

EXHIBIT B

Exemplar Base Rent Memorandum

MEMORANDUM CONFIRMING ANNUAL BASE RENT

This Memorandum Confirming Annual Base Rent ("Base Rent Memorandum") is being made and entered into effective as of 7/1/22 (the "Effective Date") by and between by and between Lakes Area Kids Enrichment Foundation ("Landlord") and Crosslake Community School ("Tenant").

RECITALS

A. Landlord and Tenant are parties to that certain Lease dated July 1, 2016 (the "Lease") pursuant to which Landlord leased to Tenant and Tenant leased from Landlord the real property described in the Lease.

B. Landlord and Tenant desire to execute this memorandum to confirm the annual Base Rent under such Lease for the current fiscal year.

AGREEMENT

In accordance with the foregoing, Landlord and Tenant hereby agree that Base Rent for Fiscal Year 22-23 will be \$ \$657,000, payable in monthly installments of \$ \$54,750.

This Memorandum is being made solely for the purpose of confirming the Base Rent amount for the current fiscal year in accordance with the terms of the Lease. This Memorandum does not amend the Lease. All terms, covenants and conditions of the Lease shall remain in full force and effect.

LANDLORD:

**LAKES AREA KIDS ENRICHMENT
FOUNDATION,
a Minnesota non-profit corporation**

By: [Signature]
Name: MIKE O'CONNELL
Title: LAKE FOUNDATION SECRETARY

TENANT:

**CROSSLAKE COMMUNITY SCHOOL,
a Minnesota non-profit corporation**

By: [Signature]
Name: TJARED GRIFFIN
Title: CCS Board Chair



Memorandum

To: Charter School Directors

From: Mary Weigel, Financial Management Supervisor

Date: April 7, 2022

Subject: Fiscal Year (FY) 2023 Charter School Lease Aid Requirements

The purpose of this memorandum is to provide information to charter schools on how to apply for charter school lease aid for the fiscal year that includes the 2022-23 school year (FY 2023). We understand that the lease aid application process may be complex for many organizations. The Minnesota Department of Education (MDE) will provide assistance and work with you to successfully complete the process. If you have questions or concerns about the information required, please contact the [Lease Aid Review Team](mailto:MDE.CharterSchoolapps@state.mn.us) (MDE.CharterSchoolapps@state.mn.us).

All charter schools must apply for lease aid on an annual basis. The lease aid entitlement is not included in the metered Integrated Department of Education Aids System (IDEAS) payment report until a charter school has applied and its application has been approved by MDE.

Charter schools are encouraged to apply as soon as possible to ensure that the approved lease aid entitlement amount is included in the calculation of the IDEAS metered payments as early in the fiscal year as possible, so that the timing of cash flow to the school is optimized.

Please submit your completed FY 2023 Lease Aid Application to: the [Lease Aid Review Team](mailto:MDE.CharterSchoolapps@state.mn.us) (MDE.CharterSchoolapps@state.mn.us).

Fully completed applications will be reviewed and approved on a first-come, first-serve basis. All email correspondence must include the charter school name and number in the subject line.

A charter school must lease a building directly from the Lessor/Landlord who is the owner of the building. A charter school cannot sublease a building from a Sub Lessor who is not the owner of the building.

A charter school should avoid any situation where they become responsible for two leases due to a relocation of the charter school. The lease for the school's prior location should be terminated with no future monies being owed before entering into a lease at the school's new location.

Pending legislation, a charter school may be restricted when they choose to form an affiliated building company (ABC) in that the ABC shall only serve that particular charter school and not multiple charter schools.

Per Minnesota Statutes 2021, section 325L.09, MDE will accept electronic signatures. However, for security purposes and verification that the signature is attributable to the person signing the document(s), we are requiring the electronic signatures to include a date and time stamp. Electronic signatures without this date and time stamp feature will not be accepted.






When you enter the signature area while completing the document online, you can create a digital identification (ID) that includes the date and time stamp. When on the signature line, choose "Create a new Digital ID" and press Continue. Then choose the option to save to Windows Certificate Store and press Continue. At this point, you need to fill in all the information to create the Digital ID signature and press Save. The signature is now ready for choosing and will print on the signature line with the date and time stamp included.

An example of the date and time stamp used in Adobe with the signature is below:

Jennifer Charles	Jennifer J. Charles	<small>Digitally signed by Jennifer J. Charles Date: 2022.03.09 13:20:03 -06'00'</small>
Print Name of Person Preparing Form	Signature of Person Preparing Form	Date

An example of a signature verification page when not using the Adobe certification:

"Lease Aid Certification Form - Part 3" History

-  Document created by [REDACTED]
2020-08-20 - 3:22:33 PM GMT- IP address: 70.97.219.241
-  Document emailed to [REDACTED] for signature
2020-08-20 - 3:22:45 PM GMT
-  Email viewed by [REDACTED]
2020-08-23 - 3:11:21 AM GMT- IP address: 66.102.6.152
-  Document e-signed by [REDACTED]
Signature Date: 2020-08-23 - 3:12:11 AM GMT - Time Source: server- IP address: 76.113.155.125
-  Signed document emailed to [REDACTED] and [REDACTED]
[REDACTED]
2020-08-23 - 3:12:11 AM GMT

Payment and Accounting for Charter School Lease Aid

Note: As in any year, calculation of state aid entitlements, payment percentages and/or timing of payments for charter school lease aid entitlements may change depending upon legislative action.

Throughout the school year, the calculated lease aid entitlement may be revised until finalized. Entitlements are estimated and are based on approved lease cost and estimated student enrollment data. View your current estimate of state lease aid entitlement using an Excel spreadsheet available on the MDE website.

From the MDE homepage, choose Data Center, then Data Reports and Analytics. Under School Finance Spreadsheets, select Charter Schools from the Category drop-down menu, select Building Lease Aid from the subcategory drop-down menu, then 2023 under the Year drop-down menu.

Enter your school number to view your initial estimated entitlement, and your revised estimated entitlement as the year progresses.

State aid payments are metered, meaning that under current law, on a semimonthly basis between July and June, the school receives a total payment of 90% of total state aid entitlements receivable for the current year. In the subsequent year, the remaining 10% is paid as following:

- **August 30 – 30% of the remaining 10%**
- **September 30 – 40% of the remaining 10%**
- **The final 30% of the remaining 10% will be paid when Uniform Financial Accounting and Reporting Standards (UFARS) and student data have been finalized sometime in late January or February.**

While each current year payment may not include an amount labeled as lease aid, each payment during the year includes an amount attributable to the lease aid entitlement. **This has been a source of confusion for many charter schools. See Attachment B for a more detailed explanation.**

Final state aid entitlements are calculated based on the lesser of: 1) 90% of the approved lease amount, or 2) 90% of audited expenditures, as reported by the charter school in UFARS for building lease costs (Fund 1, Program Code 850, Finance Code 348 and Object Code 370) or 3) final pupil units times \$1,314. **The codes that should be used for building leases will be Object Code 570 to record the principal building lease payment. Object Code 571 will be used to record the interest for the building lease payment. Any lease that exceeds a twelve month period must be coded to these codes along with Fund 1, Program 850, and Finance Code 348 as stated above. If the charter school should have a lease that is strictly for twelve months and does not have the possibility of an extension beyond the twelve months, then Object Code 335 should be used.**

In addition to comparing the approved lease amount to audited UFARS reported lease expenditures, MDE will review utility costs reported in UFARS Fund 1, Program Code 810, Finance Code 000, Object Codes 330 and 440. If reported costs for utilities do not seem appropriate for the age and square footage of the building, the school will be asked to document costs. State aid will be reduced if the review discovers discrepancies and/or if reported utility costs cannot be substantiated, as utilities do not qualify as approved lease costs in accordance with statutes.

The Minnesota Department of Education will adjust lease aid for the amount of subleased space that is not used for instructional purposes.

Lastly, MDE will be reviewing each school's reported payables for lease aid expenditures and will be comparing those amounts to actual payment(s) made. If MDE finds that the outstanding payable(s) were not paid in a timely manner, aid will be reduced.

Submission of additional materials may be required, including but not limited to, any data required by any changes resulting from the 2022 legislative session.

Pupil Unit Data Used in Calculating School Lease Aid

Fiscal Year 2023 estimated pupil units are used in the calculation of the lease aid. For schools in their first three years, the student average daily membership data is supplied by the charter schools on the Enrollment Projections Report for Charter Schools (ED-02158) located on the [Forms page of the MDE website](#).

For schools in their fourth year and older, the student data is entered into the Average Daily Membership Web Estimates (ADMWE) system by the school. **It is vitally important that this pupil data be as accurate as possible to provide the most accurate calculation of charter school lease aid.**

If you have any questions concerning student reporting, please contact [Jeanne Krile](#) (jeanne.krile@state.mn.us), 651-582-8637 or [Kelly Wosika](#) (kelly.wosika@state.mn.us), 651-582-8855.

Special Instructions for the Revision of Initial Lease Applications

Amendments to lease aid applications that meet statutory requirements are accepted during the fiscal year FY 2023 for the following reasons:

- 1) The school has construction done during the year and has increased lease costs once the construction is completed. Construction must not include normal maintenance of the building or parking lot(s).
- 2) The square footage the school uses is increased along with lease costs.
- 3) The building the charter school resides in is sold and a new landlord takes over to rent to the charter school.
- 4) The charter school forms an affiliated building corporation (ABC) with the ABC buying the building using bonds or other financing and rents to the charter school.

Charter schools are advised to notify MDE of any amendments to their approved lease aid application. Please submit:

- 1) Updated cover letter.
- 2) Updated Lease Aid Certification Form – Part 2.
- 3) Any amendments made to the lease.

If you are amending your lease aid application due to an increase of square footage/construction, the following additional items also need to be submitted:

- 4) Certificate of Occupancy for the increased space.
- 5) Fire Inspection completed that includes increased space.
- 6) Schematics and pictures of increased space.
- 7) Updated Emergency Plan.

Amendments to lease aid applications must be requested prior to November 30 of the fiscal year following the lease aid entitlement year (i.e., November 30, 2023) to allow for processing time to meet the statutory deadline. (Minn. Stat. 127A.49, subd. 1, [2021]).



Crosslake Community School
35808 County Road 66
P.O. Box 1020
Crosslake, Minnesota 56442
218-692-5437

July 14, 2022

Lease Aid Review Team
Division of School Finance
Minnesota Department of Education
1500 Highway 36 West
Roseville, MN 55113

Dear Lease Aid Review Team:

Please consider this letter a formal request for Lease Aid for Crosslake Community School for the 2022-2023 school year.

If there are any questions regarding this application or anything else you need from me, please do not hesitate to contact me.

Thank you for your assistance.

Sincerely,

Annette Klang
Director of Seat-Based Learning
Crosslake Community School
Aklang@crosslakekids.org
218-692-5437 ext 103

FY 2023 Charter School Lease Aid Certification Form – Part 1

This form is to certify that your school meets certain criteria and complies with statutes for charter school lease aid. Please complete both pages of this form and return with your lease aid request letter.

Charter School Name: Crosslake Community School		Charter School Number: 4059-07	
Address: 35808 County Rd 66	City: Crosslake	State: MN	ZIP Code: 56442
Contact Name: Kelly Bittner	Telephone Number: 218-692-5437 ext104	Email Address: kellybittner@crosslakekids.org	

Checking the items below indicates your compliance with the following regulations and statutes:

- ☒ **Federal, State and Local Requirements:** The charter school building meets health and safety codes per [Minnesota Statutes 2021, section 124E.03, subdivision 2\(a\)](#), which states in part, "A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts." (See Attachment D).
- ☒ **Building Lease Aid:** [Minnesota Statutes 2021, section 124E.22](#), states, in part, "A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs."
- ☒ **Disabled Accessibility:** The charter school administration and school board are aware of the requirements of Title II of the Americans with Disabilities Act (ADA) and will comply with those requirements.
- ☒ **Lease is not with a Related Party:** The charter school leases property from a non-profit corporation under chapter 317A or a cooperative under chapter 308A or leases property from a for-profit organization where there are no related party affiliations as defined in Minnesota Statutes 2021, section 124E.13, subdivision 2 (a).

(a) A charter school must not enter into a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

(b) For purposes of this section and section 124E.02:

- (1) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.
- (2) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;
- (3) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person whether by owning voting securities, by contract or otherwise.
- (4) "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnership is more remote than first cousin.
- (5) "Person" means an individual or entity of any kind.
- (6) "Related party" means an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party.
- (7) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

FY 2023 Charter School Lease Aid Certification Form – Part 1 (continued)

Charter School Name: Crosslake Community School Charter School Number: 4059-07

- (c) A lease of real property to be used for a charter school, not excluded in paragraph (a), must contain the following statement: "This lease is subject to Minnesota Statutes 2021, section 124E.13, subdivision 2."
- (d) If a charter school leases space from a related party and the charter school subsequently closes, the commissioner has the right to recover from the related party any lease payments in excess of those that are reasonable under section 124E.22, paragraph (a), clause (1).

School districts are neither non-profits nor cooperatives, and therefore do not fall under this exception and are ineligible to rent to schools for which they authorize. This prohibition does not prevent school districts from renting to charter schools for which they are not the authorizer.



Fire Code Compliance: The charter school has been inspected by the Minnesota State Fire Marshal or its local designee within the last three years for compliance with the Minnesota State Fire Code for Educational Occupancy and has an inspection report showing that any outstanding violations discovered during the initial inspection have been remedied.

Date of last final/closed fire inspection: 8/24/2021

I hereby verify the information provided in Part 1 of the FY 2023 Charter School Lease Aid Certification Form to be true and correct.

