

Finance & Facilities Committee

Monday, May 13, 2024 6:00 PM

District Office Conf Rm B, 512 Industrial Blvd., Waconia, MN 55387

1. Buildings and Grounds Update

Presenter: Tim Bisek,
Director of Buildings
and Grounds

Bayview School Forest **Restoration and Stewardship Plan**

Prepared for:

Bayview Elementary School
Bayview School Forest
24 S Walnut St
Waconia, MN 55387

Site Coordinators: Wayne Trapp, Ann Swanson, Tim Bisek

Property Location

NESW, SESE, SWSE
Section 14 Township 116 Range 25
Carver County, MN

School Forest Acres: 13.1

Total Parcel (BV school grounds) Acres: 36.4

Prepared by:

Andy McGuire - MN DNR-Forestry
Brett L. Anderson - MN DNR - Program Forester
Kris Baumann - Certified Arborist
Tim Bisek - Waconia Schools - Director of Buildings and Grounds
Wayne Trapp - Waconia High School Science Teacher

DATE

5-13-2024

OVERVIEW OF THE PLAN

Forest management, in general, is providing a forest or woodland the proper care so that it remains healthy and vigorous to provide the amenities (wildlife habitat, clean air and water, recreation) and products (timber, firewood, non-timber) that you want for your school and community. Forest management involves developing a management plan that includes your long-term vision that is achieved through short-term and long-term goals, an inventory and assessment of your forest (what's there and what condition is it in), action plan (remove buckthorn, plant trees), and a monitoring schedule to make sure things are progressing towards your long-term vision. The primary purposes of a management plan for a School Forest are to provide safe and effective education opportunities and to maintain a healthy forest.

GENERAL PROPERTY DESCRIPTION:

This 13-acre forested space is situated in a very unique natural area within the heart of the city of Waconia which is a quick growing city on the far western edge of the Twin Cities Metro. Much of the undeveloped land surrounding the city is used for agriculture which adds to the importance of keeping this parcel forested. The north side of the property drops into a large marsh that filters water between Lake Waconia and Burandt Lake which also borders the entire west side of the School Forest and equates to roughly 485 feet of shoreline.

Historic documentation for this site provides a rich history of management activities which can be seen in documentation and roughly relates to what is on the site now. Small plantations of differing tree species were planted in the early 1970's until the early 1980's, some of which were successful and some of which are no longer there. The exact planting plans were not recorded but plan suggestions were made in the late 1960's which resemble some of the current standing trees. Before the site was obtained by the school it was heavily grazed and used for pasture all the way down to the now existent marsh.

INTERACTION WITH NEARBY PROPERTIES:

Due to the setting of the forest between two lakes to the east and west, as well as a large marsh to the north this parcel does not have many accessible routes into the forest. A trail through the north edge of the forest can be accessed off of Waconia Parkway. This trail is unobstructed and unsupervised, due to this it is heavily used by snowmobiles. This is one of two public access points to the trail system and the most used to access Lake Burandt for winter recreational uses.

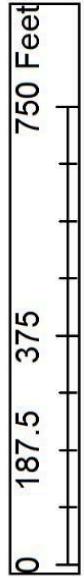
To the south of the forest are residential homes with mowed lawns. There is access to the forest's trail system through this neighborhood as well. It does appear that the forest is used by this neighborhood as an area to dump lawn debris. Encroachment will most likely continue unless efforts are made to prevent this.

Bayview School Forest



Legend

	Trails	Cover Type - Visual Label
	School Forest Boundary	Pine Mix, 1
	School Property	Hardwood Plantation, 2
		Lowland Timber, 3



LANDOWNER MANAGEMENT GOALS AND OBJECTIVES:

Long-term vision (50-100 years): Create a safe and healthy forest to be used by all the stakeholders within the community that occupies this unique space for years to come as Waconia continues to grow and expand residentially.

Short-term goals (1-10 years):

- Create a safer space for the school and community to use for outdoor learning, environmental education, and recreation.
- Create a healthy and diverse forest through invasive species management and removing unhealthy vegetation or undesirable species.
- Enhance the Big Woods ecosystem where this property resides through native tree and shrub planting and promoting the growth of existing native tree seedlings and other desirable species.
- Maintain the trail system for safety and accessibility.
- Cultivate a relationship with adjacent neighbors and community stakeholders to promote active engagement to prevent further encroachment and motor vehicle use on school property

Implementation Timeline

Winter 2023/2024

- Create Management Plan
- Secure initial funding

Spring 2024

- Plant Arbor Month seedlings(400) in the forest. Note local site conditions for future planning.

Summer 2024

- Replace culvert and mitigate erosion.

Fall 2024

- Buckthorn removal-cut and stump treat all stems >1.5" at base. Pull or foliar spray smaller ones.
- Apply for grants

Winter 2024/2025

- Harvest all ash, Siberian elm, and potential hazard trees.
- Create wildlife snags out of poorly formed/damaged trees that do not pose a safety hazard- four per acre.
- Much of the harvest debris will need to be removed (piled and burned, chipped, hauled out of the woods) so that it does not create a barrier to future forest management activities. (mulch for trails)
- Utilize suitable logs for lumber(seating) or firewood if possible.
- Mulch/chip some of the logging debris. Leave chips in piles so it can be used as mulch for seedlings and trail system.

Spring 2025

- Plant 300 seedlings per acre (two year old small bare root). See species list. Follow site recommended species map paying attention to site conditions (i.e. wet, dry, sun, shade).
- Mulch trail system.
- Mulch around the base of seedlings with chips from harvest. Use the rule of 3's: 3' wide, 3" deep and 3" away from the stem.
- Place a pin flag at each seedling.
- Rebuild staircase

Summer 2025

- Water seedlings if unusually dry.

Fall/Winter 2025/2026

- Continue to eradicate buckthorn. Cut any that were previously missed, pull or foliar spray newly germinated seedlings.

Spring 2026

- Plant 5'-10' trees ("Large Trees") such as Butternut, Chestnut, Kentucky Coffee, Tamarack, and other unique varieties.
- Mulch newly planted trees.

Summer 2026

- Water trees as needed

Fall 2026 and beyond

- Continue to monitor and implement best practice forest stewardship

Bayview School Forest Reforestation Species List

Pine mix (Zone 1)	Hardwood Upland Species (Zone 2)	Lowland Species (Zone 3)	Shrubs
Jack Pine	Northern Red Oak	Cottonwood	Chokecherry
White Pine	Bur Oak	Swamp White Oak	Juneberry
Red Pine	White Oak	Paper Birch	Nannyberry
Red Cedar	Sugar Maple	Aspen	Pagoda Dogwood
	Black Maple	Tamarack	American Hazelnut
	Bitternut Hickory	White Cedar	American Plum
	Black Walnut	Red Cedar	Red Elderberry
	Blue Beech		Common Elderberry
	Black Cherry		Highbush Cranberry
	Kentucky Coffeetree		Winterberry

Projected Expenses

- Total Estimated Expenses: \$25,000-\$35,000 (\$27,500?)
- Culvert (\$1,500)
- Tree Felling, Removal, Mulching (\$10,000) (bids received)
- Buckthorn and Invasive Species Removal and Treatment (TBD) (\$200?)
- Seedling Trees Estimate (TBD) (\$300?)
 - (4,000 Trees X ???Dollars/tree)
- Large Tree Cost Estimate (TBD) (\$3,000)
 - (100 trees x \$30/tree) \$3,000 [Arbor Day Seedlings](#) Larger 6'-10' Trees
- Staircase Cost Estimate (TBD) (\$1,500?)
 - (28 steps or boxes) \$800 in material Each box has 2 RR Ties \$24/Tie(\$700?) Plus 2 Yards of Gravel (\$100?) [Staircase example](#) [example 2](#) [RR Ties](#)
 - Labor \$700?
- Equipment Cost Estimate (TBD)(\$6,000) [Equipment Spreadsheet](#)
 - Will be used for school forests, prairie, garden, and future tree planting
- Bayview School "Gravel Parking Lot" Estimate (\$5,000)
 - (.25 Acre or 11,000 sq feet, 2" thick gravel, need 68 yards of gravel) (68 yards x \$54/yard = \$3,700) plus (\$500 delivery fee) (\$800 Labor?) [Pine Products Gravel](#)

Restoration Equipment List

Equipment	Number of Items	Price per item	Total Cost
Spade Shovel	12	20	240
Large Scoop Shovel	2	73	146
Small Scoop Shovel	2	38	76
Tree Dibble Bar	10	58	580
Garden Rake	12	20	240
Leaf Rake	4	20	80
Wheel Barrow	2	140	280
Wagon	2	180	360
ATV Dump Trailer	1	366	366
ATV Flat Trailer	1	600	600
Tree Watering Barrel	1	230	230
Garden Gloves	36	9	324
Tree Loppers	4	32	128
Brush Trimmer (Electric)	2	420	840
Chainsaw (Electric)	2	370	740
Extra Battery (2 pack)	1	350	350
Drinking Water Jug	2	25	50
Marking Flags	30	10	300
			0
Total \$			5930

Funding Sources

Secured: \$13,00 from: Waconia Lions, Waconia F.D., St Boni F.D., New Germany F.D., Waconia Conservation Club Boosters

Anticipated: \$2,500-\$25,000

- Bayview PTO
- MN Lottery “Legislative-Citizen Commission on Minnesota Resources (LCCMR)”
- MN DNR “Re-Leaf” Grant
- MN DNR “No Child Left Inside” Grant
- Lessard-Sams Outdoor Heritage Fund
- MN Dept of Ag or MN DNR Anticipated: Emerald Ash Borer Grant

Funding Shortfalls Contingency Plan

- 1) Ask school district for additional funding
- 2) Ask other local groups for additional funding
- 3) Eliminate Parking Lot Improvements (-\$5,000)
- 4) Reduce Equipment Purchases (-\$2,500)
- 5) Eliminate Remaining Equipment Purchases (-3,500)
- 6) Eliminate Large Tree Purchases (-\$3,000)

To Do:

- Grant Applications
- Seedling Availability and Cost (4,000 Trees X ???Dollars/tree)
- Large Tree Availability and Cost Estimate
 - (100 trees x \$??/tree) [Arbor Day Seedlings](#)
- Staircase Cost Estimate (bids)

2. Budget Timeline/Budget Reports

WACONIA ISD 110		WACONIA ISD 110					REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES				April 30, 2024	
REVENUE							April 30, 2024	April 30, 2023	April 30, 2022			
REVENUE CATEGORIES	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Received YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received	April 30, 2023	April 30, 2022	
STATE	39,356,446	40,808,107	43,795,018	43,743,666	32,406,386	11,337,280	74.1%	75.5%	75.5%	30,820,025	29,724,198	
FEDERAL	2,040,900	1,312,610	378,471	1,177,492	999,807	177,685	84.9%	60.2%	19.5%	789,879	398,888	
PROPERTY TAXES	9,241,888	9,562,770	10,135,132	10,127,969	5,119,118	5,008,851	50.5%	62.2%	60.5%	5,943,281	5,590,817	
LOCAL (FEES, INTEREST, ETC.)	1,866,047	1,401,557	1,547,347	1,425,720	1,294,702	131,018	90.8%	66.5%	75.0%	932,087	1,399,395	
TOTALS	52,505,280	53,085,044	55,855,968	56,474,847	39,820,013	16,654,834	70.5%	72.5%	70.7%	38,485,271	37,113,299	
EXPENDITURES							April 30, 2024	April 30, 2023	April 30, 2022			
OBJECT SERIES	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended	April 30, 2023	April 30, 2022	
SALARIES & WAGES	28,891,216	30,105,275	28,955,774	28,666,987	19,585,522	9,081,465	68.3%	71.5%	70.2%	21,514,714	20,278,594	
EMPLOYEE BENEFITS	11,190,361	11,428,690	11,932,890	11,487,252	7,746,427	3,740,825	67.4%	74.4%	72.1%	8,503,231	8,068,866	
PURCHASED SERVICES	7,580,936	7,021,355	7,290,190	8,030,497	5,449,191	2,581,306	67.9%	76.5%	70.3%	5,368,068	5,331,824	
SUPPLIES	2,373,884	2,109,245	1,757,841	1,896,342	741,392	1,154,950	39.1%	64.3%	64.4%	1,356,730	1,528,845	
EQUIPMENT	1,270,638	1,070,691	1,207,555	1,399,179	887,216	511,963	63.4%	91.1%	77.6%	975,188	986,536	
DEBT SERVICE	120,056	130,312	122,287	95,287	83,267	12,020	87.4%	73.0%	96.9%	95,137	116,301	
OTHER EXPENDITURES	358,747	360,341	362,104	354,232	118,105	236,127	33.3%	35.0%	38.0%	125,991	136,317	
TOTALS	51,785,839	52,225,908	51,628,641	51,929,776	34,611,120	17,318,656	66.6%	72.6%	70.4%	37,939,058	36,447,284	
PROGRAM SERIES							April 30, 2024	April 30, 2023	April 30, 2022			
PROGRAM SERIES	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expended YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended	April 30, 2023	April 30, 2022	
SITE ADMINISTRATION	1,057,731	1,059,746	1,283,277	1,255,301	870,862	384,439	69.4%	82.3%	80.9%	871,958	855,597	
DISTRICT ADMINISTRATION	454,715	445,097	587,160	529,865	381,317	148,548	72.0%	77.6%	69.5%	345,396	316,028	
SUPPORT SERVICES	1,799,328	1,914,925	2,108,137	2,033,422	1,441,238	592,184	70.9%	82.8%	84.1%	1,584,893	1,512,487	
REGULAR INSTRUCTION	21,207,841	21,776,013	20,269,706	19,995,316	13,511,938	6,483,378	67.6%	69.0%	66.5%	15,035,860	14,100,875	
EXTRA-CURRICULAR ACTIVITES	2,057,519	2,010,489	1,805,359	1,870,599	888,622	981,977	47.5%	57.9%	62.9%	1,163,952	1,295,175	
VOCATIONAL INSTRUCTION	454,124	564,801	490,366	493,251	352,952	140,299	71.6%	63.5%	69.1%	358,768	313,894	
SPECIAL EDUCATION	10,739,386	10,796,201	11,316,789	11,042,433	7,396,822	3,645,611	67.0%	70.4%	62.7%	7,595,756	6,729,569	
INSTRUCTIONAL SUPPORT	3,804,830	3,478,924	3,265,186	3,017,489	1,839,406	1,178,083	61.0%	77.7%	78.6%	2,703,400	2,989,499	
PUPIL SUPPORT SERVICES	4,273,134	4,469,513	4,520,994	5,556,600	3,615,467	1,941,133	65.1%	78.7%	78.4%	3,517,746	3,352,243	
FACILITIES	5,571,995	5,322,155	5,367,817	5,558,500	3,789,848	1,768,652	68.2%	80.3%	80.5%	4,276,092	4,485,381	
OTHER FINANCING USES	365,236	388,044	613,850	577,000	522,648	54,352	90.6%	125.0%	135.9%	485,238	496,535	
TOTALS	51,785,839	52,225,908	51,628,641	51,929,776	34,611,120	17,318,656	66.6%	72.6%	70.4%	37,939,058	36,447,284	

WACONIA ISD 110	WACONIA ISD 110	REVENUE & EXPENDITURE SUMMARY BY SOURCE, OBJECT SERIES & PROGRAM SERIES	April 30, 2024
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ACTIVITY - OTHER FUNDS							April 30, 2024	April 30, 2023	April 30, 2022		
REVENUE	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Received YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received	April 30, 2023	April 30, 2022
FOOD SERVICE	4,704,730	2,632,352	4,712,500	2,888,951	1,800,755	1,088,196	62.3%	23.2%	69.8%	609,705	3,282,854
COMMUNITY EDUCATION	3,456,751	3,763,349	3,730,859	3,809,317	3,343,913	465,404	87.8%	80.8%	83.7%	3,041,388	2,891,595
DEBT SERVICE	9,634,655	9,841,168	9,352,090	9,572,864	5,172,110	4,400,754	54.0%	46.0%	46.3%	4,531,329	4,460,401
							April 30, 2024	April 30, 2023	April 30, 2022		
EXPENDITURES	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expended YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received	April 30, 2023	April 30, 2022
FOOD SERVICE	3,173,194	3,413,744	3,399,862	3,524,593	2,432,393	1,092,200	69.0%	78.6%	66.4%	2,681,911	2,106,436
COMMUNITY EDUCATION	3,101,049	3,151,216	3,383,052	3,309,668	2,871,602	438,066	86.8%	77.3%	76.2%	2,436,364	2,363,945
DEBT SERVICE	9,363,331	9,413,981	9,327,369	9,512,869	9,394,831	118,038	98.8%	100.0%	100.0%	9,411,981	9,363,331
							April 30, 2024	April 30, 2023	April 30, 2022		
SUMMARY - ALL FUNDS	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expended YTD	Budget Remaining	% of Budget Received	% of Actuals Received	% of Actuals Received	April 30, 2023	April 30, 2022
REVENUE	70,301,415	69,321,913	73,651,417	78,946,029	56,210,227	22,735,802	71.2%	67.3%	67.9%	46,667,693	47,748,148
EXPENDITURES	67,423,413	68,204,849	67,738,924	69,126,906	50,678,916	18,447,990	73.3%	76.9%	74.6%	52,469,315	50,280,996
SPENDING VARIANCE	2,878,003	1,117,064	5,912,493	9,819,123	5,531,310	N/A	N/A	N/A	N/A	(5,801,622)	(2,532,848)

