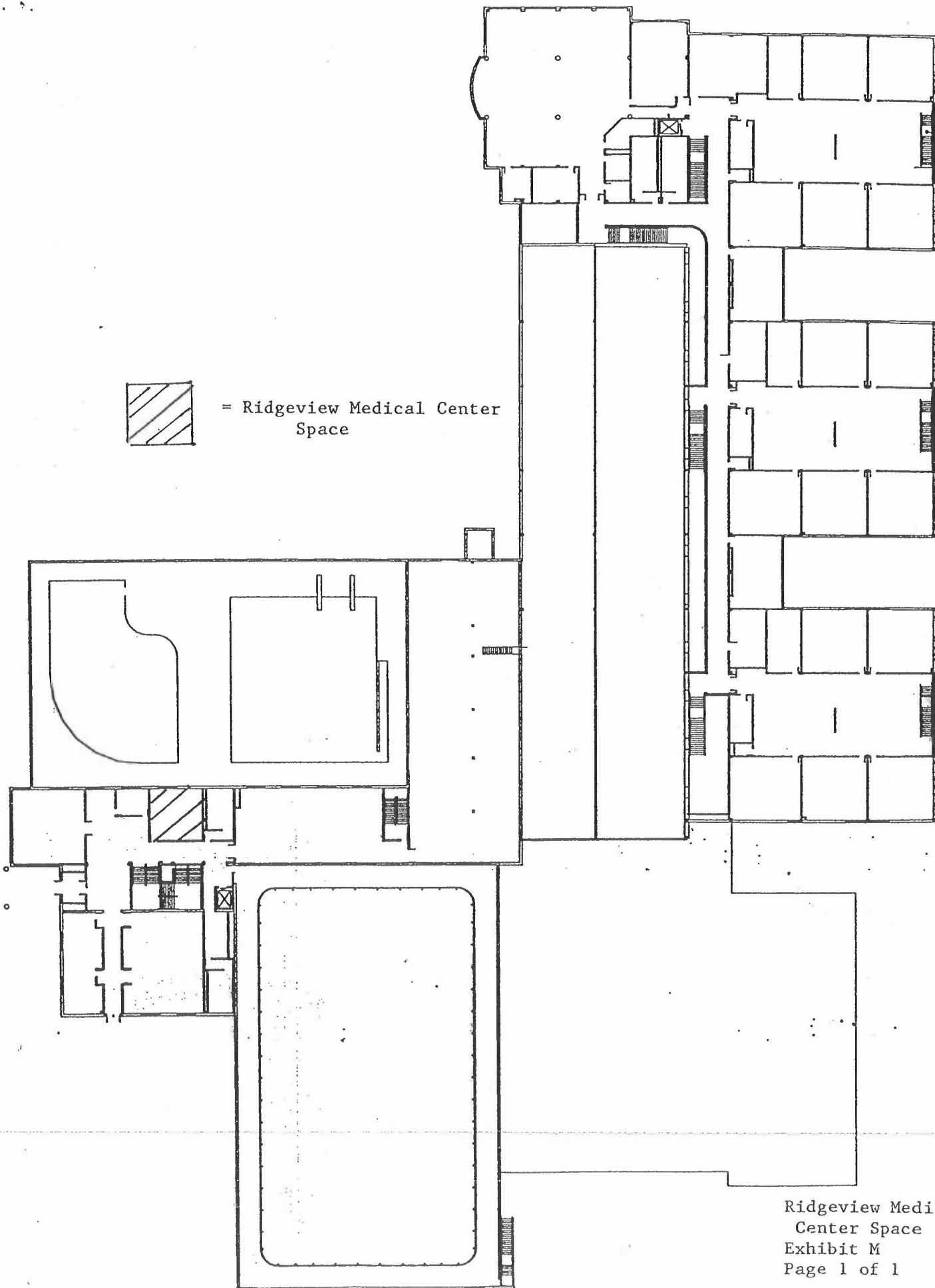
Carver County, Mn.
Revised - December, 1998

Plat System Services, Inc.
12450 Wayzata Blvd #106
Minnetonka, Mn. 55305

Phone: 612-544-0012 Email: Plat@usinternet.com
Fax: 612-544-0617 Webpage: www.platsystems.c

EXHIBIT M

RIDGEVIEW MEDICAL CENTER SPACE



= Ridgeview Medical Center
Space

Summer - Sunday

	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.						
7-8:00 a.m.						
8-9:00 a.m.						
9-10:00 a.m.						
10-11:00 a.m.						
11-12:00 Noon						
12-1:00 p.m.						
1-2:00 p.m.						
2-3:00 p.m.						
3-4:00 p.m.						
4-5:00 p.m.						
5-6:00 p.m.						
6-7:00 p.m.						
7-8:00 p.m.						
8-9:00 p.m.						
9-10:00 p.m.						

- City Clear Time

- School Clear Time

- Shared Time Priority C or S