Kelly Bittner

Print Name of Person Preparing Form

Kelly Bittner

Signature of Person Preparing Form

Digitally signed by Kelly Bittner
Date: 2022.07.14 11:13:53
-05'00'

7/14/22

Date

Jared Griffin

Print Name of Board Chair

Jared Griffin

Signature of Board Chair

7/14/22

Date

FY 2023 Charter School Lease Aid Certification Form – Part 2

Charter School Name and Address: Crosslake Community School		Charter School Number: 4059-07
Approved FY 2023 Authorizer: Osprey Wild	Building Owner/Lessor Name and Address: The Lake Foundation	
Will this be the first time your charter serves students at this location? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 		

Lease Information

Square Footage: 36,160 sq/ft	Total July 1, 2022, through June 30, 2023, sum certain annual lease cost:
Is the lessor an affiliated nonprofit building corporation? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 	
If yes, what date was the affiliated nonprofit building corporation formed? _____	
If yes, what date was the lease agreement with the affiliated nonprofit building corporation last modified? _____	
Does the affiliated nonprofit building corporation own the facility? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 	
Does the affiliated nonprofit building corporation lease to a non-school tenant in the building? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 	
If answered yes, please provide MDE a copy of the lease agreement with the non-school tenant.	
Are there any expenses included in your sum certain annual lease cost that will be paid to the landlord in FY 2022 which include: custodial, maintenance services, utilities, Common Area Maintenance (CAM) costs, landscaping, snow removal, lawn care costs, property taxes, property insurance for the building that are paid to the landlord or property management fees? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 	
Property Management fees that are eligible lease aid costs include accounting expenses, advertising, office expenses, and administrative duties related to managing the property. If any of these costs apply, provide a list of the purposes and amounts.	
Property management fees that are not eligible for lease aid include any CAM costs, utilities, custodial and/or fees such as maintenance, landscaping, snow removal, lawn care costs, license, leasing, late, vacancy, eviction. Please provide a list of the purposes and amounts to be subtracted from the sum certain annual cost above.	
Are there any allowable expenses not included, that are being paid to the Landlord in FY 2022, that the school wishes to submit and add to the sum certain annual cost listed above (e.g. allowable costs: property taxes, property insurance and/or property management fees)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No 	
Allowable Property Management fees can include accounting expenses, advertising, office expenses, and administrative duties related to managing the property. If yes, please provide a list of the purposes and amounts below.	
Allowable property taxes and property insurance paid to the landlord. If yes, please provide the amounts for each.	

FY 2023 Charter School Lease Aid Certification Form – Part 2 (continued)

Charter School Name Crosslake Community School Charter School Number 4059-07

<p>Is the charter school currently delinquent with any lease payments? If yes, attach a list of the due dates, amounts owed, and payee(s).</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>A sum certain annual cost and a closure clause as defined in Minnesota Statutes 2021, section 124E.22, paragraph (a) (3) (i) and (ii), has been written into the lease.</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<p>Does the charter school have programs which serve prekindergarten children?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>If yes, are the programs instructional?</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Has the school received approval for "Early Learning Supplemental Affidavit?"</p>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<p>Note: If no approval is on file, please clearly identify the space used, square footage, and time usage for these programs.</p>	
<p>Does the charter school rent out any portion of its facilities?</p>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<p>If yes, include copies of subleases.</p>	
<p>Note: Please clearly identify the space used, square footage, and time usage for these sublease agreements.</p>	

I hereby verify the information provided in Part 2 of the FY 2023 Charter School Lease Aid Certification Form to be true and correct.

Kelly Bittner

Print Name of Person Preparing Form

Kelly Bittner

Signature of Person Preparing Form

Digitally signed by Kelly Bittner
Date: 2022.07.14 11:14:10 -05'00'

7/14/22

Date

Jared Griffin

Print Name of Board Chair

Jared Griffin

Signature of Board Chair

7/14/22

Date

LEASE

THIS LEASE ("**Lease**") is made effective as of the 1st day of July, 2017, by and between **LAKES AREA KIDS ENRICHMENT FOUNDATION**, a Minnesota non-profit corporation ("**Landlord**"), and **CROSSLAKE COMMUNITY SCHOOL**, a Minnesota non-profit corporation ("**Tenant**" or "**School**").

BASIC LEASE TERMS

Landlord	Lakes Area Kids Enrichment Foundation, a Minnesota nonprofit corporation
Tenant	Crosslake Community School, a Minnesota nonprofit corporation and public charter school
Premises	<p>The Premises consists of all real property described on Exhibit A hereto, together with all improvements located thereon. Without limiting the foregoing, the Premises is located at and commonly known as:</p> <p>35808 County Road 66 Crosslake, MN 56442</p>
Term	<p>Thirty (30) years.</p> <p>Each period beginning on July 1 and ending on June 30 is defined as a "Lease Year," provided that the initial Lease Year will begin on the Commencement Date and end on June 30, 2017.</p>
<i>Commencement Date</i>	July 1, 2017
<i>Expiration Date</i>	June 30, 2047
<i>Renewal Options</i>	Ten (10) renewal options of five (5) years each
Rent	
<i>Base Rent</i>	<p>Base Rent for the period July 1, 2017 through June 30, 2018 will be \$1.00.</p> <p>The Base Rent for each Lease Year thereafter will be the greater of (a) the Minimum Base Rent as stated on Exhibit C, or (b) the Lease Aid Maximum Amount (as defined below).</p>
<i>Minimum Base Rent</i>	Minimum Base Rent will be the amounts set forth in Exhibit C

Rent Adjustments

After the initial Lease Year, in each subsequent Lease Year of the Term, on or before Tenant submits its application to the Minnesota Department of Education ("MDE") for lease aid for the next fiscal year, Landlord and Tenant will set the Lease Aid Maximum Amount (as defined below) for the following Lease Year.

The "**Lease Aid Maximum Amount**" is an amount equal to the product of the Average Daily Membership reasonably estimated by Tenant for the coming Lease Year for the combined students who will be attending classes in the Premises, multiplied by the rental amount per pupil that results in Tenant's receipt of the maximum amount of lease aid available to Tenant from MDE pursuant to applicable Minnesota law.

Upon each calculation of Base Rent as set forth above, the parties will execute a memorandum confirming the applicable Base Rent in substantially the form of Exhibit B. Such memorandum will be incorporated into and become a part of this Lease and will be used, among other things, by Tenant for purposes of its Lease Aid application.

Use

Public Charter School and related administrative and extracurricular purposes.

Landlord's Address for Notices

Lakes Area Kids Enrichment Foundation
P.O. Box 143
Crosslake, MN 56442
Attn: President

Tenant's Address for Notices

Crosslake Community School
36974 County Road 66
Crosslake, MN 56442
Attn: Executive Director

Additional Exhibits

Exhibit A – Premises
Exhibit B – Exemplar Base Rent Memorandum
Exhibit C – Minimum Rent

This lease is subject to and complies with Minn. Stat. § 124E.13, subdivision 1.

1. **Premises.**

- (a) Landlord is the fee owner of certain real property, and related easement rights, with the street addresses set forth in the Basic Terms, above, and legally described on Exhibit A, below (the "**Land**"). Subject to and upon the terms, provisions and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Building (defined below) and all real property described in the attached Exhibit A (collectively hereinafter referred to as the "**Premises**"). Beginning on the Commencement Date and throughout the Lease Term, Tenant will have the exclusive right to occupy and use the Premises.
- (b) Subject to available debt financing that is nonrecourse to Landlord under the Loan Documents (as defined in Article 7(j) of this Lease), Landlord is prepared to construct a schoolhouse facility (the "**Building**") and related recreational fields, parking lots, driveways, and other improvements on the Land (the "**Project**"). The Project will consist of the construction and equipping of the Building and related facilities for use as a public charter school. All plans, drawing, specifications, construction schedules, and all other decisions concerning the Project (collectively, the "**Plans and Specifications**") shall be approved in advance by Landlord and Tenant. Any modifications to the Plans and Specifications after approval will require the mutual approval of both Landlord and Tenant.
- (c) Notwithstanding the foregoing, Tenant understands that the Project may not be completed in its entirety on the Rent Commencement Date. If the Landlord cannot furnish occupancy and use of portions of the Building, subject to at least a temporary certificate of occupancy, as of the Rent Commencement Date: (i) Tenant will have no obligation to occupy the Building and Base Rent for the Premises will be \$1 per month until such time, and (ii) Landlord will be responsible for any additional administrative or moving costs incurred by Tenant as a result of securing substitute facilities to use until the Premises are available for occupancy.

2. **Purpose and Use.**

- (a) The Premises shall be used by the Tenant only for the purpose of operating a public charter school, including, without limitation, providing the usual academic, school, administrative and related services associated with a public charter school, as well as extracurricular or ancillary programming, including use by third parties, that is, in Tenant's reasonable business judgment, related or complementary to Tenant's operation of a school. The Premises shall be used and occupied by Tenant so as not to contravene any present or future laws in force or any other provisions hereof.
- (b) Any use or storage of hazardous substances at the Premises by Tenant or Tenant's Parties (defined below) will be consistent with the operation of a public charter school, and will be

in full compliance with applicable law, and any disposal of such waste or of pollutants or contaminants shall be the obligation of the Tenant who will do so in full compliance with applicable law and at Tenant's expense.

3. Lease Effect and Term.

- (a) Tenant takes the Premises from Landlord, upon the terms and conditions herein contained, to have and to hold the same for the Term described in the Basic Lease Terms, above.
- (b) Tenant has the right to exercise option(s) to extend the Lease Term a maximum of ten (10) times. The term of each extension will be for five (5) years (the "**Extension Option**"). If Tenant exercises its Extension Option, the extended term will be added to the Lease Term and the Expiration will then be June 30 of the year that is five years after the then-current Expiration Date. To exercise any Extension Option, Tenant shall provide written notice to Landlord not less than five (5) months prior to the then applicable end of the Lease Term. Tenant's Extension Option right shall be suspended if Tenant is in default (beyond any notice or cure period) of any monetary or material non-monetary obligation hereunder at the time of any such election or from the time of such election to the commencement of the option term.

4. Rent.

- (a) Rent. Tenant shall pay to Landlord an annual rent equal to the Base Rent described in the Basic Lease Terms, above ("**Base Rent**"), plus Operating Costs, as defined in section 4(d), below ("**Operating Costs**"). The Base Rent together with the Operating Costs shall collectively be referred to as the "**Gross Rent**." Landlord shall advise Tenant in writing prior to the commencement of the Lease Term and from time to time, as adjustments are made to the Gross Rent payments then due. Notwithstanding the foregoing, if there is any interruption in payment that is caused by an interruption in the payment of revenue funding, lease aid or other governmental funding to Tenant, payments of Base Rent will be deferred until such funding resumes and Tenant is able to pay such Base Rent, except that Tenant must continue to pay the then-applicable amount of the Minimum Base Rent and Tenant also must continue to pay Operating Costs. During the period of any deferral under this provision, no late fee or interest will accrue on the portion of the Base Rent payments owing hereunder that may be deferred pursuant to the preceding sentence.
- (b) Payment of Gross Rent. Tenant shall pay the annual Gross Rent in monthly installments, equal to one-twelfth (1/12th) of the then applicable annual Gross Rent chargeable to Tenant. Each monthly installment of Gross Rent shall be payable in advance without demand and without any reduction, abatement, counterclaim or offset, to Landlord on or before the fifth day of each month (or the next succeeding business day in the event the fifth day of such month is not a business day).
- (c) Base Rent. The annual Base Rent for the Premises for the Lease Term and any Renewal

Term of the Lease shall be determined as set forth in the Basic Lease Terms, above.

- (d) Operating Costs. Tenant is responsible for contracting directly for and paying all costs and expenses associated with all utilities, water, sewer, garbage removal, telecommunications, janitorial, cleaning, maintenance, repairs, replacements, landscaping, snow removal and all other costs of operating and maintaining the Premises, but excepting repairs and replacements to any Building as set forth in Article 6, below. However, if Landlord incurs any costs under Article 6 hereof, in addition to the foregoing Base Rent and amounts paid directly by Tenant, Tenant shall also reimburse Landlord (subject to first to the use of funds in any capital repair and replacement reserve, or similar reserve, held by Landlord's lender to the extent permitted, and funds held in reserve by Landlord) for all such costs.
- (e) Limits on Operating Costs: If the loan or Loan Documents for Landlord's financing require Landlord to deposit certain amounts into a capital repair and replacement reserve account or similar reserve fund, the amounts in this account will be used by Landlord to fulfill Landlord's obligations under Article 6, below. Further, to the extent the Gross Rent received by Landlord exceeds the amounts Landlord is obligated to pay to its lender for principal, interest, reserves, etc., and for insurance, tax returns, and other administrative expenses, such excess will be reserved by Landlord for use to perform Landlord's obligations under Article 6, below.
- (f) Property Taxes. Landlord anticipates that Landlord will be exempt from the payment of real estate taxes. However, such exemption will not be effective for at least a year after the date of this Lease, and when it becomes effective, it will not apply to special assessments, and such exemption may be discontinued by future legislative action. In the event any real estate taxes are assessed or charged by any government authority on or against the Premises, any Building and/or any other property owned by Landlord and that Tenant is leasing pursuant to this Lease, except in the event of Landlord transferring, assigning or conveying such property to an entity that is not exempt from the payment of taxes, Tenant shall pay, as additional rent all of such real estate taxes. Tenant shall pay, in annual installments, any special assessments chargeable to Tenant now levied or hereafter pending or levied during the Lease Term by any governmental or quasi-governmental entity with authority to levy assessments. Any installment of real estate taxes and assessments as are assessed herein that are due and payable in the year of termination of this Lease shall be paid for that year in full by Tenant on or before such termination. Tenant shall have the right, in its or Landlord's name, or both, but at its own cost and expense to contest the validity of any taxes or assessments, by appropriate proceedings timely instituted, provided Tenant shall give Landlord written notice of its intention to do so, diligently prosecute any such contest, at any time, effectively stay or prevent any official or judicial sale of the Premises under execution or otherwise satisfy any final judgment enforcing any tax or assessment so contested, and promptly procure record satisfaction thereof and comply with all additional requirements (if any) regarding such contests that apply with respect to debt financing that is secured by the Premises. Landlord shall, upon request of Tenant, cooperate fully with Tenant in any such proceedings, provided, however, Landlord shall not be liable for any

expense in connection therewith and that Tenant shall indemnify Landlord against the same and all losses that may result therefrom.

5. Alterations.

Tenant shall not, without Landlord's prior written consent, make any alterations, improvements or additions to the Premises ("**Tenant's Alterations**"). Landlord's consent may be given or withheld for any reason in Landlord's sole and absolute discretion, and may additionally be subject to consent of any mortgagee holding a mortgage on the Premises. Any and all such alterations, physical additions or improvements, when made to the Premises by Tenant, shall remain the property of the Tenant so long as this Lease is in force and effect, but shall be surrendered to the Landlord upon the termination of this Lease by lapse of time or otherwise; provided, however, that this clause shall not apply to equipment, furniture, or trade fixtures installed by Tenant.