WACONIA ISD 110		WACONIA ISD 110		REVENUE SUMMARY - BY MAJOR CATEGORY				April 30, 2024			THIS REPORT SUMMARIZES REVENUE BY MAJOR CATEGORY AND SOURCE CODE			
Source Code	Description	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	April 30, 2024	Budget Remaining	REVISED	← ACTIVE BUDGET	BUDGET ANALYSIS	Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022	
								April 30, 2024	April 30, 2023	April 30, 2022				% Budget Received
	STATE AID													
201	PERMANENT SCHOOL TRUST FUND	165,021	192,957	182,269	216,602	238,523	(21,921)	110.12%	100.00%	100.00%	45,566	192,957	165,021	
211	BASIC FORMULA	29,272,315	29,954,602	30,862,223	30,496,498	27,123,367	3,373,131	88.94%	87.76%	88.94%	834,064	26,289,303	26,033,671	
211	OPERATING CAPITAL	652,597	598,744	580,256	580,092	-	580,092	0.00%	0.00%	3.17%	-	-	20,681	
211	AREA LEARNING CENTER	285,211	265,324	465,569	266,000	-	266,000	0.00%	0.00%	0.00%	-	-	-	
211	STAFF DEVELOPMENT	-	-	626,937	621,063	-	621,063	0.00%	0.00%	0.00%	-	-	-	
211	BASIC SKILLS - COMPENSATORY	104,246	88,265	292,882	335,736	1,194	334,542	0.36%	1.91%	1.18%	(490)	1,684	1,226	
211	TRANSPORTATION	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
211	LEARNING & DEVELOPMENT	889,917	850,367	859,352	826,322	-	826,322	0.00%	0.00%	0.32%	-	-	2,842	
211	GIFTED & TALENTED	59,963	56,842	57,094	56,555	-	56,555	0.00%	0.00%	2.12%	-	-	1,268	
212	LITERACY INCENTIVE AID	233,252	236,491	236,491	236,491	0	236,491	0.00%	0.00%	0.32%	(0)	0	739	
213	SHARED TIME	18,716	12,373	12,110	12,110	17,569	(5,459)	145.08%	100.00%	101.41%	5,196	12,373	18,979	
227	ABATEMENT AID	12,924	1,062	1,063	606	546	60	90.10%	90.02%	48.20%	(410)	956	6,229	
229	DISPARITY REDUCTION AID	64	62	-	66	0	66	0.47%	-1.18%	0.63%	1	(1)	0	
234	HOMESTEAD/AG CREDIT	7,048	6,750	-	5,596	(0)	5,596	0.00%	0.01%	0.00%	(1)	1	0	
258	SCHOOL BOND AG CREDIT	1,507	1,408	-	1,500	(0)	1,500	-0.02%	0.04%	0.06%	(1)	1	1	
299	STATE AID ADJUSTMENT	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
311/300	TELECOM EQUITY AID	251,772	76,539	-	-	-	-	0.00%	0.00%	42.51%	-	-	107,027	
314/300	PARAPROFESSIONAL TRAINING	-	-	-	80,293	-	80,293	0.00%	0.00%	0.00%	-	-	-	
317/300	EL CROSS SUBSIDY AID	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
320/300	AMERICAN INDIAN ED AID	20,358	(611)	20,358	-	-	-	0.00%	100.00%	0.00%	611	(611)	0	
339/300	ENGLISH LEARNER AID	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
343/300	SCHOOL LIBRARY AID	-	-	-	51,779	-	51,779	0.00%	0.00%	0.00%	-	-	-	
373/300	STUDENT SUPPORT PERSONNEL AID	-	-	-	39,490	-	39,490	0.00%	0.00%	0.00%	-	-	-	
720/300	NONPUBLIC PUPIL TRANSPORTATION AID	132,720	149,590	146,079	144,513	(4,139)	148,652	-2.86%	2.35%	5.26%	(7,650)	3,510	6,978	
830/300	CAREER TECH/VOC AID	(307)	-	-	-	-	-	0.00%	0.00%	100.00%	-	-	(307)	
317	LTFM AID	57,266	94,910	96,735	124,129	(2,903)	127,032	-2.34%	-1.92%	-6.88%	(1,077)	(1,826)	(3,940)	
360	SPECIAL ED AID	7,001,972	8,080,873	9,231,923	9,343,723	4,886,860	4,456,863	52.30%	53.35%	47.50%	575,645	4,311,215	3,326,020	
369	UNEMPLOYMENT AID	-	-	-	134,072	120,665	13,407	90.00%	0.00%	0.00%	120,665	-	-	
370	OTHER STATE AID	66,206	14,581	-	52,373	24,705	27,668	47.17%	71.75%	57.04%	14,243	10,462	37,762	
397	TRA/PERA SPECIAL FUNDING	123,677	126,977	123,677	118,057	-	118,057	0.00%	0.00%	0.00%	-	-	-	
	TOTAL STATE AID	39,356,446	40,808,107	43,795,018	43,743,666	32,406,386	11,337,280	74.08%	75.52%	75.53%	1,586,361	30,820,025	29,724,198	
	FEDERAL													
140/400	ARP IDEA PART B, SEC 611	38,054	66,539	-	79,175	79,175	0	100.00%	80.67%	0.00%	25,499	53,676	-	
141/400	ARP IDEA PART B, SEC 619	15,897	-	-	-	-	-	0.00%	0.00%	100.00%	-	-	15,897	
150/400	ARP SUMMER ACADEMIC ENRICHMENT	108,164	3,280	-	-	-	-	0.00%	0.00%	100.00%	-	-	108,164	
160/400	ESSER III	431,892	6,209	-	-	618	(618)	#DIV/0!	100.00%	64.07%	(5,591)	6,209	276,695	
161/400	ESSER III - Learning Loss	109,525	-	-	-	154	(154)	#DIV/0!	0.00%	1.10%	154	-	1,200	

WACONIA ISD 110		WACONIA ISD 110		REVENUE SUMMARY - BY MAJOR CATEGORY				April 30, 2024			THIS REPORT SUMMARIZES REVENUE BY MAJOR CATEGORY AND SOURCE CODE			
Source Code	Description	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	April 30, 2024	Budget Remaining	REVISED	← ACTIVE BUDGET	BUDGET ANALYSIS	Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022	
								April 30, 2024	April 30, 2023	April 30, 2022				
								% Budget Received	% Actual Received	% Actual Received				
163/400	EXPANDED SUMMER PROGRAMMING	61,066	75,967	-	-	-	-	0.00%	100.00%	14.34%	(75,967)	75,967	8,758	
169/400	LEARNING RECOVERY - LOST INSTR TIME	-	186,728	-	260,031	163,772	96,259	62.98%	60.16%	0.00%	51,429	112,343	-	
170/400	MN COVID Testing	219,900	97,216	-	-	-	-	0.00%	100.00%	0.00%	(97,216)	97,216	-	
171/400	Pandemic Enrollment Loss	74,402	37,490	-	-	-	-	0.00%	100.00%	0.00%	(37,490)	37,490	-	
174/400	CARES	4,240	628	-	-	-	-	0.00%	100.00%	49.65%	(628)	628	2,105	
401/400	TITLE I, PART A	66,165	64,165	-	69,143	62,180	6,963	89.93%	95.26%	90.55%	1,055	61,124	59,913	
414/400	TITLE II	38,548	40,733	38,548	41,526	34,562	6,964	83.23%	3.66%	58.96%	33,072	1,490	22,729	
417/400	Idea Part B, Preschool	-	10,977	-	-	-	-	0.00%	6.29%	0.00%	(690)	690	-	
419/400	SPED IDEA PART B, SEC 611	635,504	691,347	297,024	682,786	626,120	56,666	91.70%	46.49%	-21.96%	304,704	321,416	(139,582)	
420/400	Idea Part B, Preschool	16,090	17,452	16,090	15,229	18,246	(3,017)	119.81%	99.69%	100.00%	848	17,398	16,090	
422/400	IDEA PART C, AGES B-2	14,009	10,681	14,009	7,904	7,904	(0)	100.00%	100.00%	100.00%	(2,777)	10,681	14,009	
433/400	TITLE IV - FEDERAL GRANTS	10,000	10,000	-	10,000	2,719	7,281	27.19%	92.13%	100.00%	(6,494)	9,213	10,000	
628/400	CARL PERKINS	11,766	14,832	12,800	11,698	4,357	7,341	37.24%	40.27%	24.72%	(1,615)	5,972	2,909	
599/500	MISC DIRECT FEDERAL REVENUE	185,677	(21,634)	-	-	-	-	0.00%	100.00%	0.00%	21,634	(21,634)	-	
	TOTAL FEDERAL	2,040,900	1,312,610	378,471	1,177,492	999,807	177,685	84.91%	60.18%	19.54%	209,928	789,879	398,888	
	LEVY													
001	GENERAL LEVY	7,734,085	8,009,918	8,273,595	8,266,433	4,837,493	3,428,940	58.52%	71.15%	68.98%	(861,661)	5,699,154	5,334,818	
001	LEASE LEVY	-	-	-	651,933	-	651,933	0.00%	0.00%	0.00%	-	-	-	
001	OPERATING CAPITAL	330,891	380,888	860,844	208,910	27,816	181,094	13.31%	0.00%	5.37%	27,816	-	17,779	
001	SAFE SCHOOLS	193,747	192,591	166,557	166,557	13,297	153,260	7.98%	0.00%	8.35%	13,297	-	16,186	
001	CAREER & TECHNICAL	150,415	151,385	147,866	147,866	-	147,866	0.00%	0.00%	0.00%	-	-	-	
001	LTFM	490,604	467,777	499,881	499,881	6,048	493,833	1.21%	0.00%	4.41%	6,048	-	21,638	
001	OPEB LEVY	23,957	25,231	20,622	20,622	-	20,622	0.00%	0.00%	0.00%	-	-	-	
004	TAX INCREMENTAL FINANCING	25,719	4,733	-	-	12,781	(12,781)	#DIV/0!	100.00%	59.97%	8,047	4,733	15,424	
009	FISCAL DISPARITIES	112,022	151,723	-	-	143,150	(143,150)	#DIV/0!	100.00%	100.00%	(8,573)	151,723	112,022	
010	COUNTY APPORTIONMENT	51,123	65,926	165,767	65,767	57,707	8,060	87.75%	89.29%	73.07%	(1,157)	58,864	37,358	
019	MISCELLANEOUS TAXES	129,325	112,597	-	100,000	20,826	79,174	20.83%	25.58%	27.52%	(7,981)	28,807	35,593	
	TOTAL - LEVY	9,241,888	9,562,770	10,135,132	10,127,969	5,119,118	5,008,851	50.54%	62.15%	60.49%	(824,163)	5,943,281	5,590,817	
	LOCAL - TUITION, FEES, ADMISSIONS, GIFTS & OTHER													
021	REV FROM OTH MN SCH DISTRICT	729	37,411	-	-	-	-	0.00%	100.00%	0.00%	(37,411)	37,411	-	
050	FEES FROM PATRONS	661,428	639,350	793,594	723,314	676,437	46,877	93.52%	83.19%	88.04%	144,580	531,856	582,325	
060	ADMISSIONS	152,676	167,216	156,014	180,226	151,061	29,165	83.82%	88.25%	86.44%	3,500	147,561	131,980	
071	3RD PARTY BILLING	279,082	200,798	279,000	211,670	197,609	14,061	93.36%	52.09%	66.33%	93,018	104,591	185,126	
092	INTEREST EARNINGS	(730)	-	25,000	25,000	444,439	(419,439)	1777.76%	#DIV/0!	-241.90%	239,265	205,173	1,765	
093	RENT FROM SCH FACILITIES	12,786	35,518	13,000	13,000	25,814	(12,814)	198.57%	80.44%	74.43%	(2,756)	28,570	9,516	
095	DONATIONS	12,510	2,170	12,510	12,510	7,421	5,089	59.32%	100.00%	53.40%	5,251	2,170	6,680	
096	DONATIONS	81,423	4,692	5,500	18,500	37,506	(19,006)	202.74%	58.17%	3.38%	34,777	2,729	2,750	

WACONIA ISD 110		WACONIA ISD 110		REVENUE SUMMARY - BY MAJOR CATEGORY				April 30, 2024		THIS REPORT SUMMARIZES REVENUE BY MAJOR CATEGORY AND SOURCE CODE				
								REVISED	← ACTIVE BUDGET	BUDGET ANALYSIS				
								April 30, 2024	April 30, 2023	April 30, 2022	Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022	
Source Code	Description	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	April 30, 2024	Budget Remaining	% Budget Received	% Actual Received	% Actual Received		April 30, 2023	April 30, 2022	
099	MISCELLANEOUS REVENUES	341,512	294,644	262,729	241,500	(245,585)	487,085	-101.69%	-43.43%	45.28%	(117,610)	(127,975)	154,623	
619	FUNDRAISING COSTS	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
620	FUNDRAISING REVENUE	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
621	SALE OF MATERIALS FOR RESALE	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
622	SALE OF MATERIALS (INVENTORY)	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
624	SALE OF EQUIPMENT	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
625	INSURANCE RECOVERY	324,630	19,760	-	-	-	-	0.00%	0.00%	100.00%	-	-	324,630	
649	PERMANENT FUND BALANCE TRANSFER	-	-	-	-	-	-	0.00%	0.00%	0.00%	-	-	-	
TOTAL - LOCAL		1,866,047	1,401,557	1,547,347	1,425,720	1,294,702	131,018	90.81%	66.50%	74.99%	362,615	932,087	1,399,395	
GENERAL FUND TOTAL		52,505,280	53,085,044	55,855,968	56,474,847	39,820,013	16,654,834	70.51%	72.50%	70.68%	1,334,742	38,485,271	37,113,299	

WACONIA ISD 110		WACONIA ISD 110		EXPENDITURES BY OBJECT CODE				April 30, 2024		THIS REPORT SHOWS EXPENDITURE HISTORY AND CURRENT YEAR ACTIVITY BY OBJECT CODE				
OBJECT CODE	DESCRIPTION	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expenses YTD	Budget Remaining	REVISED	ACTIVE BUDGET		Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022	
								April 30, 2024	April 30, 2023	April 30, 2022				% of Actuals Expended
	SALARIES AND WAGES													
110	Sal-Adm/Supervision	2,467,360	2,555,794	2,327,987	2,330,241	1,844,713	485,528	79.16%	81.39%	81.53%	(235,473)	2,080,186	2,011,519	
140	Lic Classroom Tchr	16,578,657	17,342,055	16,477,223	16,334,109	10,863,740	5,470,369	66.51%	67.84%	65.50%	(901,922)	11,765,661	10,859,225	
141	Non-Lic Classroom	200,466	239,149	199,629	199,629	149,507	50,122	74.89%	75.12%	75.80%	(30,151)	179,658	151,945	
143	Lic Classroom Support	897,277	904,220	891,348	805,184	381,201	423,983	47.34%	68.83%	65.48%	(241,188)	622,389	587,520	
144	Non-Lic Classroom Support	120,399	117,868	39,241	39,241	29,889	9,352	76.17%	74.43%	77.47%	(57,836)	87,725	93,270	
145	Sub Tchr Salary	535,563	529,238	561,833	564,754	325,118	239,636	57.57%	81.41%	83.62%	(105,735)	430,854	447,839	
146	Sub Non-Lic Class/Inst Sal	22,803	10,132	24,333	24,333	15,319	9,014	62.96%	72.26%	79.38%	7,998	7,322	18,102	
150	Physical Therapist	31,182	24,806	32,851	32,851	11,903	20,948	36.23%	95.97%	76.89%	(11,903)	23,806	23,976	
151	Occupational Therapist	192,739	200,275	201,104	201,104	155,686	45,418	77.42%	0.00%	74.16%	(1,067)	156,753	142,939	
152	Speech/Language Pathologist	450,672	480,618	456,933	456,933	330,064	126,869	72.23%	67.45%	61.01%	5,906	324,158	274,942	
154	School Nurse	260,174	251,191	260,988	260,988	184,404	76,584	70.66%	73.38%	74.06%	87	184,317	192,672	
155	Licensed Nursing Services	104,775	100,558	142,585	142,585	84,706	57,879	59.41%	86.57%	75.61%	(2,345)	87,050	79,222	
156	Social Worker Salary	84,572	88,940	92,053	92,053	59,293	32,760	64.41%	66.67%	63.55%	-	59,293	53,744	
157	School Psychologist	220,396	229,209	234,127	234,127	136,476	97,651	58.29%	65.79%	63.43%	(14,331)	150,806	139,790	
161	Certified Paraprofessional	1,641,512	1,644,860	1,708,592	1,673,694	1,163,735	509,959	69.53%	73.41%	72.15%	(43,813)	1,207,548	1,184,299	
162	One to One Para	426,465	414,862	465,755	465,755	280,362	185,393	60.20%	68.79%	72.15%	(5,018)	285,380	307,676	
163	Foreign Language Interpreter	8,938	3,348	9,833	9,833	2,133	7,700	21.69%	75.92%	56.45%	(409)	2,542	5,046	
164	Interpreter for the Deaf	-	-	1,098	1,098	-	1,098	0.00%	0.00%	0.00%	-	-	-	
165	School Counselor	624,289	657,182	681,704	678,193	429,923	248,270	63.39%	67.06%	66.80%	(10,792)	440,715	417,023	
170	Salaries - Non-Licensed	1,561,459	1,622,955	1,561,881	1,647,881	1,275,593	372,288	77.41%	81.21%	84.09%	(42,437)	1,318,030	1,313,075	
174	DAPE Specialist	89,314	77,968	80,696	80,696	54,719	25,977	67.81%	66.67%	63.85%	2,741	51,979	57,025	
176	Salaries - Custodians/Maint	1,338,057	1,342,812	1,340,172	1,340,172	991,529	348,643	73.99%	83.51%	82.47%	(129,830)	1,121,359	1,103,490	
177	Overtime-Custodians/Maint	39,383	44,604	43,987	43,987	49,398	(5,411)	112.30%	76.12%	75.11%	15,444	33,954	29,582	
181	Coaching-licensed	447,332	442,019	411,575	405,141	279,651	125,490	69.03%	82.00%	79.85%	(82,818)	362,470	357,179	
182	Extra Duty-Teacher	53,517	60,324	78,374	73,307	20,647	52,660	28.17%	59.86%	81.21%	(15,462)	36,110	43,464	
185	Other Salary	288,798	403,639	407,989	315,817	231,588	84,229	73.33%	63.29%	60.13%	(23,875)	255,463	173,655	
186	Non-licensed Coaching	242,117	253,780	246,319	237,717	234,226	3,491	98.53%	86.68%	86.89%	14,239	219,986	210,377	
191	Sev/Sick Lv Unfunded	-	62,870	19,872	19,872	-	19,872	0.00%	30.54%	0.00%	(19,200)	19,200	-	
195	Interdepart Salary & Wages	(37,000)	-	(44,308)	(44,308)	-	(44,308)	0.00%	0.00%	0.00%	-	-	-	
	TOTAL SALARIES AND WAGES	28,891,216	30,105,275	28,955,774	28,666,987	19,585,522	9,081,465	68.32%	71.46%	70.19%	(1,929,191)	21,514,714	20,278,594	
	EMPLOYEE BENEFITS													
210	Fica/Medicare	2,099,007	2,167,800	2,210,177	2,235,127	1,380,064	855,063	61.74%	71.86%	69.95%	(177,822)	1,557,887	1,468,192	
214	Pera	461,936	467,243	479,740	478,786	339,691	139,095	70.95%	79.46%	79.82%	(31,588)	371,280	368,695	
218	Tra	1,847,468	1,994,430	1,980,363	2,007,832	1,284,865	722,967	63.99%	69.29%	66.96%	(97,089)	1,381,954	1,237,067	
220	Employee Insurances	5,509,683	5,654,977	5,842,177	5,606,775	3,859,392	1,747,383	68.83%	75.05%	74.73%	(384,528)	4,243,921	4,117,229	
225	Unused District Insurance	29,027	21,024	20,770	20,770	3,207	17,563	15.44%	79.01%	70.85%	(13,405)	16,611	20,566	
230	Life Insurance	29,795	30,850	18,728	19,459	24,157	(4,698)	124.14%	89.58%	89.28%	(3,479)	27,635	26,601	
235	Dental Insurance	148,982	145,878	152,050	153,439	63,364	90,075	41.30%	79.75%	74.43%	(52,972)	116,336	110,892	
240	Long Term Disability Insurance	47,202	48,286	46,699	46,678	30,514	16,164	65.37%	70.87%	69.45%	(3,705)	34,219	32,780	
250	Tsa/Mn Deferred Comp Match	455,005	447,239	418,095	418,095	292,447	125,648	69.95%	70.64%	70.29%	(23,485)	315,932	319,808	
251	Employer Spon Health Arrangmnt	218,425	143,645	267,346	176,454	68,785	107,669	38.98%	83.60%	78.63%	(51,296)	120,081	171,748	
270	Workers Compensation	130,581	140,022	221,450	106,000	134,691	(28,691)	127.07%	125.00%	149.55%	(40,335)	175,026	195,289	
280	Reemployment Insur.	80,280	15,646	82,400	25,560	35,770	(10,210)	139.95%	57.01%	0.00%	26,851	8,919	-	
281	SUMMER HOURLY UNEMPLOYMENT	-	20,365	-	10,000	110,877	(100,877)	1108.77%	0.00%	0.00%	110,877	-	-	
291	Cont Employee Retiree Benefits	138,704	131,284	196,672	174,054	118,603	55,451	68.14%	83.26%	0.00%	9,296	109,307	-	

WACONIA ISD 110		WACONIA ISD 110		EXPENDITURES BY OBJECT CODE				THIS REPORT SHOWS EXPENDITURE HISTORY AND CURRENT YEAR ACTIVITY BY OBJECT CODE					
								April 30, 2024					
								REVISED	ACTIVE BUDGET		Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022
								April 30, 2024	April 30, 2023	April 30, 2022			
OBJECT CODE	DESCRIPTION	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expenses YTD	Budget Remaining	% of Budget Expended	% of Actuals Expended	% of Actuals Expended			
295	Interdept Empl Bens	(5,735)	-	(3,777)	8,223	-	8,223	0.00%	0.00%	0.00%	-	-	-
299	Other Employee Benef	-	-	-	-	-	-	0.00%	#DIV/0!	0.00%	(24,122)	24,122	-
	TOTAL EMPLOYEE BENEFITS	11,190,361	11,428,690	11,932,890	11,487,252	7,746,427	3,740,825	67.43%	74.40%	72.11%	(756,804)	8,503,231	8,068,866
	PURCHASED SERVICES												
303	Fed sub-awards-under \$25000	-	3,041	-	-	-	-	0.00%	100.00%	0.00%	(3,041)	3,041	-
305	Consult/Fees For Svc	637,480	622,144	444,528	456,099	442,923	13,176	97.11%	74.09%	74.25%	(18,034)	460,957	473,332
306	Spec Ed Litigation Costs	36,287	106	20,600	13,890	191	13,699	1.38%	100.00%	99.65%	85	106	36,160
308	Fed Tuition Billing < 25K	25,000	-	25,750	-	-	-	0.00%	0.00%	-100.00%	-	-	(25,000)
309	Fed Tuition Billing > 25K	313,480	-	323,420	-	-	-	0.00%	0.00%	-100.00%	-	-	(313,480)
311	Other Contracted Security Srvc	750	2,626	23,567	17,772	17,402	370	97.92%	85.59%	100.00%	15,155	2,247	750
312	Auditing & Accounting	57,121	42,733	46,050	46,050	45,348	702	98.48%	100.00%	62.36%	2,615	42,733	35,621
313	Benefit Administration	22,169	4,074	37,595	37,595	7,666	29,929	20.39%	21.28%	76.19%	6,799	867	16,891
315	REP & MAINT COM & TECHNOLOGY	21,754	3,674	25,750	25,750	4,349	21,401	16.89%	-26.99%	75.92%	5,341	(992)	16,515
317	Officials	46,915	54,338	(83)	77,892	71,446	6,446	91.72%	77.00%	82.43%	29,605	41,841	38,675
319	Computer and Technology Srvc	11,139	62,863	82,400	52,264	59,718	(7,454)	114.26%	97.08%	100.00%	(1,307)	61,026	11,139
320	Communications Svcs	196,094	126,628	199,916	170,638	77,591	93,047	45.47%	88.92%	89.70%	(35,011)	112,603	175,891
329	Postage & Parcel Svc	13,510	12,701	14,721	13,758	12,965	793	94.24%	87.75%	71.59%	1,820	11,145	9,672
330	Electricity	643,960	659,805	645,628	695,628	328,402	367,226	47.21%	70.51%	62.34%	(136,829)	465,231	401,463
331	Water Sewer/Garbage	95,013	94,942	93,560	93,560	61,817	31,743	66.07%	76.21%	74.44%	(10,535)	72,352	70,729
332	BIFF Rental and Service	13,487	10,414	13,970	13,970	5,142	8,828	36.81%	71.53%	43.62%	(2,307)	7,449	5,883
335	SHORT TERM LEASE & RENTAL PAY	113,171	110,726	114,124	118,623	17,155	101,468	14.46%	94.57%	98.39%	(87,560)	104,715	111,346
340	Insurance	246,047	272,239	288,400	390,000	385,977	4,023	98.97%	100.00%	100.00%	113,737	272,239	246,047
350	Repair & Maint Svc	701,359	530,863	425,600	424,473	438,901	(14,428)	103.40%	72.62%	88.04%	53,385	385,516	617,488
351	Pest Control	2,572	-	-	-	-	-	0.00%	0.00%	100.00%	-	-	2,572
353	Contracted Maint Service	86,681	-	-	-	-	-	0.00%	0.00%	76.41%	-	-	66,233
358	Foreign Lang-Interpreter	1,699	1,152	1,670	1,512	1,463	49	96.79%	83.12%	81.96%	506	957	1,393
360	Tran-Contract/Pub	3,094,969	3,080,347	3,020,726	4,045,386	2,749,545	1,295,841	67.97%	79.22%	78.75%	309,199	2,440,346	2,437,369
363	Snow Removal	92,403	213,169	97,079	97,079	69,726	27,353	71.82%	94.21%	100.00%	(131,093)	200,819	92,403
365	Interdept Transport	0	0	-	-	-	-	0.00%	0.00%	0.00%	-	-	-
366	Trav/Conv/Conference	151,679	132,658	128,145	149,250	70,799	78,451	47.44%	87.20%	86.04%	(44,879)	115,678	130,509
368	Out-Of-State Travel	-	-	1,077	1,557	-	1,557	0.00%	0.00%	0.00%	-	-	-
369	Entry Fees/Student Travel	240,947	243,342	380,138	251,642	174,317	77,325	69.27%	49.99%	84.25%	52,678	121,639	202,995
380	Advertising	50	-	750	1,000	-	1,000	0.00%	0.00%	100.00%	-	-	50
390	Pymt To Mn District	467,024	415,357	530,450	530,450	215,396	315,054	40.61%	55.25%	67.42%	(14,086)	229,481	314,878
393	Sp Ed Contr Svcs Pup	44,932	22,617	46,350	46,350	21,442	24,908	46.26%	100.18%	61.28%	(1,214)	22,657	27,535
394	To Non-Ed Agency	81,769	100,074	128,571	128,571	104,159	24,412	81.01%	96.54%	90.97%	7,545	96,614	74,383
396	Sp Ed Sal Pur F Other D	85,906	157,978	90,640	90,640	50,940	39,700	56.20%	48.52%	47.34%	(25,711)	76,650	40,669
397	Sp Ed Ben Pur F Other D	23,427	40,743	26,593	26,593	14,410	12,183	54.19%	49.45%	50.00%	(5,739)	20,148	11,714
399	Spec Ed Contracted Services	12,141	-	12,505	12,505	-	12,505	0.00%	0.00%	0.00%	-	-	-
	TOTAL PURCHASED SERVICES	7,580,936	7,021,355	7,290,190	8,030,497	5,449,191	2,581,306	67.86%	76.45%	70.33%	81,123	5,368,068	5,331,824
	SUPPLIES												
401	Sup/Mat Non-Instr.	221,462	225,618	187,834	206,262	(452,864)	659,126	-219.56%	-122.79%	-108.76%	(175,823)	(277,041)	(240,867)
403	Awards & Promotions	7,918	5,620	8,323	7,823	1,748	6,075	22.34%	52.69%	53.78%	(1,213)	2,961	4,258
405	NON-INSTR COMPUTER SOFTWARE	195,494	257,546	178,459	248,803	253,531	(4,728)	101.90%	100.00%	99.92%	(4,015)	257,546	195,334
406	INSTR SOFTWARE	178,709	195,035	164,028	181,223	144,013	37,210	79.47%	99.96%	98.58%	(50,944)	194,956	176,180

WACONIA ISD 110		WACONIA ISD 110		EXPENDITURES BY OBJECT CODE				April 30, 2024		THIS REPORT SHOWS EXPENDITURE HISTORY AND CURRENT YEAR ACTIVITY BY OBJECT CODE					
OBJECT CODE	DESCRIPTION	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expenses YTD	Budget Remaining	REVISED	ACTIVE BUDGET		Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022		
								April 30, 2024	April 30, 2023	April 30, 2022					
								% of Budget Expended	% of Actuals Expended	% of Actuals Expended					
410	Custodial Supplies	140,445	138,768	150,328	150,328	71,751	78,577	47.73%	60.83%	65.21%	(12,661)	84,411	91,589		
420	Maintenance Supplies	38,153	47,781	45,428	45,428	43,192	2,236	95.08%	76.74%	70.76%	6,524	36,668	26,997		
421	Uniforms	2,666	12,856	6,695	6,695	5,295	1,400	79.09%	98.93%	187.74%	(7,423)	12,718	5,005		
422	Small Tools	1,416	2,799	1,716	1,716	1,489	227	86.76%	23.25%	93.13%	838	651	1,318		
430	Sup/Mat N-Indiv Inst	183,841	150,434	34,546	105,615	104,237	1,378	98.69%	74.67%	81.48%	(8,097)	112,333	149,785		
431	Athletic Uniforms	13,932	20,522	(4,400)	(4,400)	-	(4,400)	0.00%	100.09%	100.00%	(20,540)	20,540	13,932		
433	Sup/Mat Indiv Instr	88,300	71,822	171,527	153,189	93,281	59,908	60.89%	87.79%	83.60%	30,229	63,053	73,815		
434	Equipment - Athletic	37,420	32,685	36,755	36,755	8,949	27,806	24.35%	70.45%	58.64%	(14,078)	23,027	21,945		
440	Fuels	454,442	515,526	423,838	379,234	260,323	118,911	68.64%	89.17%	78.14%	(199,353)	459,676	355,118		
442	Gas & Oil	61,055	52,130	67,465	53,845	38,118	15,727	70.79%	71.60%	63.69%	794	37,324	38,883		
455	NON-INSTR TECH SUPPLIES	14,626	8,996	10,300	11,300	9,678	1,622	85.65%	82.22%	89.09%	2,282	7,396	13,031		
456	INSTR TECH SUPPLIES	15,021	550	11,330	10,300	34	10,266	0.33%	100.00%	91.87%	(516)	550	13,800		
460	Textbooks/Workbooks	176,560	320,051	233,797	279,887	200,320	79,567	71.57%	100.49%	93.92%	(121,314)	321,635	165,828		
461	Standardized Tests	23,246	24,573	10,000	8,000	(41,414)	49,414	-517.68%	-88.82%	-93.73%	(19,588)	(21,826)	(21,787)		
465	NON-INSTR DEVICES	1,369	1,495	1,545	1,545	-	1,545	0.00%	100.00%	94.89%	(1,495)	1,495	1,299		
466	INSTR TECH DEVICES	455,057	10,552	9,772	10,665	2,462	8,203	23.08%	100.00%	85.60%	(8,090)	10,552	389,525		
470	Library Books	61,780	13,029	6,568	1,000	(4,753)	5,753	-475.28%	55.68%	85.78%	(12,007)	7,254	52,995		
480	Audio Visual Aids	199	181	155	-	1,843	(1,843)	#DIV/0!	96.15%	100.00%	1,668	174	199		
489	Periodical / Newspaper	774	677	1,832	1,129	160	969	14.18%	100.00%	85.75%	(517)	677	664		
	TOTAL SUPPLIES	2,373,884	2,109,245	1,757,841	1,896,342	741,392	1,154,950	39.10%	64.32%	64.40%	(615,338)	1,356,730	1,528,845		
	EQUIPMENT														
505	CAP NON-INSTRUCT TECH SOFTWARE	3,000	-	3,000	517	-	517	0.00%	0.00%	100.00%	-	-	3,000		
511	Site Improvements	204,375	52,321	60,000	113,000	81,302	31,698	71.95%	81.08%	58.69%	38,880	42,421	119,950		
520	Bldgs Acquisition	48,416	77,307	134,500	286,000	32,242	253,758	11.27%	100.00%	58.28%	(45,065)	77,307	28,219		
522	Bldg improvement-ins recovery	29,325	-	-	-	-	-	0.00%	0.00%	100.00%	-	-	29,325		
530	Equipment Purchased	190,046	133,015	145,057	135,057	50,659	84,398	37.51%	54.48%	46.16%	(21,804)	72,464	87,727		
533	SPEC ED - DIRECT INSTR EQUIP	1,093	922	1,300	1,300	-	1,300	0.00%	0.00%	83.62%	-	-	914		
535	Capital Leases	117,600	101,387	-	-	-	-	0.00%	0.00%	0.00%	-	-	-		
555	TECH EQUIP-NON INSTR	-	-	-	-	(22,951)	22,951	#DIV/0!	#DIV/0!	#DIV/0!	(4,878)	(18,073)	(15,000)		
556	TECH EQUIP-INSTR	140,497	119,683	105,000	105,000	73,868	31,132	70.35%	96.43%	55.91%	(41,538)	115,406	78,551		
560	Principal Long Term Comp/Tech	-	51,252	51,252	51,252	51,252	0	100.00%	100.00%	0.00%	(0)	51,252	-		
561	Interest Long Term Comp/Tech	-	2,095	-	-	2,095	(2,095)	#DIV/0!	100.00%	0.00%	0	2,095	-		
580	Principal Cap. Lease	454,817	445,428	460,354	460,354	441,134	19,220	95.83%	99.61%	100.00%	(2,549)	443,683	454,817		
581	Interest Cap. Lease	199,069	188,668	235,000	235,000	177,614	57,386	75.58%	99.98%	99.98%	(11,018)	188,632	199,033		
589	Lease/Install Trans	(117,600)	(101,387)	-	-	-	-	0.00%	0.00%	0.00%	-	-	-		
590	Other Capital Expend	-	-	12,092	11,699	-	11,699	0.00%	0.00%	0.00%	-	-	-		
	TOTAL EQUIPMENT	1,270,638	1,070,691	1,207,555	1,399,179	887,216	511,963	73.47%	91.08%	77.64%	(87,972)	975,188	986,536		
	TOTAL SUPPLIES & EQUIPMENT	3,644,522	3,179,936	2,965,396	3,295,521	1,628,608	1,666,913	54.92%	73.33%	69.02%	(703,310)	2,331,918	2,515,381		
	DEBT SERVICE														
730	Loans Redemption	81,287	81,287	81,287	81,287	81,287	0	100.00%	100.00%	100.00%	-	81,287	81,287		
740	Loan Interest	25,599	35,175	26,000	-	-	-	0.00%	0.00%	86.87%	-	-	22,239		
790	Other Debt Service	13,170	13,850	15,000	14,000	1,980	12,020	14.14%	100.00%	97.00%	(11,870)	13,850	12,775		
	TOTAL DEBT SERVICE	120,056	130,312	122,287	95,287	83,267	12,020	68.09%	73.01%	96.87%	(11,870)	95,137	116,301		

WACONIA ISD 110		WACONIA ISD 110		EXPENDITURES BY OBJECT CODE				April 30, 2024		THIS REPORT SHOWS EXPENDITURE HISTORY AND CURRENT YEAR ACTIVITY BY OBJECT CODE					
OBJECT CODE	DESCRIPTION	June 30, 2022	June 30, 2023	Adopted Budget	Revised Budget	Expenses YTD	Budget Remaining	REVISED	ACTIVE BUDGET		Current YTD vs. Prior YTD	April 30, 2023	April 30, 2022		
								April 30, 2024	April 30, 2023	April 30, 2022				% of Budget Expended	% of Actuals Expended
	OTHER EXPENDITURES														
820	Dues & Memberships	39,249	60,818	58,899	59,111	43,486	15,625	73.57%	87.56%	91.79%	(9,765)	53,252	36,026		
821	Contracted Memberships	3,353	2,625	3,580	3,480	3,405	75	97.84%	100.00%	100.00%	780	2,625	3,353		
822	Misc Fees	15,177	7,905	15,177	7,900	2,089	5,811	26.44%	100.00%	95.25%	(5,816)	7,905	14,456		
891	TRA/PERA FUNDING-PENSION EXP	123,677	126,977	121,877	118,057	-	118,057	0.00%	0.00%	0.00%	-	-	-		
894	Public Relations	1,185	195	2,200	1,250	98	1,152	7.86%	100.00%	23.94%	(97)	195	284		
895	Fed Nonpub Indir Cost	(3,129)	(3,776)	(3,129)	(3,129)	-	(3,129)	0.00%	0.00%	0.00%	-	-	-		
896	Taxes	98,816	98,816	100,500	100,563	69,027	31,536	68.64%	62.76%	62.76%	7,013	62,014	62,014		
899	Miscellaneous Exp	17,500	-	-	-	-	-	0.00%	0.00%	115.34%	-	-	20,185		
910	Perm Interfd Transf	62,920	66,780	63,000	67,000	-	67,000	0.00%	0.00%	0.00%	-	-	-		
	TOTAL OTHER EXPENDITURES	358,747	360,341	362,104	354,232	118,105	236,127	33.34%	34.96%	38.00%	(7,885)	125,991	136,317		
	GENERAL FUND TOTAL	51,785,839	52,225,908	51,628,641	51,929,776	34,611,120	17,318,656	66.65%	72.64%	70.38%	(3,327,938)	37,939,058	36,447,284		

3. **DRAFT - SRO Agreement**

SCHOOL RESOURCE OFFICER AGREEMENT

THIS SCHOOL RESOURCE OFFICER AGREEMENT (“**Agreement**”) is dated effective May ____, 2024 and is between the City of Waconia, a Minnesota municipal corporation (the “**City**”) and Independent School District 110, an independent school district existing under the laws of the State of Minnesota (the “**ISD 110**”).