6. Obligations of Landlord.

- (a) Landlord shall keep the structural parts of all Buildings (e.g., foundation, load-bearing walls, exterior walls (excluding glass and doors)), subfloor, building mechanical systems, roof, and Building weatherproof exterior systems, in good order, safe condition and repair, and shall, if necessary, replace the boiler, chiller, heat exchanger or other building mechanical systems such as plumbing, HVAC equipment, and electrical equipment and fixtures; provided, however, that Landlord shall not be required to expend any amounts in the performance of the foregoing beyond amounts held by Landlord's lender or the trustee acting on behalf of such lender, or amounts actually held by Landlord in accordance with Article 4(e), above. To the extent such repairs or replacements are necessary but there is not an adequate amount of reserved funds available to Landlord, Tenant shall be responsible for costs associated with such repairs to or replacement of such items as a part of Operating Costs in accordance with Article 4(d).
- (b) Other than as set forth above, Landlord shall have no obligation to perform any maintenance or repairs on any portion of the Premises. However, if Tenant fails to perform reasonably necessary maintenance on the Premises, such failure, if continued, could negatively impact the integrity of the Premises, and such failure continues for a period of ninety (90) days after written notice from Landlord, Landlord may perform such maintenance or repairs on Tenant's behalf, in which event the reasonable costs and expenses of such maintenance or repair incurred by Landlord will be immediately payable to Landlord as a part of Operating Costs.
- (c) In the event that in the performance of Landlord's work in repairing structural or roof components of the Premises as required by this Article 6, such work materially affects the Premises so as to render the Premises unsuitable for the Tenant's use for a period of more than fifteen (15) business days during any period in which school is in session, then this Lease shall remain in full force and effect but with a proportionate abatement of the Base Rent and taxes and assessments payable therewith, based upon the portion of the Premises

made unsuitable for the Tenant's use, which abatement shall continue until Landlord's work is substantially completed so that Tenant may continue its use of that portion of the Premises affected. Tenant shall remain obligated to pay all Operating Costs, as required under the terms of this Lease.

- (d) Notwithstanding anything that may be to the contrary, Landlord shall have no obligation to expend moneys with respect to the ownership or the operation of any Building or the Premises except as set forth in this Article 6.

7. Obligations of Tenant.

- (a) Except as required of Landlord, above, Tenant will contract for and perform all maintenance, repair and cleaning of the Buildings, including, without limitation, routine adjustments and maintenance (such as cleaning or changing filters, etc.) of mechanical systems such as HVAC. Tenant shall also replace fixtures and finishes within the Premises, such as floor coverings, plumbing fixtures, etc. (but not major mechanical components of the HVAC system, which are Landlord's responsibility under Article 6, above), to the extent necessary due to ordinary wear and tear.
- (b) Tenant shall make all repairs and replacements and be responsible for the costs of all repairs and replacements to the Premises that are not otherwise Landlord's obligation pursuant to Article 6, including but not limited to all interior non-structural repairs and replacements necessary to keep and maintain the Premises in good order and state of repair. Tenant shall, at Tenant's sole cost and expense, repair or replace any damage or injury to the Premises, Buildings, or sidewalks and parking areas serving the Premises, caused by any act or omission of Tenant. If the Tenant does not do so after reasonable notice (at least 90 days) and opportunity to cure, Landlord may, at its option, make such repairs and replacements, and collect the cost thereof from Tenant, as set forth more specifically in Article 6(b).
- (c) Tenant shall obtain and maintain all necessary permits and licensing for any Tenant Alterations, if any, pursuant to this Lease and for the operation of its school.
- (d) Tenant shall provide for prompt removal and disposal of all waste. Tenant shall not permit any waste or refuse to be stored on the Premises except in dumpsters or waste removal containers for a reasonable period of time pending removal to a disposal site.
- (e) Tenant shall contract for and perform all landscape maintenance and shall remove snow in areas, common or otherwise, serving the Premises.
- (f) Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant.
- (g) Failure of Landlord to insist, in any one or more instances, upon strict performance of any term, covenant or condition of this Lease, or to exercise any option herein, shall not be a waiver or relinquishment of such for the future. The receipt by Landlord of Gross Rents

with knowledge of Tenant's breach in any of the terms, covenants or conditions of this Lease shall not be deemed to have waived any provision of this Lease unless in writing signed by Landlord.

- (h) If any default in this Lease of Tenant can be cured by the expenditure of money, Landlord may, but without obligation, and without limiting any other remedies which it may have by reason of such default, cure the default after ninety (90) days' written notice to Tenant, charge the cost to Tenant and Tenant shall pay the same forthwith. Any amounts paid by Landlord to cure default of Tenant shall, for purposes of Landlord's remedies, be construed as additional rent due.
- (i) Tenant shall promptly pay to the Landlord, upon request, an amount equal to any reasonable cost incurred by the Landlord in repairing the Premises where such repairs were made necessary by the negligence of, or misuse by, Tenant, its students, faculty, agents, customers, employees or invitees ("**Tenant's Parties**") and Tenant has failed to make the necessary repairs after ninety (90) days' written notice from Landlord to Tenant.
- (j) Landlord's acquisition of the Premises and construction of the Project is being financed by certain financing (the "**Loan**"), which financing will be memorialized in a set of related documents including, without limitation, a Loan Agreement, a Mortgage, and other documents (collectively the "**Loan Documents**"), all of which will impose certain obligations on Landlord relative to the Property and the Loan. Tenant will take all actions that are required to allow Landlord to comply with all obligations imposed on Landlord with respect to the Loan Documents and the Loan, as well as with any additional financing obtained by Landlord to complete the Project, and will not take any action that would cause Landlord not to comply with any obligation imposed on Landlord with respect to the Loan Documents or the Loan. Without limiting the foregoing, Tenant will provide Landlord with such documents that Landlord is required to provide to any lender holding a mortgage lien on the Premises, including, without limitation, financial and academic performance data about the Tenant's operations, as well as information concerning the contractual relationship between the Tenant and its authorizer.
- (k) To the extent any mortgage or other financing obtained by Landlord contains any commercially reasonable term or provision that requires Landlord to "cause" Tenant to comply with such term or condition, Tenant hereby agrees to be bound by such provisions so long as such provision is not inconsistent with Tenant's operation of a public charter school and agrees that Tenant's violation of such provision would, after thirty (30) days' notice and opportunity to cure, constitute a default of this Lease. Notwithstanding the foregoing, in all cases Tenant will be authorized to use the Premises for the conduct of a public charter school.

8. Insurance.

- (a) Tenant shall maintain with insurers of recognized responsibility licensed to do business in

the State of Minnesota:

- (1) Liability insurance covering all acts of Tenant, its employees, agents, representatives and guests within the Buildings in amounts at least equal to the liability limits set forth in Minnesota Statute Section 466.04, and adjusted as appropriate to reflect changes in the statutory limit.
- (2) Property damage liability insurance covering all leasehold improvements installed by Tenant, Tenant's fixtures and equipment in amounts at least equal to the replacement values thereof.
- (b) Tenant will adjust the amount of liability insurance from time to time to reasonably reflect the current standards of the underwriting and insurance industry relative to Minnesota public charter schools.
- (c) Landlord will at all times maintain insurance on the Premises in the full replacement value thereof, as well as other insurance as required by the Loan or Loan Documents. The insurance that Tenant otherwise maintains pursuant to this Article 8 may satisfy Landlord's obligation under this paragraph.
- (d) All such insurance maintained by Tenant shall name Landlord, Tenant and any mortgagee holding a mortgage on the Premises as insureds or loss payees as applicable, and shall include a Notice of Cancellation endorsement (or such substantially similar endorsement as available from time to time in the insurance market). Certificates of all such insurance shall be delivered to Landlord prior to occupancy of the Premises by Tenant and at least thirty (30) days prior to the termination date of any existing policy.

9. Subordination To Mortgages.

This Lease and all rights of Tenant are and shall be subject and subordinate to any mortgage or deed of trust constituting a lien on the Premises, or any part thereof, whether such mortgage or deed of trust has heretofore been or may hereafter be placed upon the Premises to secure an indebtedness to any bank or other institutional lender, private or public, and to any renewal, modification, consolidation, replacement, or extension of any such mortgage or deed of trust, provided that such lender agree in writing that, so long as Tenant performs its obligations under this Lease, Tenant's tenancy hereunder will not be disturbed. Tenant agrees to execute and deliver, at any time and from time to time upon demand by Landlord such commercially reasonable documents as may be required to effectuate such subordination within twenty (20) days after receipt of written notice to do so. In the event that the mortgagee or beneficiary of any such mortgage or deed of trust elects to have this Lease be a prior lien to its mortgage or deed of trust, then, in such event, upon such mortgagee or beneficiary giving written notice to Tenant to that effect, this Lease shall be deemed prior to such mortgage or deed of trust whether this Lease is recorded prior to or subsequent to the date of such recordation of such mortgage or deed of trust.

10. Casualty Loss.

In the event of any damage or destruction to the Premises by fire or other cause during the term hereof, the following provisions shall apply:

- (a) If any Building is damaged by fire or any other cause to such extent that the cost of restoration, as reasonably estimated by Landlord, will equal or exceed \$200,000.00, or if Landlord fails to provide such reasonable estimate to Tenant within sixty (60) days after the damage, then Landlord or Tenant may, no later than the seventieth (70th) day following the damage, give written notice of election to terminate the Lease with respect to such Building.
- (b) If the cost of restoration as reasonably estimated by Landlord shall amount to less than \$200,000.00, or if, despite the cost, neither party elects to terminate this Lease, Landlord shall, at Landlord's sole cost and expense, regardless of the receipt by Landlord of insurance proceeds, restore such Building and the Premises within ninety (90) days of such damage or destruction, subject to delays beyond Landlord's control, and Tenant shall have no right to terminate this Lease except as herein provided. Landlord shall not be responsible for restoring or repairing leasehold improvements of the Tenant. During the period that the Premises is untenable, in whole or in part, as a result of a casualty loss, rent shall abate in whole, or, if Tenant is able to occupy a portion of the Premises without unreasonable business interruption, in part. Any partial abatement of rent shall be based upon the greater of (i) the reduction in Tenant's student enrollment associated with the unavailability of the damaged portion of a Building, or (ii) the actual cost to Tenant of securing temporary replacement space. The period of abatement shall be from the date of the casualty loss to the date the entire amount of square footage occupied by Tenant becomes tenantable.
- (c) In the event of the election to terminate, this Lease shall be deemed to terminate on the date of the damage and all rent shall be paid up to the date of casualty. Tenant shall have no claim against Landlord for the value of any unexpired term of this lease.
- (d) In the event this Lease is not terminated in accordance with paragraph (a), above, all insurance proceeds (except for Tenant's insurance covering Tenant's Leasehold improvements, personal property and trade fixtures and business continuation coverage) shall be assigned to Landlord to cover the cost of repair or to compensate Landlord for its loss.

11. Eminent Domain.

If the entire Premises are taken by eminent domain, this Lease shall automatically terminate as of the date of taking. If a partial taking of the Premises by eminent domain reduces the size or amenities of the Premises to such an extent that the Premises can no longer be used as a schoolhouse for a public charter school, Landlord or Tenant shall have the right to terminate this Lease as of the date of taking by giving written notice to the other within ninety (90) days after such date of taking. If neither Landlord nor Tenant elects to terminate this Lease, Landlord shall restore the Premises,

exclusive of any improvements or other changes made therein by Tenant, to as near the condition which existed immediately prior to the date of taking as reasonably possible, and to the extent that the Premises are rendered untenable, the rent shall proportionately abate. All damages awarded for a taking under the power of eminent domain shall belong to and be the exclusive property of Landlord, whether such damages be awarded as compensation for diminution in value of the leasehold estate hereby created or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any separate award made to Tenant for the value and cost of removal of its personal property and fixtures or attributable to Tenant's relocation expenses.

12. Signs.

Tenant shall be permitted to erect exterior signs with the name of Tenant's school. The Tenant shall be solely responsible for the maintenance thereof. All signs must comply with any and all governmental regulations. Tenant may, without prior consent of Landlord, place or affix interior signs, posters, artwork and other items related to Tenant's use of the Premises as a school.

13. Security.

Tenant is solely responsible for the security and safety of its faculty, students, guests and invitees. Tenant may make such alterations to the Premises as it may from time to time require for security and safety purposes, provided that Tenant is solely responsible for all costs thereof and such alterations are completed in accordance with this Lease including the receipt of Landlord's prior written consent.

14. Liability/Indemnification.

- (a) Tenant agrees that Landlord and its governors or directors, managers, members, agents, and employees shall not be liable to Tenant for any damage to or loss of personal property in the Premises unless such damage or loss is the result of the Landlord's breach of this Lease or the gross negligence or willful misconduct of Landlord or any of its governors or directors, managers, members, agents, and employees.
- (b) Tenant also agrees that Landlord shall not be liable to Tenant, or those claiming through or under Tenant, for any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds or areas providing access to the Premises, parking areas or surrounding grounds; and Tenant shall indemnify Landlord against, and hold Landlord harmless from liability, claims, demands, damages, attorney fees, court costs and disbursements (including attorney fees, court costs and disbursements resulting from enforcement of this indemnity) thereof, arising out of any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds, or areas providing access to the parking areas, the Premises or surrounding grounds, except to the extent caused by the gross negligence, breach of this Lease or willful misconduct of Landlord or its governors or directors, managers, members, agents, and employees.

- (c) Except as specifically provided in this Lease, Tenant accepts the Premises "AS IS," with all faults and the failure of the Premises to currently comply with any safety, security, building or fire code, including, but limited to, the Americans with Disabilities Act. Tenant further agrees that any such failure shall not constitute negligence or willful misconduct of Landlord or its governors or directors, managers, members, agents, and employees, nor a breach of this Lease.