RECITALS

WHEREAS, Carver County, Minnesota (the “**County**”) maintains a sheriff’s department (the “**Sheriff’s Office**”); and

WHEREAS, pursuant to Minnesota Statutes §436.05 and §471.59, the County provides police services to the City on a contractual basis (the “**Police Services Contract**”); and

WHEREAS, ISD 110 has the power to contract for the services of a school resource officer (“**SRO**”); and

WHEREAS, ISD 110 desires to subcontract with the City for the provision of school resource officer (“**SRO**”) services, which will be provided in ISD 110 facilities located within the corporate limits of the City; and

WHEREAS, Minnesota Statutes §471.59 authorizes the City and ISD 110 to enter into a joint powers agreement for powers common to them or similar powers; and

WHEREAS, the City and ISD 110 have determined they each have an interest in ensuring adequate law enforcement is available to ISD 110s facilities within the City during the school year and have further determined it is appropriate to cooperate in the manner set forth in this Agreement; and

WHEREAS, the City and ISD 110 have further determined, through their governing bodies, that the allocation of costs for the SRO services between them, as described in this Agreement, is fair and reasonable under the circumstances;

TERMS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the City and ISD 110 agree as follows:

1. **TERM OF AGREEMENT.**

1.1. **Initial Term.** The initial term of this Agreement shall commence on August 19, 2024, and expire on June 30, 2027, subject to automatic renewal as described below.

1.2. **Automatic Renewal.** This Agreement shall automatically extend for successive one-year terms commencing July 1, 2027, and each subsequent July 1st thereafter unless one party to this Agreement gives the other party written notice prior to April 1st of the next schedule renewal date that it wishes to discontinue the Agreement, in which case the Agreement shall expire on June 30th of the year such notice is timely given. *(For example, if a party desires to discontinue the Agreement on June 30, 2029, it must give written notice to the other party no later than April 1, 2029.)*

1.3. **Early Termination.**

1.3.1. **Automatic Termination.** If the Police Services Contract terminates for any reason, or if the City's ability to contract for SRO services is removed from the Police Service Contract, this Agreement shall automatically terminate on the day the Police Services Contract terminates or the day SRO services are no longer available, as applicable.

1.3.2. **Termination for Cause.** Either party may terminate this Agreement immediately if the other party breaches this Agreement by giving written notice to the other party, which termination shall be effective the date notice is given.

1.3.3. **Termination Without Cause.** Either party may terminate this Agreement, without cause, upon 60 days' notice prior written notice to the other party.

2. **PROVISION OF SRO SERVICES.**

2.1. **General.** The City, by and through the Police Services Contract, agrees to provide SRO services to ISD 110 as described in this Agreement (the "**SRO Services**").

2.2. **Designated Officer.** One law enforcement officer, selected by the Sheriff's Office, will be designated to perform the SRO Services (the "**Designated Officer**"). The Designated Officer shall be the only person assigned to provide SRO Services and, consequently, no SRO Services will be provided when the Designated Officer takes paid or unpaid time off (e.g., vacation and sick time). Further, if the employment of the Designated Officer terminates for any reason, no SRO Services will be provided until a replacement Designated Officer is available. If a Designated Officer is terminated, the City and ISD 110 shall work with each other and the Sheriff's Office, in good faith, to replace the Designated Officer as soon as possible. Under no circumstance, however, shall the City or the Sheriff's Office be liable for any gaps in SRO Services coverage.

2.3. **Supervising Officer.** The SRO Officer will be supervised by the Sargent designated by the Sheriff's Office, from time to time, to supervise law enforcement within the City (the "**Supervising Officer**"). The Sheriff's Office shall retain the exclusive right and obligation to supervise the SRO Officer pursuant to the Police Services Contract, and nothing in this Agreement shall be construed to alter such status. Further, to the extent this Agreement conflicts with the provisions or requirements of the Police Services Agreement, the Police Services Agreement shall control.

2.4. **SRO Services Provided During School Year Only.** The SRO Services will be provided during each School Year during the Term of this Agreement. "**School Year**" means the period that commences the day classes start for students and that expires the day classes end for students. The City and ISD 110 acknowledge that, for the initial School Year, this equals 173 days. SRO Services shall be provided during normal school hours when students are in attendance for classes. Special events such as athletic practices, games, dances, theater events, and community events are not included unless the Supervising Officer and ISD 110 agree to the contrary, confirmed in writing. Notwithstanding the notice requirements contained in Section 8, references to "**confirmed in writing**" in this Section 2 mean any form of written confirmation, including an email.

2.5. **School Breaks.** No SRO Services will be provided during breaks in the School Year when students are not in attendance ("**School Breaks**") unless the Supervising Officer and ISD 110 agree to the contrary.

2.6. **Shared Position.** ISD 110 acknowledges that during periods outside of the School Year and during School Breaks, the Designated Officer will provide services to the City as a licensed law enforcement officer.

2.7. **Scope of Services.** The scope of the SRO Services is described in the Work Plan attached to this Agreement as Exhibit A.

2.8. **Cooperation.** ISD 110 and its officers, agents, and employees shall fully cooperate with the City and the Sheriff's Office regarding the SRO Services.

2.9. **Resources.** ISD 110 shall provide the SRO with all building space, furniture, equipment, services, and supplies necessary to perform the SRO services including, but not limited to, office space, land telephone line, internet access, a desktop computer, and keys/access cards for ISD 110's facilities to which the SRO needs access.

2.10. **No Agency Or Employment Relationship.** The employment of the SRO, standards of performance, discipline of the SRO, and all other matters incident to the performance of the SRO services and related personnel matters shall remain under the control of the Sheriff's Office. Neither ISD 110 nor the City shall be liable for the payment of any salaries, wages, or other compensation to the SRO. Further, the City and ISD 110 shall not be liable for any Worker's Compensation or any other claims relating to injuries or sickness to the SRO arising out of the SRO Services.

3. **PAYMENT FOR SRO SERVICES.**

3.1. **2024-2025 School Year.** ISD 110 shall pay the City the sum of \$54,135.00 on or before August 1, 2024 which represents 50% of the cost of the SRO for the 2024-2025 school year.

3.2. **2025-2026 School Year.** On or before August 1, 2025, ISD 110 shall pay the City a sum equal to 59.23% of the cost of the SRO under the Police Services Contract between the City and the Sheriff's Office for calendar year 2025, which shall constitute ISD 110's payment for the 2025-2026 school year.

3.3. **2026-2027 School Year.** On or before August 1, 2026, ISD 110 shall pay the City a sum equal to 68.46% of the cost of the SRO under the Police Services Contract between the City and the Sheriff's Office for calendar year 2026, which shall constitute ISD 110's payment for the 2026-2027 school year.

3.4. **Subsequent School Years.** On or before August 1st of each renewal term that occurs under this Agreement, ISD 110 shall pay the City a sum equal to 68.46% of the cost of the SRO under the Police Services Contract between the City and the Sheriff's Office for calendar year in which ISD 110's payment is made, , which shall constitute ISD 110's payment for the upcoming school year.

3.5. **Late Fees and Interest.** If any amount due under this Section 3 is not paid within five (5) days after the date it is due: i) a one-time late charge in the amount of One Hundred Dollars (\$100) or five percent (5%) of all amounts then in arrears, whichever is greater, shall become immediately due and payable as compensation to the City for administrative costs; and ii) the amount overdue shall bear interest from the date such amount was due to the date of payment thereof at the a rate equal to the lessor of: i) eight percent (8%) per annum; or ii) the maximum rate permitted by law.

3.6. **Reimbursements.** Any reimbursements received by the City from the County under the Police Services Contract shall be retained by the City.

4. **RISK.** Each party to this Agreement is responsible for its own acts, omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of others and the results thereof. Nothing herein waives or limits the immunities and liability protections afforded by Minnesota Statutes, Chapter 466, and other laws applicable to the City and ISD 110. To the full extent permitted by law, actions by the parties pursuant to this Agreement are intended to be and shall be construed as a "cooperative activity" and it is the intent of the parties that they shall be deemed a "single governmental unit" for the purposes of liability, all as set forth in Minnesota Statutes, Section 471.59, subd. 1a(a); provided further that for purposes of that statute, each party to this Agreement expressly declines responsibility for the acts or omissions of the other party.

5. **GOVERNMENT DATA PRACTICES.** The City and ISD 110 shall comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the City or ISD 110 this Agreement. If ISD 110 receives any request for data related to the SRO Services, it shall promptly notify the City of such request and allow the City to coordinate a response with ISD 110 and the Sheriff's Office.

6. **AUDIT.** Pursuant to Minnesota Statute §16C.05, Subdivision 5, the parties agree that the State Auditor or any duly authorized representative at that time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc. which are pertinent to the accounting practices and procedures related to this Agreement. All such records shall be maintained for a period of six (6) years from the date of termination of this Agreement.

7. **FORCE MAJEURE.** Neither party will be responsible to the other for a failure to perform under this Agreement (or a delay in performance) if such failure or delay is due to a force majeure event. A force majeure event is an event beyond a party's reasonable control including, but not limited to, unusually severe weather, fire, floods, other acts of God, labor disputes, acts of war or terrorism, or public health emergencies. Notwithstanding anything to the contrary above, ISD 110 shall pay all amounts due under this Agreement on the dates due, even if a force majeure event occurs. If the Sheriff's Office forgives or refunds any amounts to the City for SRO Services because of a force majeure event, the City will promptly provide ISD 110 with its proportionate share of such reimbursement.

8. **NOTICES.** All notices permitted or required by this Agreement shall be in writing and shall be addressed to the other parties as follows:

As to City of Waconia:

City of Waconia
Attention: City Administrator
201 South Vine Street
Waconia, MN 55387

As to ISD 110:

Superintendent
Independent School District #110
512 Industrial Boulevard
Waconia, MN 55387

Each such communication, demand or notice shall be delivered: i) in person; ii) via delivery service (e.g., FedEx or UPS) with proof of delivery; or iii) via certified United States mail, return receipt requested. Further, a communication, demand or notice shall be deemed given on the day it is

received or rejected by a party. Any party may change its address by giving notice to the other parties stating its new address. Commencing on the tenth (10th) day after any such notice of address change is given, the address stated in the notice shall be such party's address for purposes of this Agreement.

Miscellaneous.

8.1. **Entire Agreement.** All preliminary negotiations are merged into and incorporated in this Agreement. This Agreement can only be modified or amended by another written agreement signed by all the parties to this Agreement.

8.2. **Construction of Agreement.** The parties to this Agreement have participated jointly in the negotiation and drafting of this Agreement and no presumption or burden of proof shall arise favoring or disfavoring any party. The word "including" shall mean including without limitation. Where the context so requires, words used in the singular shall include the plural and vice versa, and words of one gender shall include all other genders. The parties intend each representation, warranty, and covenant contained in this Agreement to have independent significance. The captions used in this Agreement are for convenience only and do not constitute terms of the Agreement. Each provision of this Agreement is intended to be severable. If any provision is found to be illegal, invalid or unenforceable by a court of competent jurisdiction, such finding shall not affect the validity of the remainder of this Agreement. If there is a conflict between this Agreement and the Police Services Contract, the terms of the Police Services Contract shall govern.

8.3. **Law and Venue.** This Agreement is governed by and shall be construed according to Minnesota law, exclusive of choice of law rules. The venue and forum for any dispute under this Agreement shall be the Minnesota state district court for Carver County.

8.4. **No Third-Party Beneficiaries.** There are no intended third-party beneficiaries to this Agreement.

8.5. **No Waiver.** No waiver shall be implied from any failure to act regarding a default. Any waiver shall be in writing and shall only apply to the default specifically described in such writing. No waiver by any party of performance by any other party shall be considered a continuing waiver nor shall it preclude a party from exercising its rights in the event of a subsequent default. No acceptance by the City of a partial payment tendered by either party shall be deemed to be a waiver of the balance of the amount due even if the tender states that acceptance will constitute payment in full.

8.6. **Time.** All references in this Agreement to "days" shall mean calendar days unless expressly referred to as "business days." If the day for performance of any obligation under this Agreement is a Saturday, Sunday or legal holiday recognized by the City, then the time for performance of that obligation shall be extended to the first following day that is not a Saturday, Sunday or legal holiday recognized by the City. Time is of the essence.

8.7. **Recitals.** The provisions contained in the introductory paragraph and any recitals of this Agreement are incorporated as terms of the Agreement.

8.8. **Nondiscrimination.** Neither party to this Agreement shall violate any federal or state laws prohibiting discrimination.

8.9. **Survival of Terms.** All clauses that impose obligations continuing in their nature and which must survive in order to give effect to their meaning will survive the expiration or earlier termination of this Agreement.

8.10. **Counterparts and Electronic Signatures.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and together which shall constitute one and the same document. Signatures transmitted by fax, email or other electronic means shall be deemed binding, delivered and enforceable.

9. **COUNTY CONSENT.** That this Agreement is contingent upon the consent of the County, in the form attached hereto.

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

Signature pages follow.

SIGNATURE PAGE TO THIS SCHOOL RESOURCE OFFICER AGREEMENT

CITY OF WACONIA, MINNESOTA

Signature: _____
Print Name: Nicole Waldron
Its: Mayor

Signature: _____
Print Name: Jacqueline Schulze
Its: Clerk

SIGNATURE PAGE TO THIS SCHOOL RESOURCE OFFICER AGREEMENT

INDEPENDENT SCHOOL DISTRICT #110

Signature: _____

Print Name: _____

Its: Chairperson

Signature: _____

Print Name: _____

Its: Clerk

CONSENT OF CARVER COUNTY TO SCHOOL RESOURCE OFFICER AGREEMENT

Carver County, Minnesota, hereby consents to the School Resource Officer Agreement between the City of Waconia and Independent School District 110 to which this Consent is attached. The County acknowledges that it will provide the school resource officer services as described in the agreement to which this Consent is attached and the annual Contract for Police Services between the County and the City of Waconia.

CARVER COUNTY, MINNESOTA

Signature: _____
Print Name: John P. Fahey
Its: Chair, Board of Commissioners

Signature: _____
Print Name: Jason Kamerud
Its: Sheriff

ATTEST:

Signature: _____
Print Name: Dave Hemze
Its: County Administrator

Exhibit A

WACONIA PUBLIC SCHOOL DISTRICT SCHOOL RESOURCE OFFICER WORK PLAN 2024

The work plan defines the scope of the School Resource Officer (SRO) services to be provided to ISD 110. The work plan allows for ongoing input from ISD 110 and the Sheriff's Office to develop a list of goals, objectives, work direction, and/or focus areas.

SRO ROLE AND DUTIES:

- The SRO will be an active and highly visible member of the school community. The SRO will work to foster open communication and trust between students, families, staff, and administration. The SRO is expected to interact with students on an individual basis and in small groups. The SRO will also attend, as requested by the ISD 110 Superintendent and approved by the SRO's Supervising Officer, conferences involving teachers, parents, and students.
- The SRO is expected to build relationships with school administration, teachers, staff, students, and families. The SRO will focus on getting to know students, act as a role model, and work with administration to identify students that may be facing challenges and in need of additional resources to be successful.
- The SRO will represent the law enforcement community and work in partnership with the ISD 110 Superintendent or the Superintendent's designee to provide instruction/guidance to students one on one as well as creating and delivering classroom presentations. The SRO will coordinate the SRO's activities with the ISD 110 Superintendent or the Superintendent's designee, and will seek permission, guidance and advice from the ISD 110 Superintendent or the Superintendent's designee prior to initiating any programs within the school.
- The SRO is responsible for managing law enforcement incidents occurring in the ISD 110 schools or on school grounds. The SRO may be called on to help de-escalate a situation, prevent criminal conduct, and/or prevent harm to an individual. The SRO will inform the ISD 110 Superintendent or the Superintendent's designee about any crime committed, arrest(s) made, or other SRO activity as soon as reasonably feasible after the event.
- The SRO may be requested to assist the Superintendent and school principals in developing plans and strategies to prevent and/or minimize dangerous situations on campus and to address other security issues identified by the emergency manager, principal, and/or the SRO.
- The SRO will serve, when requested by the ISD 110 Superintendent or the Superintendent's designee, as a member of the threat assessment team to assist in monitoring students and determining the need for law enforcement action.

- The SRO will participate in crime prevention activities including, but not limited to patrolling school buildings and grounds, monitoring areas known for criminal activity, speaking with staff and students on reducing opportunities for crime, analyzing crime patterns, investigating crimes, and ensuring safety at the school.
- The SRO is part of the school Crisis Response Team and will participate in meetings, emergency preparation, planning, drills, training, and response.

TRAINING:

- ISD 110 will coordinate directly with the SRO's Supervising Officer regarding any specific SRO training ISD 110 desires. ISD 110 agrees not to request any training that will increase the cost of the SRO under the City's Police Services Contract. ISD 110 will periodically discuss with the Sheriff's Office what it believes are relevant training topics for the SRO and will make efforts to notify the Sheriff's Office if ISD 110 becomes aware of opportunities for relevant training. ISD 110 shall provide any training initiated by ISD 110 during scheduled SRO hours.

PROGRAM ASSESSMENT:

- The SRO will collect data on crime trends, school-based arrests, referrals to law enforcement, and other SRO activities. This will include data on cases that are worked off-campus by the Sheriff's Office or other agencies involving students. The SRO, the SRO's Supervising Officer, Principal/School Administration, Superintendent, District Administration, and the Sheriff's Office, or their designees, will meet on a quarterly basis to review the SRO program and quarterly data. ISD 110 and the Sheriff's Office will collaborate on the criteria to be reported at the start of each school year.
- ISD 110 and the Sheriff's Office will meet at the end of each school year to discuss overall program effectiveness and the SRO's effectiveness in the program. By June 30 of every year, the Sheriff's Office will provide ISD 110 a report for the previous school year. The report should include an overview of the SRO unit, highlights and accomplishments, training attended, training conducted, statistics, arrests, referrals, services provided, etc.

EMPLOYMENT:

- When an SRO position becomes open at ISD 110, the Superintendent or the Superintendent's designee will have the opportunity to participate in a formal interview process conducted by the Sheriff's Office to provide feedback and recommendations to the Sheriff's Office.
- If only one candidate expresses interest in an open SRO position, the Superintendent or the Superintendent's designee will still have an opportunity to meet and evaluate the candidate to provide feedback.

- If the SRO is going to be absent from work the SRO, to the extent possible, will provide advance notice to the Superintendent or the Superintendent's designee. In the event of any prolonged SRO absence (i.e., vacation/FMLA), ISD 110 and the SRO's Supervising Officer will collaboratively determine if the temporary placement of another officer assigned as an SRO to a school is warranted.
- The SRO's regularly scheduled duty day will begin prior to the time school starts for the day and through the time of school dismissal for the day, except in cases where they are flexing their schedule for the day to accommodate other SRO or law enforcement-related duties approved by the SRO Supervisor or in other unusual circumstances. Hours requested in excess of the regular scheduled 80 in a 14-day work period shall be compensated per terms in relevant collective bargaining agreements.
- Time spent on emergency calls, regular law enforcement duties/reports/paperwork and police training not associated with ISD 110 will be minimized and conducted only as needed or as directed by the SRO's Supervising Officer.
- If the Superintendent or the Superintendent's designee determines in good faith that the SRO is not effectively performing assigned duties or responsibilities, or has engaged in improper conduct, ISD 110 shall notify the City and the Sheriff's Office in writing of the concerns. The Sheriff's Office shall ensure a thorough and timely review and/or investigation of the concerns raised by ISD 110, or any other concerns the Sheriff's Office becomes aware of by any other means. The Sheriff's Office will promptly advise the Superintendent or the Superintendent's designee of the results of a review or investigation and any subsequent actions taken to the extent allowed by Minnesota law.
- The SRO will wear department authorized duty weapons in accordance with the Sheriff's Office policy. These weapons must be kept on the SRO or secured in a locked gun safe in the SRO's office. The gun safe will be supplied by the Sheriff's Office and will only be accessible to law enforcement officers.

4. Scoreboard Advertising Contracts

Wildcats Scoreboard Sponsors

Sponsor	Amount Pledged	Expires
Anchor - Waconia Dodge Chrysler Jeep Ram	\$24,500.00	12-31-2024
Anchor - State Farm Waconia	\$26,000.00	03-31-2025
Anchor - American Family Waconia	\$26,000.00	03-31-2025
Anchor - Kwik Trip Waconia	\$31,000.00	06-30-2025
Anchor - Spring Green	\$32,500.00	06-30-2026
Anchor - TCO	\$32,500.00	06-30-2026
Founder - Ridgeview	\$18,000.00	12-31-2024
Founder - Western OB/GYN	\$18,000.00	03-31-2025
Founder - Jimmy John's	\$15,000.00	06-30-2025
Founder - SouthPoint	\$15,000.00	03-31-2026

5. Initiate Review of Community Center Lease Agreement and Shared Use Agreement

SHARED USE AGREEMENT

THIS AGREEMENT is made and entered into on this 15th day of March, 2000, by and between INDEPENDENT SCHOOL DISTRICT NO. 110, an independent school district existing under the laws of the State of Minnesota (the "District"), and the CITY OF WACONIA, a body corporate and politic under the laws of the State of Minnesota (the "City").

RECITALS

A. The District is constructing an integrated middle school building (the "School Building") and a community center (the "Community Center") to be known as the Waconia Middle School and the Waconia Community Center, respectively (collectively, the "Building"), all on land legally described on Exhibit "A" attached hereto (the "Land");

B. The District has entered into that Community Center Lease Agreement, dated on even date herewith, with the Waconia Economic Development Authority, a body corporate and politic under the laws of the State of Minnesota (the "EDA"), pursuant to which the District has leased to the EDA a portion of the Community Center known therein as the "Premises" (the "EDA Premises"), all in accordance with the terms thereof (the "EDA Lease");

C. Contemporaneous with the District's and the EDA's entry into the EDA Lease, and pursuant to the terms thereof, each of the EDA and the City have entered into that certain Community Center Lease With Option to Purchase Agreement, dated on even date herewith, pursuant to which the EDA has subleased to the City the EDA Premises (referred to herein as the "City Premises"), all in accordance with the terms thereof (the "City Sublease");

D. The District owns, or will own upon completion thereof, both the School Building and the Community Center, together with such of the Land as comprises the footprint for the School Building and Community Center and all exterior parking areas, accessways, and common areas related thereto;

E. Both the District and the City desire to provide for the joint and shared use of certain of the facilities located within the Community Center in an effort to make the best use of such facility and to provide effective programs and services to residents of the City, the District and the outlying community, all in accordance with the terms and provisions of this Agreement.

AGREEMENT

NOW, THEREFORE in consideration of the premises, and the mutual covenants and agreements set forth herein, each of the District and the City do hereby agree as follows:

Section 1. Defined Terms.

(a) For purposes of this Agreement, the following definitions shall apply:

"Accessways" shall have the meaning ascribed to it in the EDA Lease.

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

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

"Building" shall have the meaning ascribed to it in the Recitals set forth above.

"City" shall mean the City of Waconia, a body corporate and politic under the laws of the State of Minnesota.

"City Premises" shall have the meaning ascribed to it in the Recitals set forth above.

"City Sublease" shall have the meaning ascribed to it in the Recitals set forth above.

"Cold Water Sub-meter" shall have the meaning ascribed to it in the EDA Lease.

"Commencement Date" shall have the meaning ascribed to it in the EDA Lease.

"Common Areas" shall have the meaning ascribed to it in the EDA Lease.

"Community Center" shall have the meaning ascribed to it in the Recitals set forth above, all as shown on Exhibit "B" attached hereto.

"Community Education Agreement" shall mean that Community Education and Recreation Agreement, dated June 6, 1994, by and between the City and the District.

"District" shall mean Independent School District No. 110, an independent school district existing under the laws of the State of Minnesota.

"Electric Meter B" shall have the meaning ascribed to it in the EDA Lease.

"EDA" shall have the meaning ascribed to it in the Recitals set forth above.

"EDA Lease" shall have the meaning ascribed to it in the Recitals set forth above.

"Gas Sub-meter" shall have the meaning ascribed to it in the EDA Lease.

"Gymnasium" shall mean the gymnasium as shown on Exhibit "C" attached hereto.

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

"Lap Pool Area" shall mean the lap swimming pool area as shown on Exhibit "C" attached hereto.

"Lessee's Proportionate Share" shall have the meaning ascribed to it in the EDA Lease.

"Operating Costs" shall have the meaning ascribed to it in the EDA Lease.

"Operating Costs for the Shared Space" shall have the meaning ascribed to it in the EDA Lease.

"Permitted City Uses" shall mean; only to the extent permitted under Applicable Law, (i) all recreational and athletic activities and programs, including without limitation Adult Recreation activities and programs (excluding, except as otherwise expressly provided herein, any such activities and programs as shall be primarily targeted to high school aged, or younger, individuals or groups); (ii) health care services ancillary to the uses described in (i) above, and consisting only of the following services: (A) fitness consultations including exercise instruction, exercise testing and exercise prescription, (B) health and wellness services including instruction, fitness challenges, programs, games, and activities which enhance excitement and fun while promoting wellness, (C) therapeutic massage, (D) injury prevention services, and (E) athletic performance training; (iii) business, civic and educational meetings and activities; (iv) swimming lessons and other aquatic activities for all age groups; (v) social gatherings, including without limitation weddings, birthday

parties for adults and children, playland activities for children, and reunions; and (vi) such other uses as the District may, in its sole discretion, acknowledge in writing to be a Permitted City Use.

"Primary Use Period" shall mean that period of time commencing as of November 1 of each calendar year, and continuing uninterrupted through and including March 15 of the following calendar year.

"Recreational Pool Area" shall mean the recreational swimming pool area as shown on Exhibit "C" attached hereto.

"Related Building Operating Costs" shall have the meaning ascribed to it in the EDA Lease.

"School Building" shall have the meaning ascribed to it in the Recitals set forth above, all as shown on Exhibit "B" attached hereto.

"School Days" shall mean all calendar days during the School Year during which classes or exams are scheduled to be held by the District for the District's public school students.

"School Hours" shall mean that period of time, during School Days, during which the District holds, or has scheduled to hold, classes or exams for its public school students, inclusive of intervening lunch periods or other breaks or interruptions, each which School Day shall commence as of thirty (30) minutes in advance of the commencement of such classes and/or exams and shall terminate as of as of thirty (30) minutes following the conclusion of such classes and/or exams.

"School Premises" shall mean that portion of the Community Center excluding the EDA Premises.

"School Year" shall mean all calendar days during the District's then current school year (exclusive of summer school and inclusive of other school sessions comprising a portion of such school year, if applicable), commencing as of the first day of such school year and ending as of the last day of such school year.

"Secondary Use Period" shall mean, as to each School Year, (i) that period of time commencing as of the first School Day of such School Year and continuing through and including October 31 of such School Year; and (ii) that period of time commencing as of March 16 of such School Year and continuing through and including the last School Day of such School Year.

"Shared City Space" shall mean those areas within the Gymnasium, other than the running track, as constitute a portion of the City Premises, as to which the District shall have rights of access and use for the purpose of conducting permitted activities of the District, as set forth in this Agreement and as shown on Exhibit "D" attached hereto, and including without limitation all furnishings commonly located and used in said spaces (and excluding, absent the prior consent of

the City, all supplies, personal property, equipment, or sports equipment commonly located or used therein).

"Shared Gymnasium Space" shall mean the collective reference to the Shared School Gymnasium Space and the Shared City Space.

"Shared School Gymnasium Space" shall mean those areas within the Gymnasium as constitute a portion of the School Premises, as to which the City shall have rights of access and use for the purpose of conducting permitted activities of the City, as set forth in this Agreement and as shown on Exhibit "D" attached hereto, and including without limitation all furnishings commonly located and used in said spaces (and excluding, absent the prior consent of the District, all supplies, personal property, equipment, or sports equipment commonly located or used therein).

"Shared School Pool Area Space" shall mean those areas within the Lap Pool Area as constitute a portion of the School Premises, as to which the City shall have rights of access and use for the purpose of conducting permitted activities of the City, as set forth in this Agreement and as shown on Exhibit "D" attached hereto, and including without limitation all furnishings commonly located and used in said spaces (and excluding, absent the prior consent of the District and except as otherwise expressly provided in this Agreement, all supplies, personal property, equipment, or sports equipment commonly located or used therein).

"Shared School Space" shall mean the shall mean the collective reference to the Shared School Gymnasium Space and the Shared School Pool Area Space.

"Shared Space" shall mean the shall mean the collective reference to the Shared City Space and the Shared School Space.

"Swim Meet" shall mean any weekday or weekend swim meet, invitational swim meet or other swim tournament (i) sponsored by the District, (ii) which includes participation by one or more swim teams organized by the District, together with one or more swim teams organized by a school district other than the District, and (iii) which is organized or initiated at the direction of either (A) the athletic conference, school league, or other counterpart organization charged with responsibility for organizing or overseeing such events, or (B) in the absence of any such athletic conference, school league or other counterpart organization, the District (provided, however, that the number of such Swim Meets as shall be scheduled by the District under this subparagraph (B) shall not exceed ten (10) Swim Meets during any calendar year).

"Swim Meet Hours" shall mean that period of time, at any time during a calendar year, during which a Swim Meet has been scheduled to held, which Swim Meet Hours shall commence as of ninety (90) minutes in advance of the scheduled start time for the actual Swim Meet competition and shall terminate as of as of thirty (30) minutes following the conclusion of such actual Swim Meet competition.

"Summer Use Period" shall mean, as to each calendar year, that period of time commencing as of the first day immediately following the last School Day of any School Year and continuing through and including the first day immediately preceding the first School Day of the next ensuing School Year.

"Youth Recreation" shall mean recreational programs and activities other than those programs and activities which constitute Adult Recreation; provided, however, swimming lessons, other aquatic activities, birthday parties, and playland activities for high school aged, or younger, individuals or groups shall not constitute Youth Recreation.

(b) Other Terms. Except as to those terms otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the respective meanings ascribed to them in the EDA Lease.

Section 2. Term of Agreement.

Unless earlier terminated as otherwise provided herein, this Agreement shall commencement upon the Commencement Date and shall continue for a term of thirty (30) years.


Section 3. Licenses to Use of Shared Space.

Section 3.1. License to District for Use of Shared City Space. The City hereby grants the District for the term hereof a nonexclusive license, in common with the City, to use and occupy the Shared City Space in accordance with the provisions of this Agreement.

Section 3.2. License to City for Use of Shared School Space. The District hereby grants the City for the term hereof a nonexclusive license, in common with the District, to use and occupy the Shared School Space, Common Areas and Accessways in accordance with the provisions of this Agreement.

Section 4. General Limitation on City Use of Shared Space. Subject only to Sections 4.1 and 4.2 of this Agreement, and otherwise notwithstanding anything to the contrary in this Agreement, the City shall be prohibited from using, and shall not use, all or any portion of the Shared Space at any time during School Hours for all days during the School Year, all of which Shared Space shall, for the duration thereof, be available for the exclusive use and enjoyment of the District; provided, however, the City may from time to time otherwise use all or any portion of the Shared Space during School Hours upon the express written consent of the District, which consent may be withheld by the District in its sole discretion.

Section 4.1. Exceptions to General Limitation. Notwithstanding Section 4 above, the City shall be entitled to limited use of the Shared Space during such restricted periods, as follows:



(a) During each and every Primary Use Period and Secondary Use Period, the City shall be entitled to the exclusive use of one gymnasium basketball court located in the Shared Gymnasium Space: (i) for an uninterrupted period of time, on Monday through Friday of each calendar week, from 11:00 a.m. through and including 1:00 p.m.; and (ii) for such other periods of time as the District may permit in writing in its sole discretion; and

(b) During each and every Primary Use Period and Secondary Use Period, the City shall be entitled to the nonexclusive use, in common with the District, of the lap swimming pool located in the Shared Pool Space: (i) for two (2) uninterrupted periods of time to be scheduled, as described herein, at such times as shall be compatible with the District's then applicable physical education schedule, each such use to occur during, and to approximately equal, the District's then scheduled classroom periods, the duration of each such use not to be less than forty-five (45) minutes, nor more than one (1) hour, in length of time, on Monday through Friday of each calendar week, each such use period to be scheduled as follows: (A) one such period shall be scheduled to occur within the time period commencing at 8:00 a.m. and continuing through and including 12:00 Noon of each such day; and (B) the other such period shall be scheduled to occur within the time period commencing at 12:00 Noon and continuing through and including 3:00 p.m. of each such day; and (ii) for such other periods of time as the District may permit in writing in its sole discretion.

Section 4.2. Adjustments to School Hours, Days and Year. In the event of any adjustments or changes by the District from time to time to its schedule for School Hours, School Days, or any School Year, if implemented by the District in compliance with state or federal law, rules or regulations, including without limitation state or federal mandates for increases or decreases in annual educational hour requirements, the following shall apply:

(a) Subject to Sections 4.1(a) and (b) above and Sections 4.2(b) and (c) below, the exclusive and priority use allocations of the Shared Space, as are more fully described in Section 5 below and on Exhibit "E", and Exhibit "F", attached hereto, shall be deemed modified in accordance with this Section 4.2 to ensure that (i) the District retain exclusive use of the Shared Space during School Hours for any School Days which are added to the School Year; and (ii) in the case of any increase in School Hours during any School Day, the District receive a corresponding increase in the number of exclusive use hours

for the Shared Space during non-School Hours for each such School Day.

- (b) For any School Year during which the District shall add School Days in accordance with this Section 4.2, the District's right to retain exclusive use of the Shared Space during School Hours for any School Days which are so added to the School Year shall in no event entitle the District to such exclusive use for more than five (5) School Days in excess of the number of scheduled School Days for the District's School Year in effect as of the date of this Agreement; and
- (c) For any School Year during which the District shall increase School Hours during any School Day in accordance with this Section 4.2, in no event shall the District have the right to receive a corresponding increase in the number of exclusive use hours for the Shared Space during non-School Hours for each such School Day in excess of more than sixty (60) minutes; provided, however, in no event shall the District have the right to receive a corresponding increase in the number of exclusive use hours for the Shared Space during non-School Hours for each such School Day beyond 6:00 p.m. on any School Day constituting a Monday, Wednesday or Friday. The limited right granted to the District to increase its exclusive use of the Shared Space during School Hours as described this Section 4.2(c) shall in no way confer upon the District the right to change the exclusive use and priority use times described in Section 5 of this Agreement, or in Exhibit "E", Exhibit "F", or Exhibit "G" attached hereto, except in accordance with this Section 4.2(c).
- (d) The parties hereto shall amend this Agreement from time to time, in accordance with Section 20.1 hereof, to reflect any and all modifications arising or adopted pursuant to this Section 4.2.

Section 5. Use of Shared Space. Subject to the general limitations on the City's use of the Shared Space in accordance with Section 4 of this Agreement, use by the District and the City of the Shared Space shall be subject to the exclusive use times and priorities of use set forth in this Section 5.

Section 5.1. Shared Gymnasium Space (Primary Use Period). Use of the Shared Gymnasium Space between the District and the City, during and throughout the Primary Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "E" attached hereto.
- (b) The City shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "E" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "E" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "E" attached hereto.

Section 5.2. Shared Gymnasium Space (Secondary Use Period). Use of the Shared Gymnasium Space between the District and the City, during and throughout the Secondary Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "F" attached hereto.
- (b) The City shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "F" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "F" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "F" attached hereto.