15. Default.

- (a) Landlord Default. If Landlord should be in default in the performance of any of its obligations under this Lease, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant specifying such default (or such shorter period of time as reasonably required by an emergency or otherwise set forth in this Lease), or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Landlord has not undertaken procedures to cure the default within such thirty (30) day period and has not diligently pursued such efforts to a complete cure), Tenant may, at its option upon written notice, (a) if the default involves a failure by Landlord to repair or maintain the Premises, perform such repairs or maintenance on behalf of Landlord, (b) if the default materially interferes with or impedes Tenant's access to, use of, or quiet enjoyment of the Premises, terminate this Lease, or (c) exercise any other remedy available to Tenant under Minnesota law. The rights and remedies of Tenant under this Lease shall be cumulative, and the exercise of any of them shall not be exclusive of any other right or remedy provided by this Lease, and the waiver by Tenant of any breach of any covenant of this Lease shall be limited to the particular instance and shall not operate or be deemed to waive any future breach of the same or any other covenant on the same or any other occasion, nor operate as a waiver of any of Tenant's rights under this Lease by such remedies as may be appropriate.
- (b) Tenant Default. If default shall be made in the payment of any sum of Gross Rent to be paid by Tenant under this Lease, and such default shall continue five (5) days after written notice from Landlord to Tenant of such default (or such longer period as expressly is provided otherwise in this Lease), or default shall be made in the performance of any of the other covenants or conditions which Tenant is required to observe and to perform, and such default shall continue for thirty (30) days after written notice from Landlord to Tenant of such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Tenant has not undertaken procedures to cure the default within such thirty (30) day period and has not diligently pursued such efforts to a complete cure) (or such longer period as expressly is provided otherwise in this Lease), or if the interest of Tenant under this Lease shall be levied on under execution or other legal process, or if any petition shall be filed by or against Tenant to declare Tenant as bankrupt or to delay, reduce or modify Tenant's debts or obligations, or if any petition shall be filed or other action taken to reorganize or modify Tenant's capital structure if Tenant be a corporation or other entity, or if Tenant be declared insolvent according to law, or if any assignment of Tenant's property shall be made for the benefit of

creditors, or if a receiver or trustee is appointed for Tenant or its property, or if Tenant shall abandon the Premises for thirty (30) consecutive days during the Lease Term or any renewals or extension thereof, or if Tenant shall take any action that causes a default under the Loan, or if Tenant shall lose its charter to operate as a public charter school, then Landlord may treat the occurrence of any one or more of the foregoing events as a breach of this Lease (provided that no such levy, execution, legal process or petition filed against Tenant shall constitute a breach of this Lease if Tenant shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same within sixty (60) days from the date of its creation, service or filing), and thereupon, at Landlord's option, Landlord may have any one or more of the following described remedies in addition to any other rights and remedies provided at law or in equity:

- (1) Landlord may terminate this Lease and forthwith repossess the Premises and remove all persons or property therefrom using appropriate legal process, and be entitled to recover forthwith as damages a sum of money equal to the total of (i) the cost of recovering the Premises including reasonable attorney fees, (ii) the unpaid Gross Rent owed at the time of termination, plus interest thereon from due date at the lesser of (a) the maximum rate permitted by applicable law or (b) ten percent (10%), (iii) the balance of the Gross Rent for the remainder of the Term less the rent the Landlord can reasonably expect to recover by rental of the Premises for said period reduced to present value at a rate of five percent (5%), and (iv) any other sum of money and damages owed by Tenant to Landlord; or
- (2) Landlord may terminate Tenant's right of possession (but not the Lease) and may repossess the Premises using appropriate legal process and without terminating this Lease, in which event Landlord may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Landlord. For the purpose of such reletting, Landlord is authorized to decorate or to make any reasonable repairs, changes, alterations, or addition in or to the Premises that may be reasonably necessary for purposes of reletting; and (i) if Landlord shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting after paying the unpaid Gross Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the lesser of (a) the maximum rate permitted by applicable law and (b) ten percent (10%), plus the cost of recovering possession including reasonable attorney fees, and all of the costs and expenses of such decorations, repairs, changes, alterations, and additions and the expense of such reletting and of the collection provided for in this Lease to be paid; then Tenant shall pay to Landlord as damages a sum equal to the amount of the Gross Rent reserved in this Lease for such period or periods, or if the Premises have been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time and Tenant agrees that Landlord may file suit to recover any sums failing due under the terms of this Lease from time to time on one or more occasions without Landlord being obligated to wait until expiration of the Lease Term. Such reletting shall not be construed as an election on the part of Landlord to terminate this Lease unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any such

reletting without termination, Landlord may at any time thereafter elect to terminate this Lease for such previous breach.

16. Assignment/Attornment and Novation.

- (a) Subject to restrictions in the Bond (and/or Loan) Documents and subject to Minn. Stat. § 124E, Landlord shall have the right to transfer and assign, in whole or in part, all of its rights and obligations hereunder and the Premises and the property referred to herein upon the condition that (i) in such event this Lease shall remain in full force and effect, subject to the performance by Tenant of all of the terms, covenants, and conditions on its part to be performed, (ii) that such assignee or transferee, agrees to be bound to perform all the terms, covenants, and conditions pursuant to this Lease, and (iii) that the transferee or assignee is a non-profit corporation that will be exempt from the payment of real estate taxes and, is an organization that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code (the "Code"). Upon any such assignment, or transfer, or if the Premises comes into custody or possession of a mortgagee or any other party whether because of mortgage foreclosure, or otherwise, subject to the rights of Tenant under this Lease, Tenant shall attorn to such assignee or other party and recognize such party as Landlord hereunder. Tenant shall execute, on demand, any reasonable subordination, non-disturbance and attornment agreement and/or estoppels certificate required by any such party to be executed, containing such provisions and such other provisions as such party may require to the extent the same are consistent with this Lease. If Landlord, or any subsequent owner, sells the Premises, its liability for the performance of its agreements in this Lease will end on the date of the sale of the Premises, and Tenant will look solely to the purchaser for the performance of those agreements. For the purposes of this Article 16, any holder of a mortgage or deed of trust that affects the Premises at any time, and any landlord in any lease to which this Lease is subordinate at any time, will be a subsequent owner of the Premises when it succeeds to the interest of the Landlord or any subsequent owner of the Premises. Notwithstanding the foregoing, if Landlord sells or transfers the property to a person or entity that is not exempt from the payment of real property taxes, Tenant shall not be responsible for the payment of any portion of such real property taxes payable by such new owner.
- (b) Without the prior written consent of Landlord, which shall not unreasonably be withheld, conditioned or delayed, Tenant shall not have the right to transfer, assign, sublet or mortgage its leasehold interest, in whole or in part, of its rights and obligations in the Premises and the property referred to herein. If Landlord does consent in writing to such a transfer, assignment or sublease, it shall be on the condition that this Lease shall remain in full force and effect, subject to the performance of all terms, covenants and conditions and upon further condition that such assignee or transferee agrees to be bound to perform all the terms, covenants and conditions pursuant to this Lease. The use limitations set forth in Article 2 of this Lease shall apply to any assignee, subtenant or transferee as well as to Tenant. Regardless of Landlord's consent, no subletting or assignment shall release Tenant of Tenant's obligation to pay the Gross Rent and perform all other obligations to be performed by Tenant hereunder for the Lease Term. The acceptance of Gross Rent by

Landlord from any other person shall not be deemed to be a waiver of Landlord of any provision hereof or any right hereunder. Notwithstanding the foregoing, it shall not be deemed an assignment or sublease if Tenant enters into an agreement or agreements with other persons or entities for limited use of classroom, gymnasium or other space in a Building, either free of charge or in exchange for payment or other consideration, for extracurricular or ancillary purposes that are related or complimentary to the operation of a public charter school (by way of example, but without limitation, a day care or preschool, a Boy or Girl Scout troop, an adult or community education program, a choral, musical or theater group, a science team, etc.); provided that Tenant will be responsible for any property taxes resulting from such use.

17. Landlord Covenants

- (a) Landlord covenants that, as of the date of the execution of this Lease, Landlord shall take all necessary steps to ensure that Tenant has and enjoys exclusive use and occupancy of the Premises, and that no ground lease, mortgage, lease or encumbrance affecting the Premises is in default and that no person, corporation, partnership or other entity has a right to foreclose upon or otherwise succeed to all or any part of the title of Landlord to the Premises.
- (b) Landlord covenants and agrees that it has full right and power to execute and perform this Lease and to grant the estate demised herein; and that Tenant, on paying rent herein reserved and performing the covenants hereof, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full term of this Lease and any extension or renewal thereof, subject to the usage of Landlord as agreed herein.
- (c) Landlord has marketable title to the entire Premises, has the full right to enter into this Lease and perform hereunder. Promptly upon execution of this Lease, Landlord and Tenant will execute a memorandum of this Lease which Landlord will record with the county Recorder/ file with the Registrar of Titles in accordance with Minn. Stat. § 508.60.
- (d) The Premises are connected to city water, sanitary sewer, gas, electricity and other utility services.

18. Corporate Authority.

The person executing this Lease on behalf of Tenant does hereby covenant and warrant that Tenant is a duly authorized and existing corporation and is qualified to do business in the State of Minnesota and that the corporation has full right and authority to enter into this Lease and that each and every person signing on behalf of the corporation is authorized to do so.

19. Notice.

All notices or requests under this Lease shall be in writing and given by certified mail. Notice to Landlord shall be addressed to the person and to the address at which rent has last been paid. Notice

to Tenant shall be addressed to the address of the Premises or to any subsequent address, which Tenant may designate to Landlord from time to time in writing. Properly addressed notices or letters sent by certified mail shall be deemed given and served when they have been deposited with the US Postal Service or any common carrier services or other reasonable entity that provides a signed receipt of delivery.

20. Waiver.

No waiver of a breach of any covenants in this Lease shall be construed to be a waiver of any succeeding breach of such covenant.

21. Amendment Or Modifications.

No modification, release, discharge, amendment or waiver of any provisions hereof shall be of any force, effect or value, unless in writing signed by the Landlord, Tenant and Lender or their duly authorized agents or attorneys.

22. Complete Agreement.

There are no oral agreements between Landlord and Tenant affecting this Lease, and this Lease supersedes and cancels any and all previous negotiations, agreements and understandings between Landlord and Tenant with respect to the subject matter of this Lease or the Premises.

23. Force Majeure.

In the event that the Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, restrictive government laws or regulations, riots, insurrections, terrorism; the action, failure to act, or default of the other party; war or other reason beyond their control, then performance of such act shall be excused for the period of the delay, and the period for performance of any such act shall be extended for a period equivalent to the period of such delay. Except as specifically provided in Article 4, this Article 23 shall not apply to the non-payment of rent unless such non-payment is caused by the act, failure to act, or default of Landlord.

24. Miscellaneous.

- (a) The specific remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means in regard to which they may be lawfully entitled in case of any breach or threatened breach by any of them of any provisions of this Lease.
- (b) Except as otherwise provided herein, the covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its successors and assigns.

- (c) Each covenant, agreement or stipulation by a party hereto shall be performed at such party's own cost and expense, and without cost or expense to the other party. In the event any party to this Lease commences legal action to enforce any term or provision of this Lease, the substantially prevailing party in such action shall be entitled to an award of its costs and reasonable attorneys' fees incurred therein.
- (d) If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Lease shall be valid and enforced to the fullest extent permitted by law.
- (e) The heading or captions of Articles or paragraphs in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease or the provisions of such Article or paragraph.
- (f) Interpretation of this Lease shall be governed by the laws of the State of Minnesota.
- (g) This Lease may be executed in any number of original counterparts, all of which evidence only one agreement, binding on all parties, even though all parties are not signatory to the same counterpart. Facsimile signatures transmitted via the internet or facsimile may be used in place of original signatures for this Lease and related documents.

25. Tax Exemption.

- (a) Tenant is an organization described in Section 501(c)(3) of the Code, exempt from the payment of federal income taxes under Section 501(a) of the Code, and no revenues derived from its use of any portion of the Premises does or shall constitute "unrelated business income" within the meaning of Section 513(a) of the Code.
- (b) Tenant agrees that, through the Lease Term and any Renewal Terms, it will maintain its existence (i) as a not-for-profit corporation under the laws of Minnesota and (ii) as an organization described in Section 501(c)(3) of the Code.

26. Termination Clause.

To the extent required by Minn. Stat. § 124E.22(a)(3)(ii), in the event the Tenant's authorization to operate a charter school is terminated or non-renewed the Tenant is released from any obligations under this Lease that have not accrued or been performed on or before the effective date of such non-renewal or cancellation upon the closure of the school. In such event, the Tenant agrees: (a) to furnish the Landlord a certified copy of the Tenant's board of directors' action to terminate the charter, or a certified copy of the official letter from the authorizer or commissioner terminating or non-renewing the charter contract; (b) that all of Tenant's rights of occupancy in the Premises will immediately terminate; and (c) that Landlord may pursue all remedies available to Landlord to

recover possession of the Premises. The foregoing shall terminate without further action of the parties and cease to be of effect if it is no longer required by applicable law.

[Signatures on Following Page – The remainder of this page has been intentionally left blank.]

[Signatures to Lease]

LANDLORD:

**LAKES AREA KIDS ENRICHMENT
FOUNDATION,
a Minnesota non-profit corporation**

By: Christine Davis, President

Name: Christine Davis

Title: President

TENANT:

**CROSSLAKE COMMUNITY SCHOOL,
a Minnesota non-profit corporation**

By: *L. Shoemaker*

Name: Lisa Shoemaker

Title: Board Chair

EXHIBIT A TO LEASE

Premises

The South Five Hundred Sixty (560) feet of the North One Thousand One Hundred Sixty (1,160) feet of the West eight Hundred (800) feet of the Northeast Quarter of the Northwest Quarter (NE1/4 NW 1/4), Except the South Forty-Three (43) feet thereof, Section Twenty-One (21), Township One Hundred Thirty-Seven (137), Range Twenty-Seven (27).

Abstract Property

[The remainder of this page has been intentionally left blank]

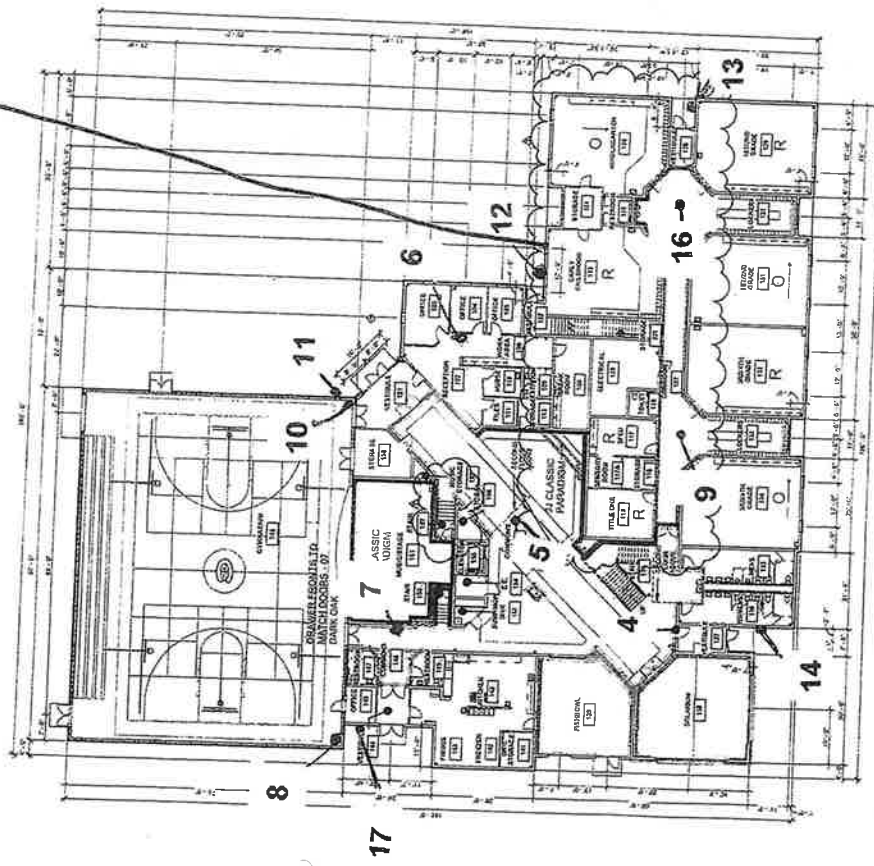
PRE-K.

OCCUPIED M-F
8:30-3:30

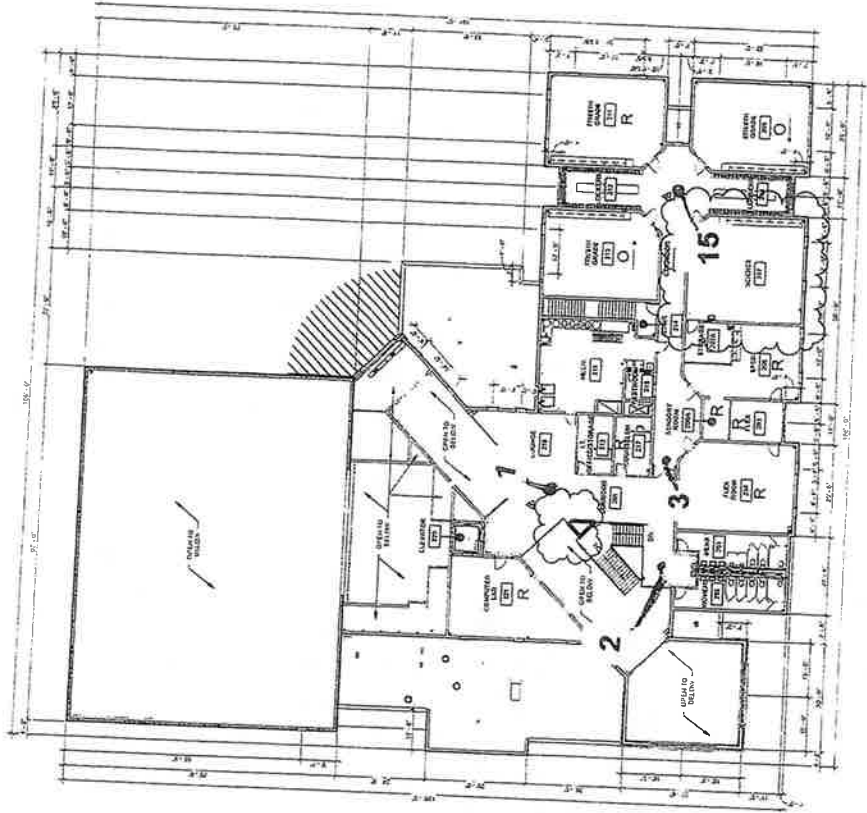
WHEN SCHOOL IS IN SESSION

- SW 8854 PULSATING BLUE
- SW 5767 AQUAMARUM
- SW 8933 CLEAN GREEN
- SW 7855 STAMPED CONCRETE
- SW 1087 CITYSCAPE

GENERAL PLAN NOTES
1. FINISHES ARE TO BE DETERMINED BY THE ARCHITECT.
2. FINISHES ARE TO BE DETERMINED BY THE ARCHITECT.
3. FINISHES ARE TO BE DETERMINED BY THE ARCHITECT.



1 OVERALL FIRST FLOOR PLAN



2 OVERALL SECOND FLOOR PLAN



BRETH-ZENZEN FIRE PROTECTION, LLC
C126

8053 Sterling Drive
St. Joseph, MN 56374
Phone: 320-363-0900
Fax: 320-363-0901

**COVERS THE MINIMUM REQUIREMENTS OF NFPA 25
ANNUAL INSPECTION REPORT**

Bill To: Crosslake School
35808 County Road 66
Crosslake MN 56422

Location: _____

General Information	Yes	No	N/A
Is the building fully sprinkled?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spare head box with heads and wrench securely mounted?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stock/storage a minimum of 18"/36" below sprinkler heads and ceiling tiles in place?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all gauges in good condition & showing normal pressure?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Wet system areas appear to be heated adequately?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
System left in service?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are All sprinkler system control valves & all other valves in the appropriate position?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are system control valves LOCKED / SEALED / TAMPERED? TAMPERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exterior alarms operational?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alarm panel clear?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inspectors test connection(s) ok?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has the building been altered since last inspected?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

General Information	Yes	No	N/A
Sprinklers appear to be free of corrosion, tape, paint & physical damage?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Are all sprinklers less than 50 years old?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sprinklers appear to be of proper temperature rating?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Riser appears to be in good condition & unobstructed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Hydraulic nameplate ok?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pipe appears to be in good conditions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Antifreeze tested & ok?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
FDC & caps ok?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sprinkler system main drain test completed & ok?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dry pipe valves in service & in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Were low points drained?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Are accelerators in good condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
All dry valves trip tested & ok?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Dry pipe valves in heated areas?	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Main Drain & Alarm Test					
System Location					
Static Pressure Before (PSI)	98				
Residual Pressure (PSI)	70				
Static Pressure After (PSI)	96				
Local Alarm ok (Y/N)	Yes				
Flow Time	34				

Standpipe						
Top Floor Gauge						PSI
Class of Service	1	2	3	Yes	No	N/A
System equipped with flow switch?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hose valve free of physical damage?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hose Valve outlets with cap?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Antifreeze Systems						
Location						
Tested at						

Dry Valves		Q.O.D		Q.O.D		Q.O.D
Make	N/A	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
Model						
Water Pressure						
Air Pressure						
Trip Pressure						
Trip Time						
Time to Test Connection						

Was full trip test performed? N/A

Date of last full trip _____

5 Year Inspection completed on: 2020

Comments and Inspection Observations: System operation is satisfactory.

Inspected by B. John

Date 8/25/2022

Customer Signature _____

**BRETH-ZENZEN FIRE PROTECTION, LLC**

8053 Sterling Drive, Suite 101
St. Joseph, MN 56374
Phone: 320-363-0900
Fax: 320-363-0901

BACKFLOW PREVENTER TEST

JOB NAME: Crosslake School

ADDRESS: 35808 Cty Rd 66 Cross Lake MN

LOCATION OF DEVICE: Upper level mechanical room

TYPE OF ASSMBLY: RPZ ☐ DCV ☒ WATER PRESSURE: 96 PSI TEST KIT #: 01171025 SIZE: 2.5

MANUFACTURER: Deringer MODEL: DC SERIAL #: 0457

RELIEF VALVE	CHECK VALVE #2 TEST #1 BACKPRESSURE	CHECK VALVE #1	CHECK VALVE #2 TEST #2 CONFIRMATION
Opened at _____ psi <input type="checkbox"/> Did Not Open	<input type="checkbox"/> Leaked <input type="checkbox"/> Closed Tight	<input type="checkbox"/> Leaked <input checked="" type="checkbox"/> Closed Tight Differential Pressure Across Check Valve 1.8 psi	<input type="checkbox"/> Leaked <input checked="" type="checkbox"/> Closed Tight Differential Pressure Across Check Valve 1.6 psi
<input type="checkbox"/> Cleaned Only Replaced: <input type="checkbox"/> Rubber Kit <input type="checkbox"/> RV Assembly <input type="checkbox"/> Disc <input type="checkbox"/> Diaphragm <input type="checkbox"/> Seat <input type="checkbox"/> Spring <input type="checkbox"/> Guide <input type="checkbox"/> O-Rings <input type="checkbox"/> Other		<input type="checkbox"/> Cleaned Only Replaced: <input type="checkbox"/> Rubber Kit <input type="checkbox"/> RV Assembly <input type="checkbox"/> Disc <input type="checkbox"/> Diaphragm <input type="checkbox"/> Seat <input type="checkbox"/> Spring <input type="checkbox"/> Guide <input type="checkbox"/> O-Rings <input type="checkbox"/> Other	<input type="checkbox"/> Cleaned Only Replaced: <input type="checkbox"/> Rubber Kit <input type="checkbox"/> RV Assembly <input type="checkbox"/> Disc <input type="checkbox"/> Diaphragm <input type="checkbox"/> Seat <input type="checkbox"/> Spring <input type="checkbox"/> Guide <input type="checkbox"/> O-Rings <input type="checkbox"/> Other
Opened at _____ psi	<input type="checkbox"/> Closed Tight	Differential Pressure Across Check Valve _____ psi	Differential Pressure Across Check Valve _____ psi

REMARKS:

I HEREBY CERTIFY THAT THIS DATE IS ACCURATE AND REFLECTS THE PROPER OPERATION AND MAINTENANCE OF THE ASSEMBLY.

TESTER'S NAME: RYAN JOHANNES

CERT #: 32001 DATE: 8/25/2022

**Board Member Certification
For Leases With a NON-PROFIT Lessor**

List the name and address of the Building Owner/Lessor for each lease agreement covered by this certification.

Non-Profit Lessor 1: The Lakes Foundation

Non-Profit Lessor 2: _____

Non-Profit Lessor 3: _____

Non-Profit Lessor 4: _____

Non-Profit Lessor 5: _____

Was the lease with your Building Owner/Lessor entered into or last modified ON or BEFORE August 1, 2009? If Yes, Complete Box A below. If No, Complete Box B.

Box A

CHECK ONLY ONE OF THE FOLLOWING STATEMENTS:

- ☐ I hereby certify I am not an employee or agent of, or a contractor with, or a board member of, the charter school's non-profit lessor(s), listed above as number(s) _____.
- ☐ I hereby certify that I am an employee or agent of, or a contractor with, or a board member of, the charter school's non-profit lessor(s), listed above as number(s) _____, and that I hereby disclose such conflict(s) to the commissioner, as follows: _____.

(Please note that disclosing these conflicts does not necessarily negate any conflicts of interest that may be present under Minnesota's non-profit law, Minnesota Statutes 2021, chapter 317A).

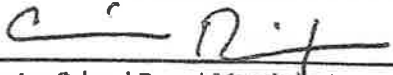
Box B

CHECK ONLY ONE OF THE FOLLOWING STATEMENTS:

- ☒ I hereby certify that neither, I, nor my immediate family member, nor my partner, is an owner, employee or agent of, or a contractor with, the above named lessor(s) (Minn. Stat. 124E.14(a)).
- ☐ I hereby certify that I, or an immediate family member, or my partner, has a financial or other interest in the above-named lessor(s), I have not participated in selecting, awarding or administering the above-named lease agreement(s). (Minn. Stat. 124E.14(a) [2021]).

CHRIS RHINEHART

Print Name of Charter School Board Member


Charter School Board Member Signature

6-15-22
Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

Board Member Certification For Leases With a NON-PROFIT Lessor

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Non-Profit Lessor 3: _____

Non-Profit Lessor 4: _____

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☐

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☐

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Box B

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Karen C. Teff

Print Name of Charter School Board Member

Karen C. Teff

Charter School Board Member Signature

6-13-22

Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

Board Member Certification For Leases With a **NON-PROFIT** Lessor

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Box A

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☐

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Box B

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Josef Garcia

Print Name of Charter School Board Member

[Signature]
Charter School Board Member Signature

09/13/22
Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

**Board Member Certification
For Leases With a NON-PROFIT Lessor**

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Box B

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Jennifer Muller
Print Name of Charter School Board Member

Jennifer Muller
Charter School Board Member Signature

6/13/2022
Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

Board Member Certification
For Leases With a NON-PROFIT Lessor

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Non-Profit Lessor 3: _____

Non-Profit Lessor 4: _____

Non-Profit Lessor 5: _____

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Box A

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Abigail Swenson

Print Name of Charter School Board Member

Abigail Swenson

Charter School Board Member Signature

6/13/22
Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

Board Member Certification For Leases With a NON-PROFIT Lessor

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Non-Profit Lessor 3: _____

Non-Profit Lessor 4: _____

Non-Profit Lessor 5: _____

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Box A

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Box B

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James Griffin

Print Name of Charter School Board Member

James Griffin

Charter School Board Member Signature

6/13/2022

Date

FY 2023 Charter School Lease Aid Certification Form – Part 3

**Board Member Certification
For Leases With a NON-PROFIT Lessor**

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Box B

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Bonda Veit
Print Name of Charter School Board Member

[Signature]
Charter School Board Member Signature

6-13-22
Date

FY 2023 Charter School Lease Aid Certification Form – Part 4

Charter School Assurances

- [1] I assure that Crosslake Community School charter school has looked for facilities that comply with Minnesota Statutes 2021, section 124E.03, subdivision 2(a), and section 124E.13, subdivision 1 (2021).