Section 5.3. Shared Gymnasium Space (Summer Use Period). Use of the Shared Gymnasium Space between the District and the City, during and throughout the Summer Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "G" attached hereto.
- (b) The City shall have exclusive use of the Shared Gymnasium Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "G" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "G" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Gymnasium Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "G" attached hereto.

Section 5.4. Shared Pool Space (Primary Use Period). Subject to Section 5.7 below, use of the Shared Pool Space between the District and the City, during and throughout the Primary Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "E" attached hereto.
- (b) The City shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "E" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "E" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "E" attached hereto.

Section 5.5. Shared Pool Space (Secondary Use Period). Subject to Section 5.7 below, use of the Shared Pool Space between the District and the City, during and throughout the Secondary Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "F" attached hereto.
- (b) The City shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "F" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "F" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "F" attached hereto.

Section 5.6. Shared Pool Space (Summer Use Period). Subject to Section 5.7 below, use of the Shared Pool Space between the District and the City, during and throughout the Summer Use Period, shall be determined and allocated as follows:

- (a) The District shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the District in accordance with Exhibit "G" attached hereto.
- (b) The City shall have exclusive use of the Shared Pool Space at all times for which such exclusive use is granted to the City in accordance with Exhibit "G" attached hereto.
- (c) The District shall have scheduling priority over the City for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the District in accordance with Exhibit "G" attached hereto.
- (d) The City shall have scheduling priority over the District for the exclusive use of the Shared Pool Space at all times for which such scheduling priority is granted to the City in accordance with Exhibit "G" attached hereto.

Section 5.7. Swim Meets. Notwithstanding anything to the contrary set forth in Sections 5.4, 5.5 and 5.6 above, the District shall be granted exclusive use of the Shared Pool Space during Swim Meet Hours for any Swim Meet. In addition, at all times during Swim Meet Hours for

any Swim Meet, the City shall prohibit and restrict any and all use of the Recreational Pool Area, whether by the City, any invitee of the City or any other person or entity; provided, however, at all times during Swim Meet Hours for any Swim Meet, the City authorizes the District to permit reasonable use of such portions of the Recreational Pool Area (excluding the recreational pool) as may be necessary or appropriate for accommodating temporary seating areas for participating swim teams, temporary placement of any equipment in connection with any Swim Meet, or any other use by participating swim teams, tournament officials, or tournament staff (including volunteer staff) reasonably related to the conduct of a Swim Meet.

Section 5.8. Scheduling.

- (a) Exclusive Use Periods. Neither party is required to schedule in advance any use of any of the Shared Space for any period during which such party has been granted exclusive use of such Shared Space; provided, however, the District shall provide the City with advance notice as soon as reasonably practicable of the schedule for all Swim Meets, such notice to be provided not less than three (3) months prior to the date of each such Swim Meet.
- (b) Shared Gymnasium Space. Subject to Section 5.8(a) above, the District and the City, as applicable, shall be responsible for all scheduling of the Shared Gymnasium Space for any period of time during which such party has exclusive or priority use of the Shared Gymnasium Space. All requests for scheduling of any priority use of the Shared Gymnasium Space shall be submitted by the party requesting use to such person or persons as may be designated by the party with scheduling responsibility from time to time to perform scheduling responsibility on behalf of such party for priority use of the Shared Gymnasium Space, such requests to include the times and duration of such requested uses. Unless otherwise permitted by the party with scheduling responsibility, all such requests for priority use of the Shared Gymnasium Space shall be submitted to the designee(s) of the party with scheduling responsibility not less than fourteen (14) days in advance of the requested use dates. In the event of conflicting requests for use of any of the Shared Gymnasium Space during any period in which a party has been granted priority use for such space, and unless otherwise agreed between the parties, scheduling of such space shall be determined in accordance with the applicable priorities of use as set forth in this Agreement.
- (c) Shared Pool Space. Subject to Section 5.8(a) above, the City shall be responsible for all scheduling of the Shared Pool Space for any period of time during which the City has been granted exclusive use, or any

party has been granted priority use, for such space, and the District shall be responsible for all scheduling of the Shared Pool Space for any period of time during which the District has exclusive use of the Shared Pool Space. All requests for scheduling of any priority use of the Shared Pool Space shall be submitted by the party requesting use to such person or persons as may be designated by the City from time to time to perform all scheduling responsibility for priority use of the Shared Pool Space, such requests to include the times and duration of such requested uses. Unless otherwise permitted by the City, all such requests for priority use of the Shared Pool Space shall be submitted to the City's designee(s) not less than three (3) months in advance of the requested use dates. In the event of conflicting requests for use of any of the Shared Pool Space during any period in which a party has been granted priority use for such space, and unless otherwise agreed between the parties, scheduling of such space shall be determined in accordance with the applicable priorities of use as set forth in this Agreement.

- (d) Special Activities. Special activities by the District and/or the City may require preparation of the Shared Space. The scheduling of all such special activities, as well as the scheduling of all preparations for such special activities, shall be determined in accordance with Section 5.8(a), (b) and (c) of this Agreement. The parties agree to try to schedule all such preparatory work at times and in such a manner as will minimize any disruption to the regular programs of the District and the City on or within the Shared Space.

Section 6. Operating Costs. The District and the City hereby agree that, with respect only to those Operating Costs assumed by the City in accordance with the City Sublease, the following shall apply:

Section 6.1. Shared Space Operating Costs: In addition to any payment by the City of Lessee's Proportionate Share of Operating Costs for the Shared Space, the City shall additionally pay:

- (a) That portion of expenses associated with Electrical Meter B as shall result in an aggregate allocation of expenses associated with Electrical Meter B as follows: (i) the City shall pay eighty-five percent (85%) of all expenses associated with Electrical Meter B; and (ii) the District shall pay fifteen percent (15%) of all expenses associated with Electrical Meter B;

CONDENSATE METERS.

- (b) That portion of expenses associated with the Gas Sub-meter as shall result in the City shall paying one hundred percent (100%) of all expenses associated with the Gas Sub-meter; and
- (c) That portion of expenses associated with the Cold Water Sub-meter as shall result in the City shall paying one hundred percent (100%) of all expenses associated with the Cold Water Sub-meter

Section 6.2. Related Building Operating Costs. In lieu of any payment by the City of Lessee's Proportionate Share of Related Building Operating Costs for snow removal in connection with the Accessways or any parking lots comprising Common Areas, each of the District and the City will separately perform such snow removal as follows: (i) the District will conduct, at its sole cost and expense, all snow removal with respect to any parking lots comprising Common Areas and the sidewalks comprising a portion of the Accessways; and (ii) the City will conduct, at its sole cost and expense, all snow removal with respect to any driveway comprising a portion of the Accessways; and

Section 6.3. Operating Costs for the Shared Space.

- (a) Payment/Performance by City. In consideration for the reallocation of utility expenses, as set forth in Section 6.1 above, and in lieu of any other obligation to pay (excluding any obligation by the City or the EDA to pay for Lessee's Proportionate Share of Operating Costs for the Shared Space for any expenses associated with Required Capital Improvements or Related Building Capital Improvements to the Shared Space, which obligation shall continue in effect) by the City of Lessee's Proportionate Share of that portion of Operating Costs for the Shared Space which is attributable to the Shared Pool Space, including without limitation Operating Costs associated with the purchase of pool chemicals, supplies and equipment, employment costs (including without limitation wages, salaries and all benefits) associated with the hiring of any pool managers, supervisors, life guards, or other staff (excluding teachers, physical education instructors, school life guards, and other school-related personnel separately employed by the District) with respect to the operation, maintenance or repair (other than repairs constituting Required Capital Improvements or Related Building Capital Improvements to any portion of the Shared Space) of the Shared Pool Space, the City will (i) separately perform, at its sole cost and expense, all operation and management of the Shared Pool Space, such operation and management to include without limitation, the hiring and supervision of all pool managers, supervisors, life guards used in connection with the operation of the Community Center, or other staff (excluding

teachers, physical education instructors, life guards used by the District in connection with its activities, and other school-related personnel separately employed by the District) with respect to the operation of the Shared Pool Space, and the purchasing of all necessary pool chemicals, supplies and equipment (other than capital equipment, Required Capital Improvements, and Related Building Capital Improvements), and (ii) pay and reimburse the District in full for all costs incurred by the District in connection with the maintenance and repair (other than repairs constituting Required Capital Improvements or Related Building Capital Improvements to any portion of the Shared Space, costs for which repairs shall be paid by the City only to the extent of Lessee's Proportionate Share thereof) of the Shared Pool Space (including without limitation labor charges and materials costs), such maintenance to include without limitation the performance of all periodic cleaning and routine maintenance of the lap swimming pool located in the Shared Pool Space, including without limitation all necessary or appropriate adding or changing of pool chemicals, management of water quality, conduct of periodic water testing, and such other responsibilities as may be necessary to maintain the pool water in a clean, sanitary and healthy condition in accordance with any applicable health and safety laws, rules or ordinances then in effect. All labor charges paid or reimbursed by the City in accordance herewith shall include without limitation a reasonable allocation of all wages, salaries and benefits for all such employees of the District so performing such responsibilities).

- (b) Payment by District. In lieu of any performance by the District of any of its obligations under the EDA Lease to perform such of the obligations allocated to, and assumed by, the City with respect to the Shared Pool Space in accordance with (a) above, and in lieu of any other obligation to pay (excluding any obligation by the District to pay for its share of any expenses associated with Required Capital Improvements or Related Building Capital Improvements to the Shared Space, which obligation shall continue in effect) by the District toward that portion of Operating Costs for the Shared Space which is attributable to the Shared Pool Space, the District shall pay the City the following: (i) for the period commencing as of the Commencement Date and continuing for the first twenty (20) years of the term hereof, One Hundred Five Thousand and No/100ths Dollars (\$105,000.00) per year, payable in twelve (12) equal monthly installments as of the Commencement Date and the first business day of each and every calendar month thereafter (provided, however, the annual amount payable hereunder for each year of the term of this

Agreement after the initial year hereof, as measured from the Commencement Date, shall be the payment amount for the immediately preceding year, increased, upon the commencement of the next year, by one percent (1%) of the annual amount paid for the immediately preceding year); and (ii) for the period commencing as of the first business day of the twenty-first (21st) year of the term hereof, and continuing for the remainder of the term hereof, annual payments, each in the aggregate amount paid for the immediately preceding year (without further increase or adjustment), payable in twelve (12) equal monthly installments as of the first such business day and the first business day of each and every calendar month thereafter.

Section 6.4. Except as may otherwise be provided in this Section 6, and except for such of those Operating Costs as may be retained by the EDA and not assumed by the City in accordance with the City Sublease, payment by the City of Lessee's Proportionate Share of all Operating Costs shall be in accordance with the terms of the EDA Lease.

Section 7. Maintenance of Facility. Except as otherwise set forth in this Agreement, all maintenance, repairs, capital expenditures, cleaning and janitorial services relating to the School Building, Community Center, Common Areas and Accessways shall be performed in accordance with the terms of the EDA Lease.

Section 8. Supervision and Equipment.

Section 8.1. General Supervision of Community Center and School Building. Except as set forth in Sections 8.2 and 8.3 below, supervision and security for the Community Center and School Building shall be provided as follows:

- (a) Community Center. The City shall provide, and be responsible for, all supervision and security for the Community Center.
- (b) School Building. The District shall provide, and be responsible for, all supervision and security for the School Building.

Section 8.2. Supervision of Shared Gymnasium Space.

- (a) Use by District. The District shall provide reasonable supervision and security with respect to those portions of the Shared Gymnasium Space reserved for or used by it, together with all Common Areas and Accessways accessible therefrom during all such periods so used.

- (b) Use by City. The City shall provide reasonable supervision and security with respect to those portions of the Shared Gymnasium Space reserved for or used by it, together with all Common Areas and Accessways accessible therefrom during all such periods so used.

Section 8.3. Supervision of Shared Pool Space.

- (a) Use by District. The District shall provide reasonable supervision and security with respect to those portions of the Shared Pool Space reserved for or used by it, together with all Common Areas and Accessways accessible therefrom during all such periods so used.
- (b) Use by City. The City shall provide reasonable supervision and security with respect to those portions of the Shared Pool Space reserved for or used by it, together with all Common Areas and Accessways accessible therefrom during all such periods so used.

Section 8.4. Equipment. In connection with their use of the Shared Space, and except as may be otherwise agreed between the District and the City from time to time, each of the District and the City shall furnish all of their own equipment, and the equipment of the other shall at all times be left intact and undisturbed; provided, however, the District and the City shall be entitled to use of such of the other party's equipment as shall be permanently located in the Shared Space as shall consist of any lap swimming pool lane ropes or markers, and any health and safety equipment, such as life preservers, gaffs, first aid equipment and other similar equipment, and any volley ball standards and nets.

Section 8.5. Activities. Except as may be otherwise agreed between the District and the City from time to time, each of the District and the City shall make reasonable efforts to limit those activities taking place in the Shared Space to those activities for which such Shared Space was designed and which will not be destructive to such Shared Space or the equipment located therein, or otherwise carry an unreasonable risk of injury or harm to the participants, supervisors or spectators of such activities. In no event shall an agreement between the parties to permit on one occasion the conduct of an activity in violation with the requirements of this Section 8.5 be deemed to permit subsequent occurrences of the same or similar activity unless expressly so contemplated between the parties.

Section 9. Permitted Uses. Notwithstanding anything to the contrary in the EDA Lease, the City may use the City Premises for Permitted City Uses.

Section 10. User Fees and Rental Rates for Others. The City shall establish, in its sole discretion, the fee and rental rates, either on an annual or per use basis, or a combination of both, that invitees of the City shall pay for use of the Community Center. Notwithstanding anything to the contrary above, the City agrees as follows: (i) in regard to all daily use fees and all swimming lesson

fees, the City will not discriminate between residents of the City and constituents of the District; and (ii) with respect to all other fees, rates and other charges as may be charged by the City from time to time, the amount of such fees, rates and other charges as shall be payable by constituents of the District who are not also residents of the City shall at all times equal an amount not greater than one hundred sixteen and-eight-tenths percent (116.8%) of those counterpart fees, rates and other charges as shall then be payable by constituents of the City.

Section 11. Community Center Revenues. The City shall be entitled to all fees and other revenues derived from the operation of the Community Center or associated therewith of any nature whatsoever including, but not limited to, revenue derived from user fees, rent, concession sales, vending machines, corporate sponsorships, grants and legislative appropriations directed to the Community Center, naming rights, and donations; provided, however, the District shall retain any and all revenue, if any, generated or received by the District in connection with any use by the District of the Shared Space, including without limitation admission fees for Swim Meets or other athletic tournaments or competitions, and receipts from the sale of programs, concessions (other than vending machine sales) or any related merchandise.

Section 12. Miscellaneous Facilities and Equipment.

Section 12.1. Cafeteria. During the term of this Agreement, the District agrees that it will from time to time license to the City the use of the cafeteria located in the Building for any Permitted Uses when it is not otherwise being used by the District. The terms, date, time and duration of each such license shall be established in accordance with the District's then applicable facilities use policy.

Section 12.2. Community Center Meeting Rooms. During the term of this Agreement, the City agrees that it will from time to time license to the District the use of one or more of the meeting rooms located in the Community Center for any Permitted Uses when it is not otherwise scheduled, prior to any request by the District, for use by invitees of the City. The terms, date, time and duration of each such license shall be established in accordance with the City's then applicable policy.

Section 12.3. Bleachers. During the term of this Agreement, the District agrees that it will from time to time license, without cost, to the City the use of any portable bleachers located in the Building when the District is not otherwise using them for District purposes. The date, time and duration of each such license shall be established on a case by case basis by mutual agreement between the City and the District. The City shall be responsible for any damage to, or destruction of, such bleachers as may occur during any such use.

Section 13. Advisory Group. From and after the Commencement Date, and throughout the term of this Agreement, the City shall establish an advisory group to provide the City with feedback and non-binding input as to the operation of the Community Center. The composition of and the procedures governing any such group shall be established from time to time by the City, in its

discretion; provided, however, the District shall have the right to appoint one representative to such advisory group.

Section 14. Insurance. All insurance obligations of the District and the City shall be performed in accordance with the terms of the EDA Lease.

Section 15. Indemnification.

Section 15.1. District. The District hereby indemnifies and holds the City harmless from and against any and all claims, demands, liabilities, and expenses, including reasonable attorney's fees, arising from the District's use of the Shared Space, the Common Areas, the Accessways, the School Premises, the School Building, or the Property, or from any act permitted, or any omission to act, in or about the Shared Space, the Common Areas, the Accessways, the School Premises, the School Building, or the Property, by the District or its officers, employees, independent contractors, agents, or invitees, or from any breach or default by the District of this Agreement, except to the extent caused by the City's negligence or willful misconduct. In the event any action or proceeding shall be brought against the City by reason of any such claim, the District shall defend the same at the District's expense by counsel reasonably satisfactory to the City. The provisions of this Section 15.1 shall survive any termination of this Agreement.

Section 15.2. City. The City hereby indemnifies and holds the District harmless from and against any and all claims, demands, liabilities, and expenses, including reasonable attorney's fees, arising from the City's use of the City Premises, the Shared Space, the Common Areas, the Accessways, or the Property, or from any act permitted, or any omission to act, in or about the City Premises, the Shared Space, the Common Areas, the Accessways, or the Property, by the City or its officers, employees, independent contractors, agents, or invitees, or from any breach or default by the City of this Agreement, except to the extent caused by the District's negligence or willful misconduct. In the event any action or proceeding shall be brought against the District by reason of any such claim, the City shall defend the same at the City's expense by counsel reasonably satisfactory to the District. The provisions of this Section 15.2 shall survive any termination of this Agreement.

Section 16. Property Damage. All repair obligations of the District and the City shall be performed in accordance with the terms of the EDA Lease.

Section 17. Notices. Any notice required or permitted to be sent hereunder shall be in writing Federal Express, courier delivery, facsimile transmission, or U.S. Mail to the following addresses, or to such other address as may be specified from time to time in writing by the District or the City:

If to the District: Waconia Public Schools
24 South Walnut Street
Waconia, Minnesota 55387
Attn: Superintendent

If to the City: City of Waconia
109 Elm Street South
Waconia, Minnesota 55387
Attn: City Administrator

Notice shall be deemed effective upon the expiration of one (1) day following mailing via Federal Express delivery; upon receipt in the case of courier delivery; upon the expiration of one (1) business day following the date of transmission if transmitted by facsimile; and upon the expiration of three (3) days following mailing in the case of mailing via U.S. Mail.