Name of Landlord The Lake Foundation

Is this landlord a sectarian (religious) organization? (Please check one) Yes ☐ No ☒

If Yes, please complete parts a, b and c below:

- a. Identify any involvement of any of the charter school's directors, administrators, or teachers in the sectarian organization. (Please check one) Yes ☐ No ☐

- b. Identify any telephone or fax numbers, email addresses, employer identification numbers, and employees that the charter school shares with the sectarian organization. (Please check one) Yes ☐ No ☐

- c. Identify and describe any activities by the sectarian organization in support of your school, including, but not limited to, fundraising, student recruitment, promotion, any claimed affiliation with your school and sponsorship of school programs or events. (Please check one) Yes ☐ No ☐

- [2] Crosslake Community School charter school has taken steps to maintain nonsectarian school facilities in compliance with Minnesota Statutes 2021, section 124E.06, subdivision 3(b), such that there are no religious texts, symbols, quotations, or objects displayed in school facilities on school days.

Yes ☒ No ☐

if No, please complete Parts a and b below.

- a. If religious texts or multiple substantive quotations from religious texts are used in any classes or teaching materials other than those appearing as part of survey classes that teach about multiple religions), describe the texts or materials and quotations:

- b. Describe all prayers, calls to prayers, invocations, readings of religious texts, and religious greetings that have been delivered in connection with school activities:

School Name: Crosslake Community Schools
School Year: 2021-2022
Election Date: 11/19/2021
Date Updated: 06/14/22
Term Length: 2 Years
Board Created Date: 1999

Member Name	Board Position	Affiliation	Date Elected	Date Seated	Term End Date	Phone Number	Email Address
Jared Griffin	Chair	Seat-Based Parent/Guardian	11/19/21	1/10/22	12/31/23	712-249-9621	jaredgriffin@crosslakekids.org
Chris Rhinehart	Vice-Chair	Seat-Based Parent/Guardian	11/19/21	1/10/22	12/31/23	331-229-920	christrhinehart@crosslakekids.org
Ronda Veit	Treasurer	Seat-Based Teacher #366031	11/19/21	1/10/22	12/31/23	612-987-7625	rveit@crosslakekids.org
Abigayle Swenson	Secretary	Seat-Based Teacher #5500770	11/19/21	1/10/22	12/31/23	218-330-0277	abigayleswenson@crosslakekids.org
Josef Garcia	Member	Community Member	11/19/21	1/10/22	12/31/23	218-838-8077	josefgarcia@crosslakekids.org
Karen Teff	Member	Online Teacher #332499	11/19/21	1/10/22	12/31/23	218-245-9709	karenteff@crosslakekids.org
Jennifer Muller	Member	Online Teacher #505484	N/A	3/14/22	12/31/22	218-536-9310	jennifermuller@crosslakekids.org
Annette Klang	Ex-Officio	Director of Seat-Based Learning	N/A	N/A	N/A	218-692-5437 ext. 103	annetteklang@crosslakekids.org
Holly Amaya	Ex-Officio	Director of Online Learning	N/A	N/A	N/A	218-537-3623	hollyamaya@crosslakekids.org

*Total Revenues and Expenditures – Funds -01, 02, 04– FY 2023*Charter School Name Crosslake Community School Charter School Number 4059Average Daily Membership (ADM) 400 Pupil Units 450

General Fund 01 - Revenues	Amount	
General Education Aid	3,75,5708	
Title Programs	115,837	
Lease Aid	591,300	
Special Education	790,055	
Other (List) CARES/ARP/CRRSA	113,453	
Other Local Revenue	12,726	
Total General Fund 01 Revenues	5,379,078	
Food Service Fund 02 Revenues	Amount	
Federal Revenues	101,272	
State Revenues	2,169	
Ala Carte/Other	13,516	
Total Food Service Fund 02 Revenues	116,957	
Community Service Fund 04 - Revenues	Amount	
Pre-K Fees	29,250	
Summer Camp Fees		
Other Programs	63,115	
Total Community Service Fund 04 - Revenues	92,365	

General Fund 01 - Expenditures		Amount	Full-Time Equivalent (FTE)
Administrative Salary and Benefits		415,508	7.0
Instructional Salary and Benefits		3,025,194	60.7
Non-Instructional Salary and Benefits		90,824	2.0
Custodial/Maintenance Salary and Benefits		59,207	2.0
Other Salary and Benefits		0	
Utilities		50,000	
Property Taxes		0	
Building Maintenance and Repair		4,500	
Building Lease		657,000	
Transportation		253,072	
All Other Purchased Services		354,162	
Supplies and Materials		401,421	
Capital Expenditures		0	
All Other Expenditures		68,190	
Total General Fund 01 Expenditures		5,379,078	
Food Service Fund 02 Expenditures			
Salaries		62,585	
Benefits		9,667	
Contracted Services/Other		44,705	
Total Food Service Fund 02 Expenditures		116,957	
Community Service Fund 04 Expenditures			
Salaries		71,533	
Benefits		18,247	
Contracted Services/Other Expenses		2,585	
Total Community Service Fund 04 Expenditures		92,365	
	Fund 01	Fund 02	Fund 04
Total Revenues less Expenses	0	0	0
Beginning Fund Balance	1,303,544	0	0
Ending Fund Balance	1,303,544		

Charter School Name Crosslake Community School Charter School Number 4059-07

Building and General Lease Information

- ☒ Cover letter addressed to MDE formally requesting lease aid for FY 2023.
- ☒ FY 2023 Charter School Lease Aid Application Form – Part 1 (Pages 6-7 attached).
- ☒ FY 2023 Charter School Lease Aid Application Form – Part 2 for each address where students are served (Pages 8-9 attached).
- ☒ Lease – A copy of the lease agreement including all attachments and/or addenda and signed by both the lessor and the lessee. **Any new lease or any amendment to an existing lease, executed on or after May 18, 2014, must contain a sum certain annual cost and a closure clause as defined in Minnesota Statutes 2021, section 124E.22.**
- ☒ A Fire Inspection Report from the Minnesota State Fire Marshal or its local designee within the last three years. The report must show that any outstanding violations discovered during the initial inspection have been remedied.
- ☒ Prekindergarten programs clearly identified by the space used, square footage, and time usage.
- ☐ Sublease agreement(s) – A copy of the sublease agreement(s) including all attachments and/or addenda and signed by both the lessor and lessee. Subleased space is clearly identified by the space used, square footage, and time usage.

New Charter Schools or Charter Schools with New or Expanded Facilities Only

- ☐ Construction – Type of construction (brick, wood frame, etc.) and age of the building.
- ☐ Photos – Interior and exterior photos of the leased facility. **Please do not include photos that contain people, as their identity has to be redacted in case of a public data request.**
- ☐ Schematic and Space Configuration – Include a schematic of the building and identify the leased space and the programmatic use of each space. Indicate the square footage of each space.
- ☐ Certificate of Occupancy (Group E) – A copy of the certificate as issued by the local building official. The certificate **must** show the building is a Group E classification. There can be instances where the Certificate of Occupancy will have a Group E classification for the educational space and a Group A classification for the auditorium or gym space.
- ☐ Emergency Action Plan – A plan meeting the Department of Public Safety's criteria for evacuation of the facility in an emergency.

Board Information

- ☒ Listing of current board members, including their term start and end dates and their relationship to the school (i.e., parent, staff, non-parent community member, or ex-officio).
- ☒ FY 2023 Charter School Lease Aid Certification Form – Part 3 for each board member (Pages 10-11 attached).
- ☐ Schools with an Affiliated Nonprofit Building Corporation (ABC) must submit a list of ABC board members.
- ☒ FY 2023 Charter School Lease Aid Certification – Part 4 (Pages 12-13 attached).

Financial Information

- ☒ General Fund/Food Service Fund/Community Service Fund Budgets – FY 2023 Attachment A (Page 14 and 15 attached) – An operating budget with detailed revenue and expense items such that the lease cost and revenue are readily identifiable. The budget submission must also include staff Full-Time Equivalent (FTE) as well as student Average Daily Membership (ADM) and pupil units. Schools may submit budgets in a different format, but must also complete and submit Attachment A.

Kelly Bittner, Human Resources/Business Manager

Name and Position of Person Preparing Form

Kelly Bittner

Signature of Person Preparing Form

Digitally signed by Kelly Bittner
Date: 2022.07.14 11:16:03 -05'00'

7/14/22

Date

Lease Aid

The Minnesota Department of Education (MDE) Division of School Finance has received many questions about the timing of lease aid payments. The payment system does not pay each categorical aid (general education, special education and lease aid) equally with each payment. Since lease aid is part of the metering system, this means that the total amount of cash received each pay period is based on all metered payments, no matter from what program you are receiving the payment. If the charter school did not have lease aid, its total payment would be smaller. By June 30, 2023, MDE will have paid 90% of each program's FY 2023 state aid entitlement. See "amount payable, current account" column on the IDEAS State Aids Combined Payment report found on the [Minnesota Funding Reports \(MFR\)](#) section of the MDE website. The balance of 10% of final FY 2023 state aid entitlements will be paid in early FY 2024.

The bottom line is that schools are receiving total payments which reflect entitlements, including lease aid; however, each payment is not specifically categorized as lease aid on an equal basis. Again, some future payments will reflect lease aid categorical payments and by year end, 90% of the estimated lease aid entitlement will be paid out.

If the charter school's Current Account Part 1 page of the IDEAS State Aids Combined Payment report shows no entitlement for lease aid, that means a lease aid application for the current year has not been approved; contact the [Lease Aid Review Team](#). For further information regarding the payment process, please contact [Tracy Gann-Olehy](#) (651-582-8318).

Minnesota Statutes Governing Charter School Lease Aid

The sections of Minnesota Statutes cited below govern the Minnesota Department of Education's administration of charter school lease aid. All charter school building leases and lease aid applications will be reviewed for compliance with these statutory requirements. Compliance with these items is not an assurance other legal requirements may apply.

1. Minnesota Statutes 2021, section 124E.22

Building lease aid.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional purposes and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid for this purpose. The commissioner must review and either approve or deny a lease aid application using the following criteria:

(1) the reasonableness of the price based on current market values;

(2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed; the closure clause must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

(b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

(c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90% of the approved cost or (2) the product of the pupil units served for the current school year times \$1,314.

(d) A charter school's building lease aid pupil units equals the sum of the charter school pupil units under section 126C.05 and the pupil units for the portion of the day that the charter school's enrolled students are participating in the Postsecondary Enrollment Options Act under section 124D.09 and not otherwise included in the pupil count under section 126C.05.

2. Minnesota Statutes 2021, section 124E.07, subdivision 3(b)(c)(d) and section 124E.14 (a)(b) and (c)

Section 124E.07, subdivision 3. Membership.

(b) An individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.

(c) A violation of paragraph (b) renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates paragraph (b) is individually liable to the charter school for any damage caused by the violation.

- (d) Any employee, agent, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.

Section 124E.14. Conflicts of Interest.

- (a) No member of the board of directors, employee, officer, or agent of a charter school shall participate in selecting, awarding, or administering a contract if a conflict of interest exists. A conflict exists when:
- (1) the board member, employee, officer, or agent;
 - (2) the immediate family of the board member, employee, officer, or agent;
 - (3) the partner of the board member, employee, officer, or agent; or
 - (4) an organization that employs, or is about to employ any individual in clauses (1) to (3), has a financial or other interest in the entity with which the charter school is contracting. A violation of this prohibition renders the contract void.
- (b) The conflict of interest provisions under this section do not apply to compensation paid to a teacher employed as a teacher by the charter school or a teacher who provides instructional services to the charter school through a cooperative formed under chapter 308A when the teacher also serves on the charter school board of directors.
- (c) A charter school board member, employee, or officer is a local official for purposes of section 471.895 with regard to receipt of gifts as defined under section 10A.071, subdivision 1, paragraph (b). A board member, employee, or officer must not receive compensation from a group health insurance provider.

3. Minnesota Statutes 2021, section 124E.03, subdivision 2, states, in part:

Subdivision 2. General federal, state, and local requirements.

- (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts....

Note: A partial listing of such requirements is provided for your information in the Health and Safety Partial Listing of State, Local and Federal laws. To ensure that students, staff, parents and guests across the state have safe and appropriate public school buildings, the Minnesota Department of Education charter school lease aid eligibility criteria require that the leased facility must be:

Inspected as a public school and be certified by the state or local building official for Educational Group E occupancy;

- Inspected by the State Fire Marshal or by a designee approved by the State Fire Marshal's office to inspect public schools. Any violations found in the initial inspection must be remedied within the prescribed timeframes as indicated on the inspection report.

4. Minnesota Statutes 2021, section 124E.13, subdivisions 1 and 3

Subdivision 1. Leased space.

A charter school may lease space from: an independent or special school board, other public organization, private, nonprofit, nonsectarian organization; private property owner; or a sectarian organization if the leased space is constructed as a school facility. The commissioner must review and approve or disapprove leases in a timely manner for purposes of determining eligibility for lease aid under section 124E.22.

Subdivision 3. **Affiliated nonprofit building corporation.**

- (a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. A charter school may organize an affiliated nonprofit building corporation if the charter school:
 - (i) has operated for at least six consecutive years;
 - (ii) as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;
 - (iii) has long-range strategic and financial plans that include enrollment projections for at least five years;
 - (iv) completes a feasibility study of facility options that outlines the benefits and costs of each option; and
 - (v) has a plan that describes project parameters and budget.
- (b) An affiliated nonprofit building corporation under this subdivision must:
 - (1) be incorporated under section 317A;
 - (2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;
 - (3) post on the school Web site the name, mailing address, bylaws, minutes of board meetings, and names of the current board of directors of the affiliated nonprofit building corporation;
 - (4) submit to the commissioner a copy of its annual audit by December 31 of each year; and
 - (5) comply with government data practices law under chapter 13.
- (c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.
- (d) The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer must oversee the efforts of the board of directors of the charter school to ensure legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must consider that failure when evaluating the charter school.

5. Minnesota Statutes 2021, section 124E.13, subdivision 2 (a)(b) and (c)

Subdivision 2. **Related party lease costs.**

- (a) A charter school must not enter into a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under Minnesota Statute 2021, section 124E.22, paragraph (a) clause (1).
- (b) A related party permitted to enter into a lease under paragraph (a) must include the following statement in the lease: "This lease is subject to Minnesota Statute 2021, section 124E.13, subdivision 2."
- (c) If a charter school leases space from a related party and the charter school subsequently closes, the commissioner has the right to recover from the related party any lease payments in excess of those that are reasonable under Minnesota Statute 2021, section 124E.22, paragraph (a), clause 1.