Section 18. Termination.

Section 18.1. Termination for Cause. In the event of any material breach of any of the terms of this agreement, the party alleging the breach may seek to terminate this Agreement by giving the breaching party written notice specifying the nature of the breach. If the breach is not remedied within thirty (30) days of the date of delivery of such notice, or if additional breaches of a materially similar nature occur within the thirty (30) day period following the date of delivery of said notice, the party alleging the breach may send the breaching party a second written notice setting forth the time, place and date of a meeting to discuss the breach, the time, date and place for which shall in all respects be reasonable and shall specify a date not later than ten (10) days from the date of such written notice. The Superintendent for the District or his or her designee(s) and the City Administrator for the City or his or her designee(s) shall attend such meeting. If the breach continues for more than twenty (20) days after the date of such meeting, the party alleging the breach may send a final written notice of termination to the breaching party terminating this Agreement effective upon the date of delivery of such notice.

Section 18.2. Termination Without Cause. The District may terminate this Agreement without cause, effective as of June 30 of any calendar year, upon delivery to the City, on or before February 1 of such calendar year, of advance written notice of termination. Delivery of any notice of termination under this Section 18.2 shall be deemed to constitute delivery of notice of termination of the EDA Lease under Section 28 of the EDA Lease. Any payment, or obligations expressly assumed, by the District to the EDA pursuant to Section 28 of the EDA Lease, together with any obligations, if any, of the District to the EDA which survive termination by the District, pursuant to Section 28 of the EDA Lease, of the EDA Lease, shall without duplication be the sole and exclusive remedy for the District's termination hereunder, and the City hereby waives any and all rights to specific performance, damages, or any other remedy available in equity or in law in connection with any termination of this Agreement by the District pursuant to this Section 18.2.

other than rights with respect to obligations, if any, which survive such termination of this Agreement.

Section 18.3. Termination of EDA Lease. This Agreement shall automatically terminate, without notice to any party, effective as of any termination of the EDA Lease.

Section 18.4. Survival of Reimbursement and Indemnification Obligations. Reimbursement and indemnification obligations arising from events occurring prior to any termination under this Section 18 shall survive such termination.

Section 19. Modification of Community Education Agreement. For so long as this Agreement remains in effect, the Community Education Agreement, is hereby amended by the terms of this Agreement to the extent of any conflict between the Community Education Agreement and this Agreement. Except as otherwise set forth in this Section, the Community Education Agreement continues in effect in all respects; provided, however, nothing herein shall be construed as obligating either party to continue such agreement except as may be otherwise separately set forth therein. Notwithstanding anything to the contrary contained herein, the City and the District hereby agree that, except to the extent that the District may from time to time elect not to organize and administer one or more Youth Recreation programs or activities, all Youth Recreation programs and activities shall, throughout the term of this Agreement, or until this Agreement is earlier terminated in accordance herewith, be organized and administered by the District.

Section 20. Agreement Review and Amendments.

Section 20.1. The parties or their designees shall meet annually to jointly review operations under this Agreement and, if necessary, to amend the terms of this Agreement. However, no amendment or modification of this Agreement shall be effective unless made in writing and signed by both parties.

Section 20.2. Designated staff employed by both the District and the City shall meet on a regular basis to facilitate effective scheduling of the Shared Space.

Section 20.3. Within one (1) month following any turnover of any City or District primary staff having responsibility for the operation and maintenance of the Community Center, the parties shall meet to jointly review this Agreement and the performance of the management responsible for the maintenance and operation of the facilities referenced in this Agreement. For purposes of this Agreement, the term "primary staff" shall mean the following: (i) as to the District, the individual or collective reference to those persons filling the following position(s): (A) the Superintendent of the District, (B) the principal for the School, and (C) such other persons as may be designated from time to time by the Superintendent of the District or the principal for the School; and (ii) as to the City, (A) the City Administrator, (B) the Community Center Manager, and (B) such other persons as may be designated by the City Administrator or the Community Center Manager.

Section 20.4. Except as may be otherwise provided under Section 18.1 of this Agreement, if a dispute develops between the parties regarding the performance of the managerial personnel or the interpretation of the rights and obligations of the parties under this Agreement, such disputes shall be referred to the next administrative level of the respective bodies who shall attempt to settle the dispute. Such referral shall continue to succeeding levels of the respective bodies until all administrative levels have been exhausted; provided, however, all such administrative levels shall be deemed to have been exhausted in the event such dispute remains unresolved in whole or in part for a period of sixty (60) days from and after the date of initial occurrence of the dispute. If the dispute cannot be resolved in this manner, either party may pursue any other rights available to such party under applicable law.

Section 21. Nonmerger. The parties hereby agree that in no event shall the City's entry into the City Sublease, or any assignment or sale to, and/or assumption or purchase by, the City of any or all of the rights and/or interests of the EDA under the EDA Lease, or any conduct, action or course of dealing between the parties hereto, operate as, or be deemed to constitute, a merger of any or all of such rights or interests with any or all of the City's rights or interests, if any, under this Agreement, all of which rights and interests hereunder, if any, shall in all events and respects, and at all times, be deemed separate and severable from and against any and all such other rights and interests.

Section 22. Further Assurances. The District and the City shall execute and deliver such other or further documents or agreements, including without limitation any amendment or restatement hereof, and take such other or further actions, as either party may reasonably request, in order to correct scrivener's errors or defects in this Agreement, or to otherwise carry out the provisions and intent hereof.

Section 23. Relationship of Parties. The parties hereto agree that it is their intention hereby to create only the relationships of licensor and licensee, and no provision hereof, or act of either party hereunder, shall ever be construed as creating the relationship of principal and agent, lessor and lessee, or a partnership, or a joint venture or enterprise between the parties hereto.

Section 24. Assignment. Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

Section 25. Binding Effect. All of the covenants, conditions and agreements herein contained shall extend to, be binding upon, and inure to the benefit of the parties hereto and their respective permitted successors and assigns.

Section 26. Severability. If any provisions of this Agreement shall be declared invalid or unenforceable, the remainder of this Agreement shall continue in full force and effect.

Section 27. Governing Law. This Agreement shall in all respects be governed by and interpreted under the laws of the State of Minnesota.

Section 28. Counterpart Signatures. This Agreement may be executed in any number of counterparts, all of which shall constitute a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEPENDENT SCHOOL DISTRICT
NO. 110

By *[Signature]*
Its Board Chairman

By *[Signature]*
Its Clerk

CITY OF WACONIA

By _____
Its _____

By _____
Its _____

Section 28. Counterpart Signatures. This Agreement may be executed in any number of counterparts, all of which shall constitute a single Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

INDEPENDENT SCHOOL DISTRICT
NO. 110

By _____
Its _____

By _____
Its _____

CITY OF WACONIA

By [Signature]
Its Mayor

By [Signature]
Its City Clerk

EXHIBIT "A"

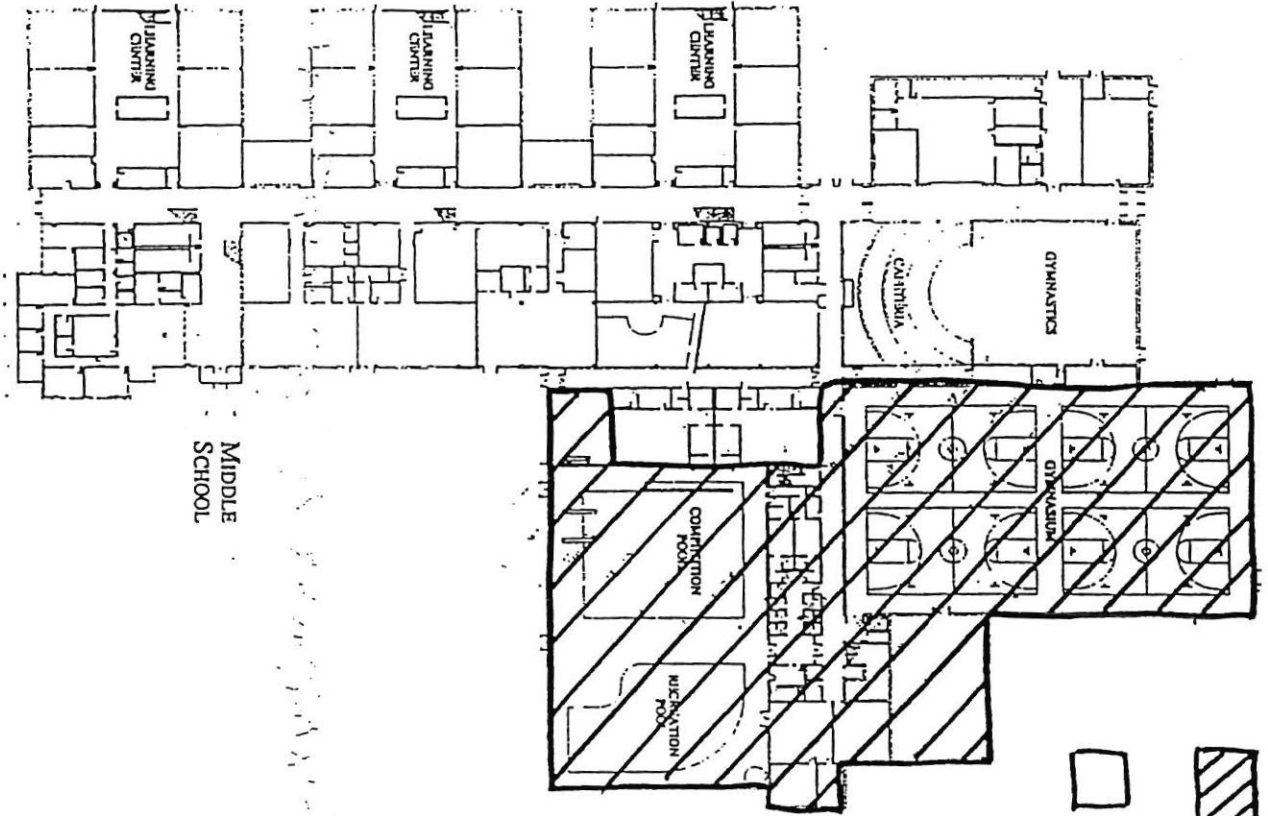
The Land

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



EXHIBIT "B"

The Community Center and School Building

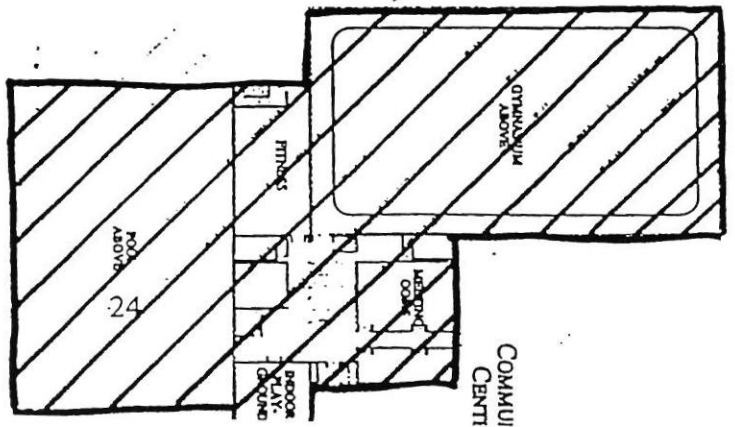
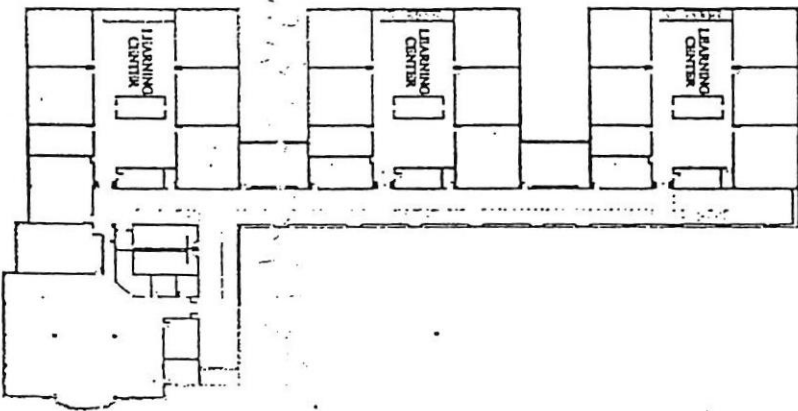
MAIN LEVEL



MIDDLE SCHOOL

 Community Center
 School Building

SECOND LEVEL

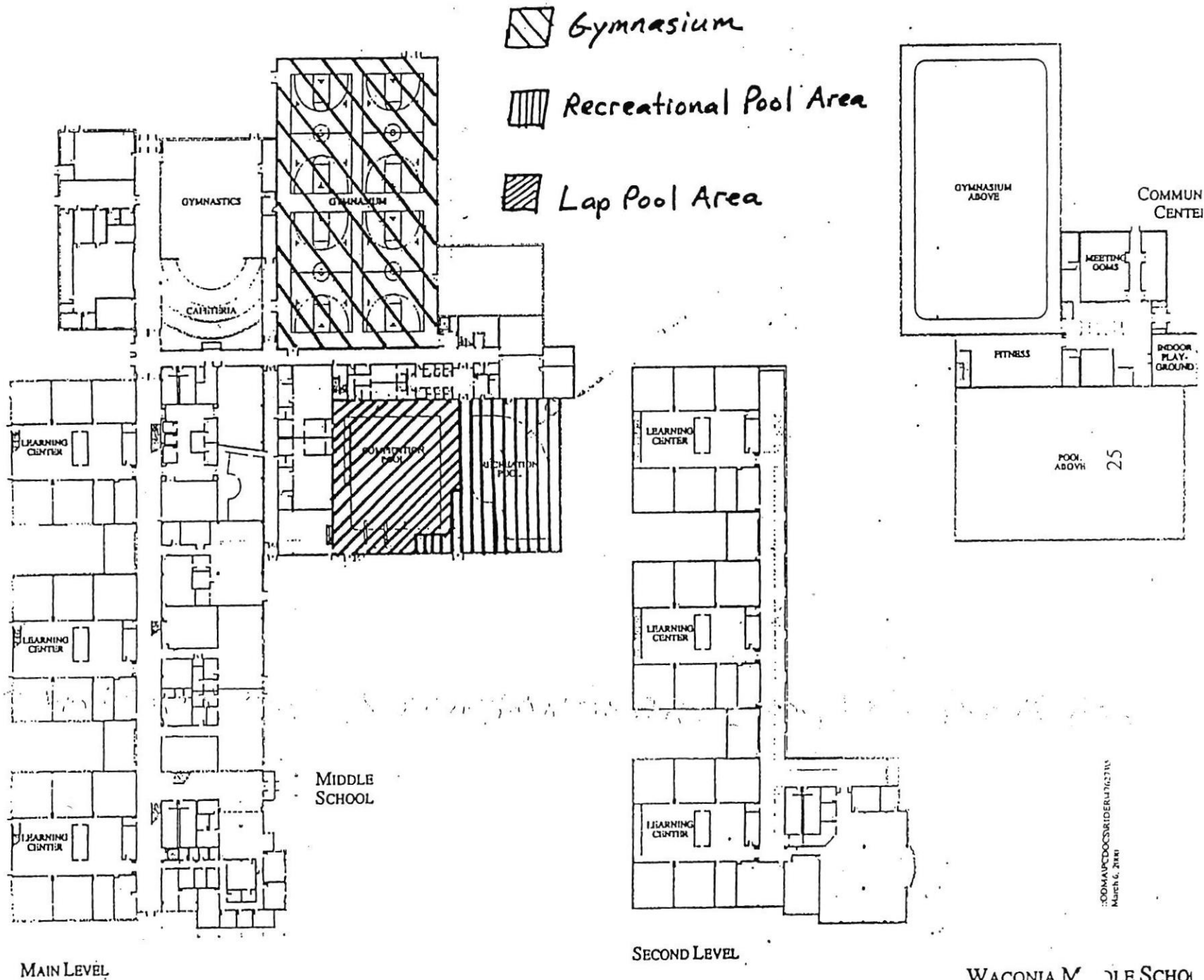


COMMUNITY CENTRE

00DMAPCDOSRIDER4762735
March 6, 2005

EXHIBIT "C"

The Gymnasium, Lap Pool Area and Recreational Pool Area



300MAVPC003RIDER/1/12/11
March 6, 2011

School Year - Peak, November 1 - March 15 Monday, Wednesday, Friday

EXHIBIT "E"

The Primary Use Period Shared Use Schedule

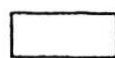
	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
7-8:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
8-9:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	C*	City Clear Time
9-10:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
10-11:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
11-12:00 Noon	C	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
12-1:00 p.m.	C	School Clear Time	School Clear Time	School Clear Time	C*	City Clear Time
1-2:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
2-3:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
3-4:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
4-5:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
5-6:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
6-7:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
7-8:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
8-9:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
9-10:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time



- City Clear Time



- School Clear Time



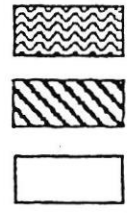
- Shared Time Priority C or S

*A period per day adjusted to accommodate school schedule quarterly.

School Year - Peak, November 1 - March 15

Tuesday, Thursday

	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
7-8:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
8-9:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	C*	City Clear Time
9-10:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
10-11:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
11-12:00 Noon	C	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
12-1:00 p.m.	C	School Clear Time	School Clear Time	School Clear Time	C*	City Clear Time
1-2:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
2-3:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time
3-4:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
4-5:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
5-6:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	S	City Clear Time
6-7:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
7-8:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
8-9:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
9-10:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time





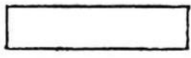
- City Clear Time
- School Clear Time
- Shared Time Priority C or S

*A period per day adjusted to accommodate school schedule quarterly.