For purposes of this section and section 124E.02 paragraph (b)

- (1) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under Minnesota Statute 2021, section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.
- (2) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;
- (3) "Control" means the ability to affect the management, operations, or policy actions or decisions of person, whether by owning voting securities, by contract, or otherwise.
- (4) "Immediate family" means an individual whose relationship by blood, marriage, adoption or partnership is no more remote than first cousin.
- (5) "Person" means an individual or entity of any kind.
- (6) "Related party" means an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party.
- (7) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Health and Safety Partial Listing of State, Local and Federal Laws

Long-Term Facilities Maintenance (LTFM) – when the 2022 guide is released later this spring it will be based on 2021 Minnesota Statutes. Should legislation be passed in the next few months that affect this program, revisions to the guide after it is completed may need to be published and communicated to districts.

Long-Term Facilities Maintenance (LTFM) Revenue subdivision references for charter schools. According to Minnesota Statutes 2021, section 123B.595, subdivisions 2 (c), and 10 (b), charter schools currently receive \$132 times the adjusted pupil units (fiscal year 2019 and later), and may use LTFM revenue for any purpose related to the school.

Subdivision 2. Long-term facilities maintenance revenue for a charter school.

- (c) For fiscal year 2019 and later, long-term facilities maintenance revenue for a charter school equals \$132 times the adjusted pupil units.

Subdivision 10. Allowed uses for long-term facilities maintenance revenue.

- (b) A charter school may use revenue under this section for any purpose related to the school.

Partial Listing of State, Local and Federal Health and Safety Laws

Note: This list is provided for information only and contains some, but not all federal, state and local health and safety laws. Compliance with the items listed does not fully guarantee that a school has met all federal, state and local health and safety laws as required under Minnesota Statutes 2021, section 124E.03, subdivision 2(a).

Asbestos

- Develop and implement an Asbestos Hazard Emergency Response Act (AHERA) written management plan encompassing [40 Code of Federal Regulation \(CFR\) part 763, subpart E](#) – Asbestos-Containing Building Materials in Schools (ACBM).
- Identify current designated person; ensure designated person is AHERA trained.
- If the designated person is not a district employee, identify local contact person representing school.
- Review and update existing asbestos management plan.
- Develop and disseminate annual written notification.
- Local educational agency (LEA) shall ensure that members of its maintenance and custodial staff (custodians, electricians, heating/air conditioning engineers, plumbers, etc.) who may work in a building that contains Asbestos-Containing Building Material receive awareness training of at least two hours.
- LEA shall ensure all members of its maintenance and custodial staff who conduct any activities that will result in the disturbance of ACBM shall receive 16-hours of Operations and Maintenance (O&M) Training (comprised of 2 hours of Awareness Training and 14 hours of Special O&M Training) which is required to be performed at no cost for employees who perform housekeeping operations in an area that contains ACM (asbestos containing materials) or PACM (presumed asbestos containing materials).
- Establish a general work order system and asbestos work order system.
- Establish work practice standard operating procedures.

- Establish emergency response procedures.
- Establish respiratory protection program component for asbestos.
- Provide six-month periodic surveillance of asbestos.
- Maintain and update the asbestos inventories.
- Maintain all records of asbestos events, per the Occupational Safety and Health Administration (OSHA).
- Establish and implement medical monitoring and surveillance program.
- Schedule response action implementation.
- Provide liaison with project designer for projects which exceed three feet.
- Provide and post hazardous warning labels in routine maintenance areas.
- Provide two-hour annual asbestos awareness training, necessary for all maintenance/custodial persons.
- Perform three-year re-inspections.
- Review program and obtain school board approval at least annually.

Accident and Injury Reduction Program: Model AWAIR Program for Minnesota Schools

- Develop and implement a written management plan for accident and injury reduction – for questions about a new [Workplace Accident and Injury Reduction \(AWAIR\) Program](https://www.dli.mn.gov/business/workplace-safety-and-health/mnosha-compliance-awair-program), contact 651-284-5005 or 800-342-5354 (<https://www.dli.mn.gov/business/workplace-safety-and-health/mnosha-compliance-awair-program>)
- Develop procedures that outline how managers, supervisors and employees are responsible for implementing the written program and how continued participation of management will be established, measured, and maintained.
- Identify school district contact person(s) for accident and injury reduction program.
- Review written plan as needed, and update (at least annually).
- Develop and implement a written plan for OSHA-mandated safety committees, as required by [Minnesota Statutes 2021, section 182.676](#). Information on the requirements for organizing a safety committee and the committee's duties can be found in [Minnesota Rules, chapter 5208.0010 \[2021\]](#).
- Conduct safety committee meetings, at least quarterly, to identify and eliminate workplace safety hazards.
- Develop and document methods used to identify, analyze, and control new or existing hazards.
- Identify and document methods of how the plan will be communicated to all affected employees so that they are informed of work-related hazards and controls. Develop and document procedures for investigation of workplace accidents and corrective action.
- Develop and document procedures that outline how safe work practices and rules will be enforced.
- Review program and obtain school board approval at least annually.

Bloodborne Pathogen Standard – Exposure Control Plan

- Develop and implement a bloodborne pathogen exposure control plan encompassing [OSHA standard 29 CFR 1910.1030](#).
- Identify school district contact person(s) as the exposure control officer(s).
- Review written plan, as needed, and update (at least annually).
- Survey the facility to identify job categories in which employees may be at risk to exposure (Exposure Control Plan exposure determination). **Document this process.**
- Provide Hepatitis B vaccinations to **eligible** employees that have an anticipated risk of exposure, not all school employees.
- Train affected employees on proper specific and universal precaution methods and techniques.

- Determine valid exposure incidents. Record and report on First Report of Injury for proper insurance treatment and as required by OSHA recordkeeping.
- Evaluate bloodborne pathogen recordkeeping products and procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.
- For employees identified because they are first-aid responders, ensure these individuals are provided first-aid training (Red Cross training recommended).
- Develop and implement program to provide exposure control kits (e.g., gloves, masks, gowns).
- Pre- or post-exposure evaluation is an approved expenditure to the extent of determining if a person is or is not infected, and the type of the disease(s) (e.g., Human Immunodeficiency Virus (HIV), Hepatitis B Virus (HBV) and Hepatitis C Virus (HCV)).

Community Right-to-Know (CRTK)

- Develop and implement a written management plan for Community Right to Know (CRTK). [Minnesota Emergency Planning and Community Right-To-Know Act \(EPCRA\)](#), phone: 651-201-7417. (<https://dps.mn.gov/divisions/hsem/epcra>)
- Identify school district contact person(s) for community right-to-know.
- Review written plan, as needed, and update at least annually.
- Survey facility for hazardous materials in reportable quantities.
- Develop and maintain hazardous materials collection and storage procedures.
- Review invoices of CRTK-reportable materials for quantity verification.
- Initiate in-house reporting procedure(s).
- Prepare notification correspondence/reports to state emergency response commission and local emergency planning committee (frequently the district's local fire department).
- Train affected employees. Provide annual training.
- Develop and implement CRTK recordkeeping procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations (i.e., Minnesota Emergency Response Commission).
- Provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Compressed Gas

- Develop a written compressed gas plan encompassing [OSHA standard 29 CFR 1910.101](#) – Compressed Gases general requirements.
- Identify school district contact person(s) for compressed gas.
- Review written plan, as needed, and update at least annually.
- Survey the facility to determine compressed gas applications.
- Review current compressed gas safety procedures.
- Identify compressed gas toxic and physical hazards.
- Evaluate compressed gas application to determine if confined space rules apply.
- Determine need for metering equipment/supplies (i.e., Carbon Monoxide (CO), Carbon Dioxide (CO₂), Oxygen (O₂), Sulphur Dioxide (SO₂) and Hydrogen Sulfide (H₂S)).
- Train affected employees on proper compressed gas methods and techniques.
- Monitor compressed gas recordkeeping procedures.

- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Confined Space Standard

- Develop and implement a written management plan for confined spaces encompassing the OSHA standard 29 CFR 1910.146.
- Identify school district contact person(s) for confined spaces.
- Review written plan, as needed, and update at least annually.
- Identify confined space entry hazards. Survey the facility to determine all permit and non-permit confined spaces.
- Review current Confined Space Entry Procedures (CSEP).
 Confined Space Description – A confined space is an enclosed area with limited space and accessibility. An example is the interior of a storage tank, which may be occasionally entered by workers for maintenance but is otherwise not a habitable space.
 CSEP considerations:
 - 1) Identify confined spaces in the workplace
 - 2) Identify hazards in those confined spaces
 - 3) Take steps to address identified hazards
 - 4) Have a rescue plan for confined space emergencies
- Procure and use proper ventilation, communication, personal protective and gas testing equipment, as needed.
- Train affected employees on proper Confined Space Entry methods and techniques.
- Develop and maintain confined spaces recordkeeping procedures.
- Evaluate confined space recordkeeping products and procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Electrical Safety Requirements – (OSHA 29 CFR 1910.301-308 and 1910.331-335)

Many incidents of electric shock occur in schools each year.

- Written plan.
- Contact person.
- Provide training to employees.
- Select and use safe work practices.
- Determine safe use of equipment.
- Provide for protective equipment (contact OSHA for more information).
- Provide training to employees.
- Recordkeeping.
- Annual review.

Emergency Action Plan

- Develop and implement written management plans for each school for each type of emergency: fire, hazardous materials incident, utility disaster and natural disaster. Violence prevention planning **is not** supported under Long-Term Facilities Maintenance (LTFM) revenue, per Minnesota Statutes 2021, section 123B.595, subd. 11 (pending as of 3-9-22 for 93rd Legislative Session, 2021-22).
- Identify school district contact person(s) for each emergency plan.
- Survey the facility to determine the facility's ability to provide safe egress or safe shelter.
- Develop emergency action plan procedures and routes per OSHA standard 29 CFR 1910.38.
- Post evacuation or shelter routes and locations, in each classroom, office or assembly area.
- Route(s) should be shown drawn on 8 x 11 scale building map, preferably color-coded.
- Train affected employees.
- Review written plan, as needed, and update at least annually.
- Develop and implement written recordkeeping procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Cooperation with local government authorities to ensure the preparation of plans for the protection of students in an emergency. These plans should include sheltering students in schools, or evacuating them to their homes, as well as using the schools as congregate care centers in support of emergency operations. (Minnesota Governor's Executive Order 19-22 which rescinded Executive Order 15-13.)
- Review program and obtain school board approval at least annually.

Employee Right-to-Know – Hazard Communication (HazCom)

- Develop and implement a written management plan for Minnesota Employee Right-to-Know (ERTK), in compliance with OSHA 29 CFR 1910.1200, and Minnesota Rules, chapter 5206.0700 – the requirements to provide training programs to employees concerning hazardous substances, harmful physical agents, and infectious agents.
- Minnesota has adopted the revised HazCom standard enforced by the Homeland Security and Emergency Management (HSEM) June 1, 2017.
- Identify school district contact person(s) for ERTK.
- Review written plan, as needed, and update at least annually.
- Identify hazard communications functional areas (e.g., kitchen, shops, art, science labs and maintenance).
- Survey the facility to identify chemical, heat, noise, radiation and infectious agents' hazards. Review at least annually.
- Safety Data Sheet (SDS) acquisition, compilation and distribution. Ideally, SDS would be available in each affected department. Global harmonizing system labeling compliance effective June 1, 2015 (Material Safety Data Sheets (MSDS) replaced with Safety Data Sheets (SDS) – formatted documents).
- Perform chemical inventory. Update at least annually. Ideally, chemical inventory would be available with SDSs in each affected department.
- Monitor use and markings on secondary-use containers.
- Minnesota law requires employers to display five state-mandated posters in a location where employees can easily see them. The posters are available at no cost and need to be updated only when Minnesota law changes. Ensure placement of ERTK or Globally Harmonized System (GHS) posters.
- Review and update current ERTK standard operating procedures.
- Perform initial and annual functional area training.
- Provide all recordkeeping activities and procedures.

- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

First Aid/CPR/AED (Cardiopulmonary Resuscitation/Automatic External Defibrillator)

- Develop and implement a written management plan for First Aid/CPR/AED.
- Identify school district contact person(s) for First Aid/CPR/AED.
- Determine time for arrival of first aid providers (outside and in-house). See [OSHA Publication 3317 \(2006\) – Fundamentals of a Workplace First-Aid Program](#) and the [OSHA First Aid standard 29 CFR 1910.151](#).
- Review written plan, as needed, and update at least annually.
- Survey facility for First Aid/CPR/AED needs.
- Provide First Aid/CPR/AED training as required.
- Develop and implement program to provide emergency first-aid kits and AEDs.
- Review program and obtain school board approval at least annually.

Food Safety Inspection Certification

- Develop policies and procedures to support the Minnesota Food Code rule.
- Identify school district contact person (certified food manager) who demonstrates knowledge of the Minnesota Food Code.
- Review updates on regulatory standards and reporting requirements.
- Identify critical areas and use a systems approach with Hazardous Analysis Critical Control Points (HACCP). See [HACCP Principles & Application Guidelines](#).
- Respond to regulatory agency correspondence.
- Provide annual training.
- Review program and obtain school board approval at least annually.

Forklift Safety 29 CFR 1910.178

- Develop and implement a written plan.
- Identify contact person.
- Maintain inventory of forklifts.
- Identify employees who operate forklifts and provide required training.
- Ensure safe changing and charging battery procedures for electric forklifts ([OSHA 29 CFR 1910.178](#)).
- Conduct quarterly carbon monoxide monitoring ([Minn. Rules, chapter 5205.0116 \[2021\]](#)) in space and annual tailpipe emissions for non- battery operated forklifts.
- Inspect forklifts and provide for all safety equipment required.
- Propane tanks can stay on the forklift units as long as they are being used in a warehouse area. If propane tanks are used on machines in school buildings, the tanks must be removed.

Hazardous Waste

- Develop and implement a written management plan for hazardous waste. These are defined as wastes, which are toxic, combustible, corrosive or reactive.
- Identify school district contact person(s) for hazardous waste.
- Review written plan, as needed, and update at least annually.

- Identify facility hazardous waste streams by functional areas and by waste stream types.
- Examine facility hazardous waste product generation potential.
- Identify actions that minimize or eliminate hazardous waste generation.
- Develop containerization and labeling procedures.
- Review current handling and storage procedures.
- Implement proper waste disposal procedures. Complete disposal manifests.
- Acquire Environmental Protection Agency (EPA) generator number and Minnesota Pollution Control Agency (MPCA) annual permit for each building generating hazardous waste.
- Train affected employees. Provide annual training according to Very Small Quantity Generator (VSQG) or Small Quantity Generator (SQG) criteria.
- Monitor or provide updates on regulatory changes and new developments. Review updates on regulatory standards, reporting requirements and new developments.
- Develop and implement written recordkeeping procedures and maintain all compliance documentation.
- Evaluate boiler and other stack emissions to air with respect to current MPCA stack emissions standards.
- Review program and obtain school board approval at least annually.

Hearing Conservation

- Develop and implement a written management plan for hearing conservation per [OSHA 29 CFR 1910.95](#).
- Identify school district contact person(s) for hearing conservation.
- Review written plan, as needed, and update at least annually.
- Identify hearing conservation hazards. Survey the facility to determine all noise hazards.
- Develop, implement and monitor good hearing conservation practices and procedures.
- Train affected employees on proper hearing conservation methods and techniques.
- Provide initial and annual audiometric testing for employees with an eight-hour, time-weighted average exposure of 85 dB (85 decibels) or more.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Hoist Lift and Jacks

- See [Minnesota Rules 2021, chapter 5205.1200](#)
- Develop and implement a written plan.
- Identify contact person.
- Maintain inventory of hoists (rated 1-ton or less), jacks and manlifts (e.g. Genie lift).
- Inspect and document inspection on listed equipment initially for compliance with the regulation.
- Conduct required inspections (depending on use).
- Ensure safety latches are provided on all hoist hooks used on hoist.
- Provide training to employees.
- Recordkeeping.
- Collect annual review.

Indoor Air Quality (IAQ)

- Develop and implement a written management IAQ, encompassing the [United States \(U.S.\) EPA Tools for Schools](#). Also see Minnesota Department of Health (MDH) [“Indoor Air Quality \(IAQ\) in Schools”](#) webpage.
- Identify school district IAQ coordinator for indoor air quality.
- Survey, identify and document situations and work practices that require indoor air quality remediation.
- Training of employees and building occupants toward optimum indoor air quality.
- Develop, document and monitor plan compliance with recordkeeping procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Infectious Waste (exclusive of Bloodborne Pathogens, if any)

- Develop and implement a written management plans for infectious waste, if any (note: blood or other potentially infectious materials are covered under Bloodborne Pathogen).
- Identify school district contact person(s) for infectious waste management.
- Identify sources of infectious waste in each facility.
- Review current infectious waste handling procedures.
- Review current internal traffic procedures.
- Review current external transportation/disposal of infectious waste.
- Evaluate current infectious waste recordkeeping products and procedures (including archiving).
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Provide updates on regulatory changes and new developments.
- Provide annual training.
- Review program and obtain school board approval at least annually.

Integrated Pest Management (IPM) Parental Notification

- See [Minnesota Statutes 2021, section 121A.30](#)
- **Integrated Pest Management Definition.** A pest control that emphasizes using a balanced combination of tactics (cultural, mechanical, biological, chemical) to reduce pests to tolerable levels while using pesticides as a last resort to minimize health and environmental risks.
- **Notice.** Requires that a public or non-public school (excluding home schools) planning to apply a pesticide that is a toxic category I, II or III product, classified by U.S. EPA, or a restricted-use pesticide, as designated by federal law, on school property, must provide a notice to parents and employees that they applied such pesticides.
- **School Handbook or Statement of Policies.** In addition to the notice described above, a school that is required to provide a notice shall include in the official school handbook or policy guide a section informing parents that an estimated schedule of applications of pesticides is available for review or copying. A parent may also receive prior notice of each application if requested.
- **Notification for Individual Parents.** Allows a parent to request individual notice of pesticide application on a day different from the days specified in the notice. Prior to applying pesticides, a school must give reasonable notice to a parent requesting such notice.
- **Integrated Pest Management Plan.** Permits each school board to notify students, parents and employees that it has adopted an integrated pest management plan designed to minimize the risk to human health and the environment to reduce the use of chemical pesticides.

- **Pesticides and Pests Defined.** “Pesticide” has the meaning given it in [Minnesota Statutes 2021, section 18B.01, subd. 18](#), except that it does not include any disinfectants, sanitizers, deodorizers, or antimicrobial agents used for general cleaning purposes. “Pest” has the meaning given it in Minnesota Statutes, section 18B.01, subdivision 17 (see link above).

Laboratory Safety Standard – Chemical Hygiene Plan (mandatory where science labs exist)

- Develop and implement a Chemical Hygiene Plan (CHP) for all laboratories, per [OSHA Laboratory Safety Standard, 29 CFR 1910.1450](#).
- Identify school district chemical hygiene officer to administer the plan (mandatory).
- Review written plan, as needed, and update at least annually.
- Develop chemical inventory and update annually.
- Survey labs to identify potential chemical exposure hazards.
- Review current Chemical Hygiene Plan standard operating procedures.
- Evaluate chemicals against lab projects for necessary acquisition and quantities. Consider disposal of non-essential chemicals. ([School Science Lab Safety Checklist](#)).
- Develop and document routine chemical handling, bulk dispensing procedures, storage and disposal procedures.
- Evaluate engineering controls (e.g., ventilation, chemical storage).
- Train affected employees on proper Chemical Hygiene Plan methods and techniques.
- Develop and document laboratory safety recordkeeping procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Complete fume hood/exhaust ventilation testing annually. Post results on hood.
- Review program and obtain school board approval at least annually.

Lead in School Drinking Water

- See [Minnesota Statutes 2021, section 121A.335](#) – Lead in School Drinking Water
- Identify school district contact person(s) for lead in drinking water.
- Train affected employees.
- Implement the Minnesota Department of Health (MDH) and Minnesota Department of Education (MDE) *Reducing Lead in Drinking Water – A Technical Guidance and Model Plan for Minnesota’s Public Schools* or adopt an alternative plan ([Minn. Stat. 121A.335, subd. 2 \[2021\]](#)). See also: the Long-Term Facilities Maintenance ([LTFM](#)) [webpage](#), bottom right column “Related Offsite Resources” for MDH and MDE “Lead in Water Testing” guidance.
- If an alternate plan is developed locally, review written plan, as needed, and update at least annually.
- Survey each facility to determine the facility’s drinking water taps and fixtures. Note: Actual testing shall be identified as a separate project.
- Conduct water sampling as provided for under MDH, MDE and U.S. EPA rules and guidelines.
- Ensure replacement faucets and hardware meet current National Sanitation Foundation (NSF) lead-free criteria. Note: **Lead remediation is mandatory if the test conducted under subdivision 3, paragraph (a) ([Minn. Stat. 121A.335 \[2021\]](#)) reveals the presence of lead above a level where action should be taken as set by the guidance.** If faucets and hardware are replaced, LTFM revenue may be used for this purpose.
- Review updates on regulatory standards, reporting requirements and new developments.
- Maintain all compliance documentation.

- Provide all recordkeeping activities.

Lockout/Tagout

- Develop and implement a written management plan for lockout/tagout, encompassing OSHA standard 29 CFR 1910.147.
- Identify school district contact person(s) for lockout/tagout.
- Review written plan, as needed, and update at least annually.
- Survey the facility to identify energy potential physical hazards that require lockout/tagout.
- Review current lockout/tagout procedures.
- Conduct annual periodic inspection of lockout/tagout procedures.
- Train affected employees on proper lockout/tagout methods and techniques.
- Identify and procure lockout/tagout locks, tags and other devices.
- Evaluate lockout/tagout recordkeeping products and procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Machine Guarding

- Identify machine guarding contact person by name.
- Develop a written machine-guarding (shop) plan for each area where fixed machines are used.
- Safeguard shop equipment per machine shop and guarding best practices manual. Shop equipment not safeguarded should be scheduled for proper safeguarding or be replaced.
- Maintain a written preventative maintenance program to machine guarding in proper repair and order developed.
- Provide power outage protection for all required equipment.
- Provide emergency stops for all required equipment.
- Provide proper guards for all equipment.
- Require safe work practice placards for all equipment.
- Used good bid specification criteria for procurement of all future equipment.
- Provide non-slip surface by each piece of equipment.
- Secure fixed equipment to prevent walking or moving.
- Keep a log each of shop or area of employee and student accidents and injuries so that shop improvements can be determined. Corrective action as needed based on accident reports and near misses should be taken.
- Review the program with school board annually.

Mercury

Certain Mercury Use in Schools Prohibited.

Minnesota Statutes 2021, section 121A.33, states that after December 31, 2007, schools (school as defined in Minn. Stat. 120A.22, subd. 4 [2021]), excluding home schools, shall not:

1. purchase or use elemental mercury for any purpose; and,
2. purchase or use an instrument of measurement that contains mercury, including, but not limited to, a thermometer, barometer, or sphygmomanometer, or a manometer containing mercury.

After December 31, 2009, a school shall not:

3. store elemental mercury for any purpose; and,
4. store an instrument of measurement that contains mercury, including, but not limited to, a thermometer, barometer, sphygmomanometer, or a manometer containing mercury.

This does not apply to thermostats for heating, ventilation, and air conditioning in the school.

OSHA Inspections

- Participate in OSHA review of facility and provide management activity for programs.
- Participate in MDE management assistance mock-OSHA review of facility and management programs. District response to this report is required.
- Work with third-party inspectors such as insurance groups.
- View General Industry OSHA standards (<http://www.osha.gov/>). Choose **"STANDARDS"** button for laws and regulations.

Personal Protection Equipment (PPE)

- Develop and implement written personal protective equipment plan, in compliance with OSHA 29 CFR 1910.132-138. Specific organs targeted for protection are hands, feet and face.
- Identify school district contact person(s).
- Review written plan, as needed, and update (at least annually).
- District must survey the facility to identify unsafe, hazardous processes to hands, feet and face, per standards.
- Provide a written hazard assessment signed, dated, and specifying location of workplace evaluated. Conduct hazard assessments for any new tasks/programs.
- Perform initial and annual functional area training.
- Provide personal protective equipment as deemed appropriate for the identified hazards.
- Monitor usage, storage and maintenance practices of employees to ensure adequacy of program.
- Provide all recordkeeping activities and procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Review program and obtain school board approval at least annually.

Playground Safety

- Develop and implement written management plans for each playground.
- Identify school district contact person(s) for each playground.
- Conduct periodic site review and management plan and update at least annually.
- Present program review to school board at least annually.
- Conduct audit of district outdoor playground facilities for purpose of identifying equipment and site-related hazards referenced in the Consumer Products Safety Commission's (CSPC) current guidelines. See the Consumer Product Safety Commission website (<http://www.cpsc.gov>). Also, see ASTM F1487 "Standard Consumer Safety Performance Specification for Playground Equipment for Public Use."
- Maintain records of all corrective action to correct or abate hazards noted on playground equipment audits.
- Develop, implement and maintain equipment maintenance checklists.
- Review updates on regulatory, guidance standards and new developments.

- Review program and obtain school board approval at least annually.

Radon

- See [Minnesota Statutes 2021, section 123B.571](#)
- Currently radon testing and mitigation is not mandatory; however, if a school chooses to test, then they are required to report the results of the tests to the Minnesota Department of Health (Minn. Stat. 123B.571, subd. 3 – see link above).
- See [MDH webpage “Radon in Schools”](#)
- Develop and implement a written management plan for radon identification and remediation.
- Identify school district contact person(s) for radon.
- Implement current U.S. EPA/MDH Radon Gas testing guidance criteria.
- Coordinate diagnostics and mitigation of elevated radon.
- Conduct radon sampling as provided for under MDH and U.S. EPA rules and guidelines.
- Review updates on regulatory standards, reporting requirements and new developments.
- Maintain all compliance documentation.
- Maintain documentation of testing.
- Develop and implement written recordkeeping procedures.
- Train affected employees.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Review program and obtain school board approval at least annually.

Respiratory Protection Standard

- Develop and implement a written management plan for respiratory protection, encompassing [OSHA standard 29 CFR 1910.134](#).
- Identify school district contact person(s) for respirator protection.
- Review written plan, as needed, and update at least annually.
- Evaluate, identify and document work practices that require respirator protection.
- Review current respiratory protection practices and procedures.
- Train respirator users on the provisions of the written respiratory protection program and on the respirators they use.
- Provide respirator fit test and medical evaluations for workers who are required to wear respirators.
- Develop, document and monitor compliance with recordkeeping procedures.
- Respond to regulatory agency correspondence, guidelines and recommendations.
- Monitor or provide updates on regulatory changes and new developments.
- Review program and obtain school board approval at least annually.

Underground Storage Tanks (UST) and Above Ground Storage Tanks (AST)

- Develop and implement a written management plan for each UST and AST.
- Identify school district contact person(s) for each UST and AST.
- According to Minnesota Pollution Control Agency (MPCA) ensure all USTs above 110 gallons and ASTs with a capacity of 500 gallons or more are MPCA registered. Also reference [Minnesota Statutes 2021, section 116.48](#) – Notification Requirements.
- Ensure all AST installations which are used for combustible materials are reviewed by fire marshal.
- Develop and implement release detection (e.g., tightness testing) plans for all USTs including fuel oil.
- Conduct leak detection testing at frequent intervals for USTs if electronic monitors available.

- Produce and submit reports to agencies necessary for compliance (e.g., MPCA tank registration).
- Conduct periodic site review and management plan and update at least annually.
- Provide and maintain inventory control forms.
- Review program and obtain school board approval at least annually.

Welding, Cutting and Brazing

- Develop and implement a written management plan for welding, cutting or brazing encompassing OSHA standard 29 CFR 1910.251-.255.
- Identify a responsible district contact person.
- Survey the district to identify job categories in which employees may be at risk to exposure.
- Contact OSHA as there are many requirements, referencing welding, cutting or brazing (<http://www.osha.gov/SLTC/weldingcuttingbrazing/index.html>).
- Identify and implement safe work practices, including hot work permit/fire watch, health protection and ventilation.
- Provide annual training to affected employees.
- Provide adequate personal protective equipment.
- Maintain applicable recordkeeping.
- Provide a written program review, and update (at least annually).