School Year - Peak, November 1- March 145



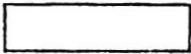
Saturday

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

	- City Clear Time
	- School Clear Time
	- Shared Time Priority C or S

School Year - Peak, November 1 - March 15 Sunday

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

	- City Clear Time
	- School Clear Time
	- Shared Time Priority C or S




448
 Mar. 16 -
 last day school
 first day school
 Oct. 31

School Year -Off Peak Monday, Wednesday, Friday

The Secondary Use Period Shared Use Schedule

EXHIBIT "F"

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

	- City Clear Time	*A period per day adjusted to accommodate school schedule quarterly.
	- School Clear Time	
	- Shared Time Priority C or S	

00141P-0005181EERU-17115
 March 6, 2011

School Year, Off Peak Tuesday, Thursday

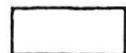
	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
7-8:00 a.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
8-9:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	Shared Time Priority C*	City Clear Time
9-10:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
10-11:00 a.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
11-12:00 Noon	Shared Time Priority C	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
12-1:00 p.m.	Shared Time Priority C	School Clear Time	School Clear Time	School Clear Time	Shared Time Priority C*	City Clear Time
1-2:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
2-3:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	City Clear Time	City Clear Time
3-4:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	Shared Time Priority S	City Clear Time
4-5:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	Shared Time Priority S	City Clear Time
5-6:00 p.m.	School Clear Time	School Clear Time	School Clear Time	School Clear Time	Shared Time Priority S	City Clear Time
6-7:00 p.m.	Shared Time Priority S	Shared Time Priority S	Shared Time Priority C	Shared Time Priority C	City Clear Time	City Clear Time
7-8:00 p.m.	Shared Time Priority S	Shared Time Priority S	Shared Time Priority C	Shared Time Priority C	City Clear Time	City Clear Time
8-9:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time
9-10:00 p.m.	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time	City Clear Time



- City Clear Time



- School Clear Time



- Shared Time Priority C or S

*A period per day adjusted to accommodate school schedule quarterly.

School Year - Off Peak Saturday

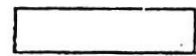
	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.						
7-8:00 a.m.						
8-9:00 a.m.	S	S	C	C	C	
9-10:00 a.m.	S	S	C	C	C	
10-11:00 a.m.	S	S	C	C	C	
11-12:00 Noon	S	S	C	C	C	
12-1:00 p.m.	S	S	C	C	C	
1-2:00 p.m.	S	S	C	C	C	
2-3:00 p.m.	S	S	C	C	C	
3-4:00 p.m.	S	S	C	C	C	
4-5:00 p.m.						
5-6:00 p.m.	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



- City Clear Time



- School Clear Time



- Shared Time Priority C or S

School Year - Off Peak Sunday

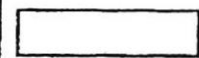
	Gym 1	Gym 2	Gym 3	Gym 4	Lane Pool	Play Pool
6-7:00 a.m.						
7-8:00 a.m.						
8-9:00 a.m.						
9-10:00 a.m.						
10-11:00 a.m.						
11-12:00 Noon						
12-1:00 p.m.						
1-2:00 p.m.						
2-3:00 p.m.						
3-4:00 p.m.						
4-5:00 p.m.						
5-6:00 p.m.						
6-7:00 p.m.						
7-8:00 p.m.					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



- City Clear Time



- School Clear Time






- Shared Time Priority C or S

EXHIBIT "G"

The Summer Use Period Shared Use Schedule



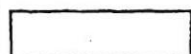
Summer - Monday Through Friday

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

	- City Clear Time
	- School Clear Time
	- Shared Time Priority C or S

Summer - Sunday

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

	- City Clear Time
	- School Clear Time
	- Shared Time Priority C or S

COMMUNITY CENTER LEASE AGREEMENT

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

RECITALS

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

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

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

TERMS

1. Definitions.

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

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

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

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

“Building” shall mean the building depicted on attached “Exhibit C.”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) The expense of all real estate taxes attributable to the Premises solely as a result of activities conducted thereon by Lessee, its sublessees or assigns;
- (2) Expenses of redecorating the Premises to the extent such redecorating does not constitute a Required Capital Improvement;
- (3) Expenses associated with Required Capital Improvements to the Premises made with Lessee’s consent (subject to Section 6) other than Required Capital Improvements to the Shared Space and Related Building Capital Improvements; and
- (4) Expenses of refuse collection and disposal relating to the Premises or otherwise incurred in connection with Lessee’s operation of the Community Center (other than typical janitorial services).

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

“Operating Costs for the Shared Space” shall mean:

- (1) Expenses associated with pool and gym supplies, pool chemicals and pool and gym equipment when such equipment is shared by the parties; and
- (2) Expenses associated with Required Capital Improvements to the Shared Space other than Related Building Capital Improvements.

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

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

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

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

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

“Property” shall mean the collective reference to the Land and the Building.

“Related Building Operating Costs” shall mean:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) Electrical meter serving the School (“Electrical Meter A”);

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

2. Premises.

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

3. Term.

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

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

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

4. Common Areas and Accessways/Licenses.

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

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

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

5. Rent.

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

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

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

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

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

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

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

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

6. Required Capital Improvements and Related Building Capital Improvements.

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

7. Possession.

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

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

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

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

8. Leasehold Improvements.

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

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

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

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

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

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

Lessor	83%
Lessee	17%

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

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

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

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

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

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

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

9. Use.

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

10. Parking.

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

11. Maintenance and Repairs.

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

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

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

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

12. Rules.

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

13. Compliance with Laws.

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

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

14. Name of Community Center/Signs.

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

15. Warranties by Lessor/Acceptance of Premises.

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

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

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

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

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

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

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

16. Alterations.

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

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

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

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

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

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

17. Utilities and Service.

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

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

18. Entry by Lessor.

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

19. Estoppel Certificate.

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

20. Assumption of Risks.

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

21. Indemnification.

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

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

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

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

22. Insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23. Waiver.

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

24. Assignment and Subletting.

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

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

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

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

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

25. Damage or Destruction.

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

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

26. Eminent Domain.

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

27. Defaults.

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

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

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

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

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

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

28. Termination of Lease by Lessor.

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

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

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

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

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

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

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

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

29. Accord and Satisfaction.

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

30. Return of Possession to Lessor.

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

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

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

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

34. Governing Law.

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

35. Entire Agreement.

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

36. Successors and Assigns.

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

37. Conflict of Interest: Representatives Not Individually Liable.

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

38. Waiver.

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

39. Relationship of Parties.

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

40. Headings.

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

41. Memorandum of Lease.

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

42. Force Majeure.

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

43. Further Assurances.

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

EXHIBIT A

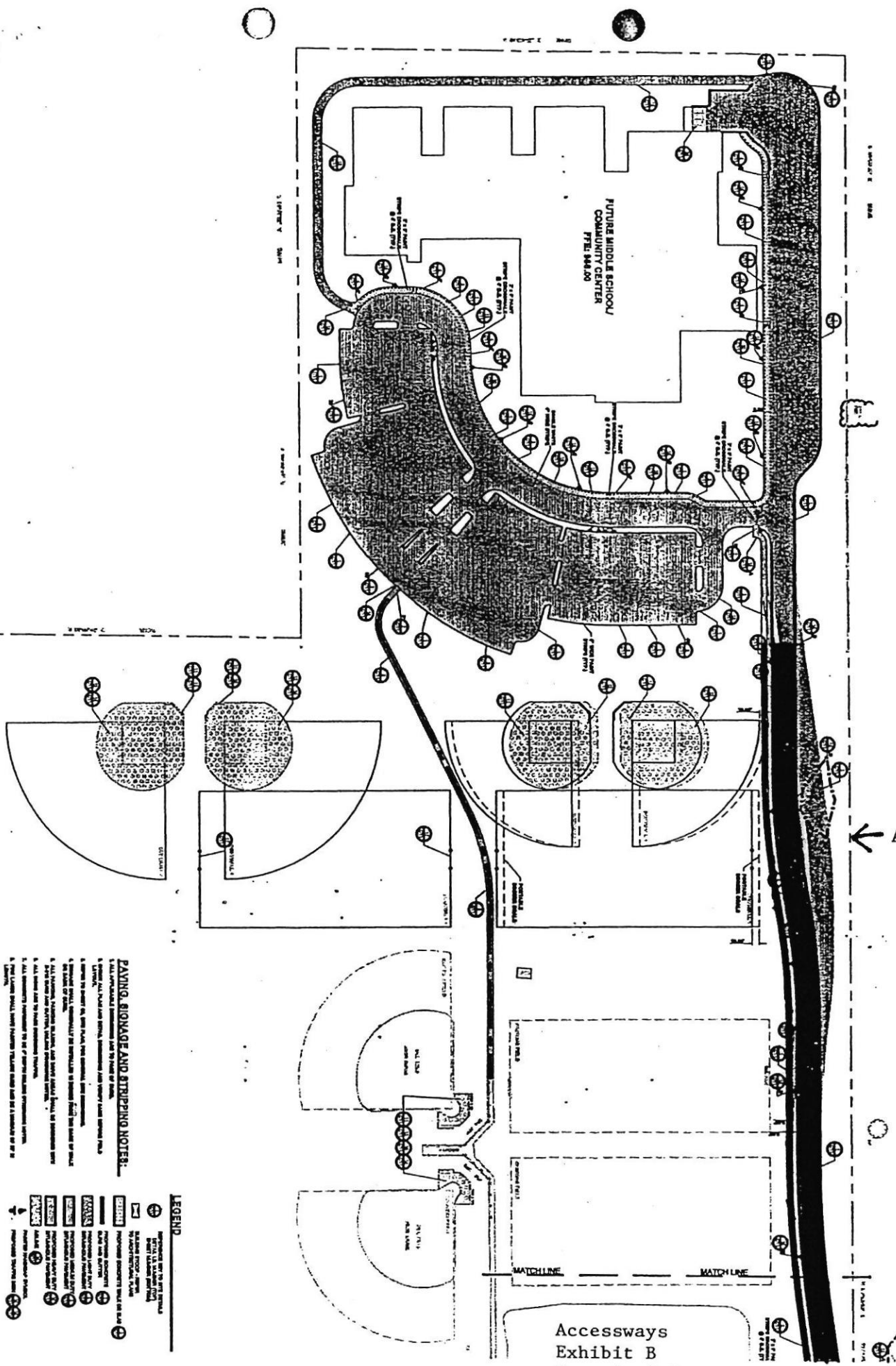
Middle School Property Legal Description

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

EXHIBIT B

Accessways

Associated, Inc., & Youngdale Architects, Inc.
 FOOT WAGON & MIDDLE SCHOOL AND COMMUNITY CENTER AND WORK CENTER
 PAVING AND SHIPPIING PLAN
 05



Accessways

Accessways
 Exhibit B
 Page 1 of 2

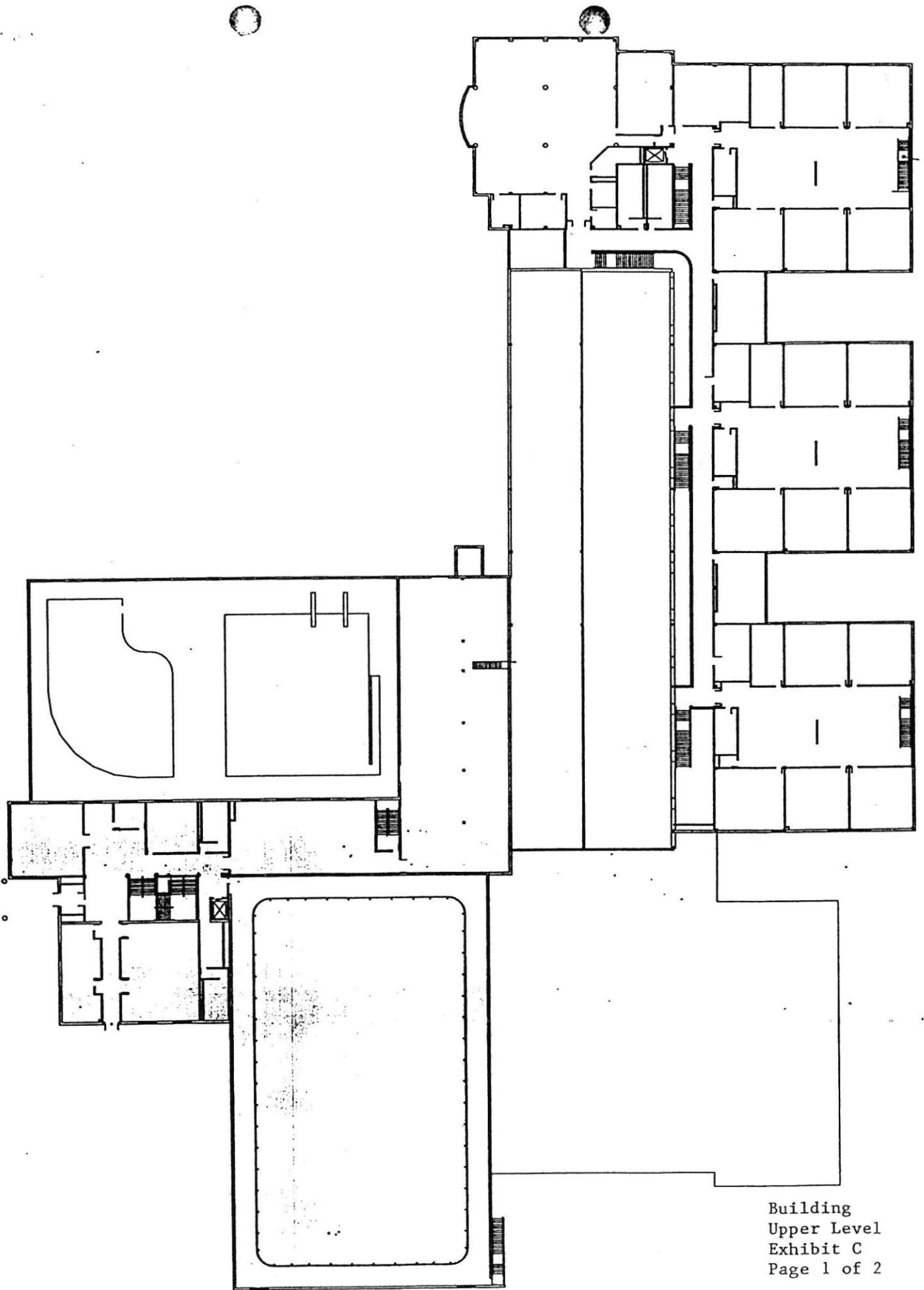
- PAVING, STORAGE AND SHIPPING NOTES:**
1. ALL PAVING SHALL BE PERFORMED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MICHIGAN DEPARTMENT OF TRANSPORTATION (MDOT) STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION.
 2. ALL PAVING SHALL BE PERFORMED IN ACCORDANCE WITH THE LATEST EDITIONS OF THE MICHIGAN DEPARTMENT OF TRANSPORTATION (MDOT) STANDARD SPECIFICATIONS FOR ROAD AND BRIDGE CONSTRUCTION.
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LEGEND

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EXHIBIT C

Building



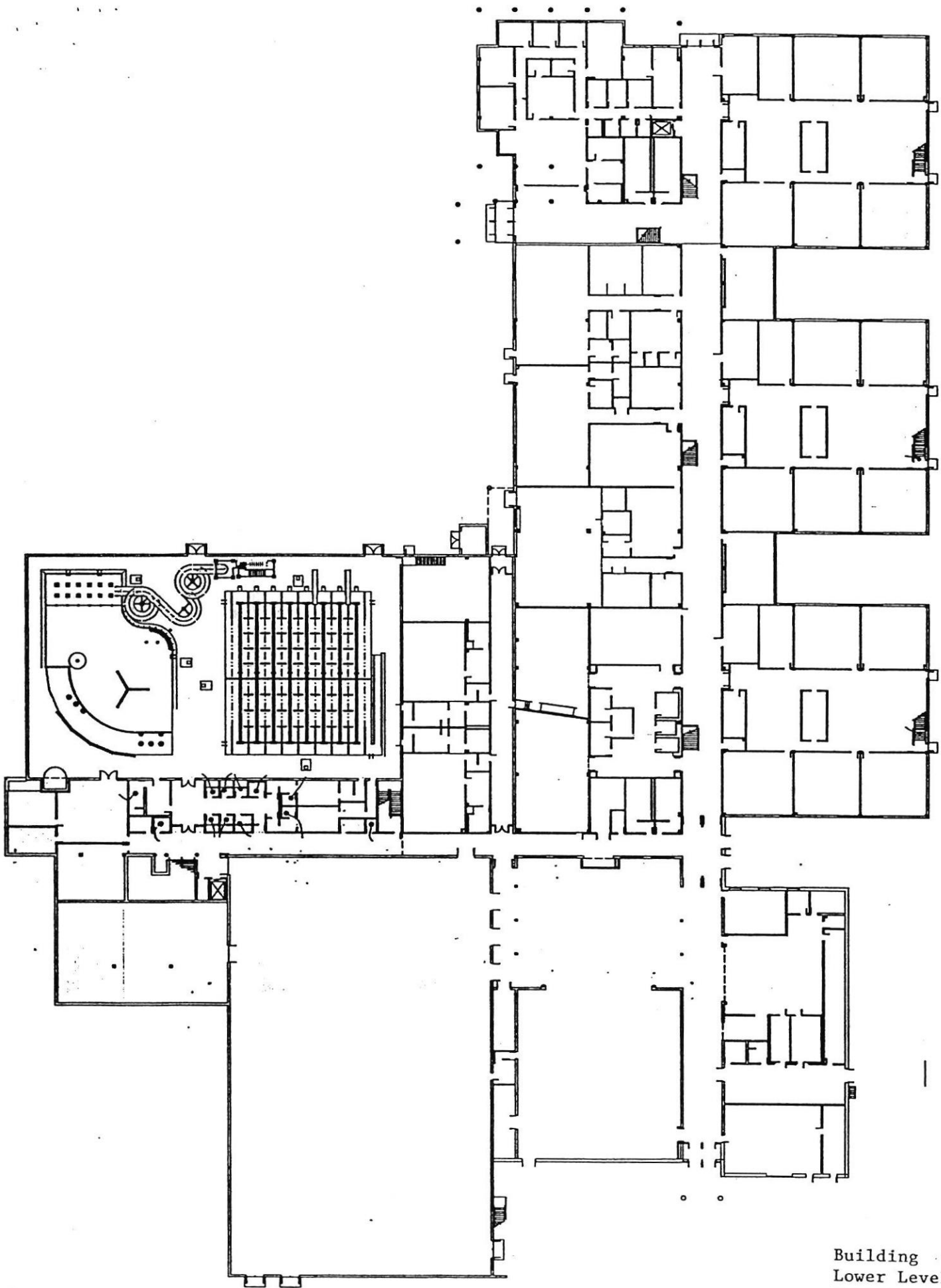
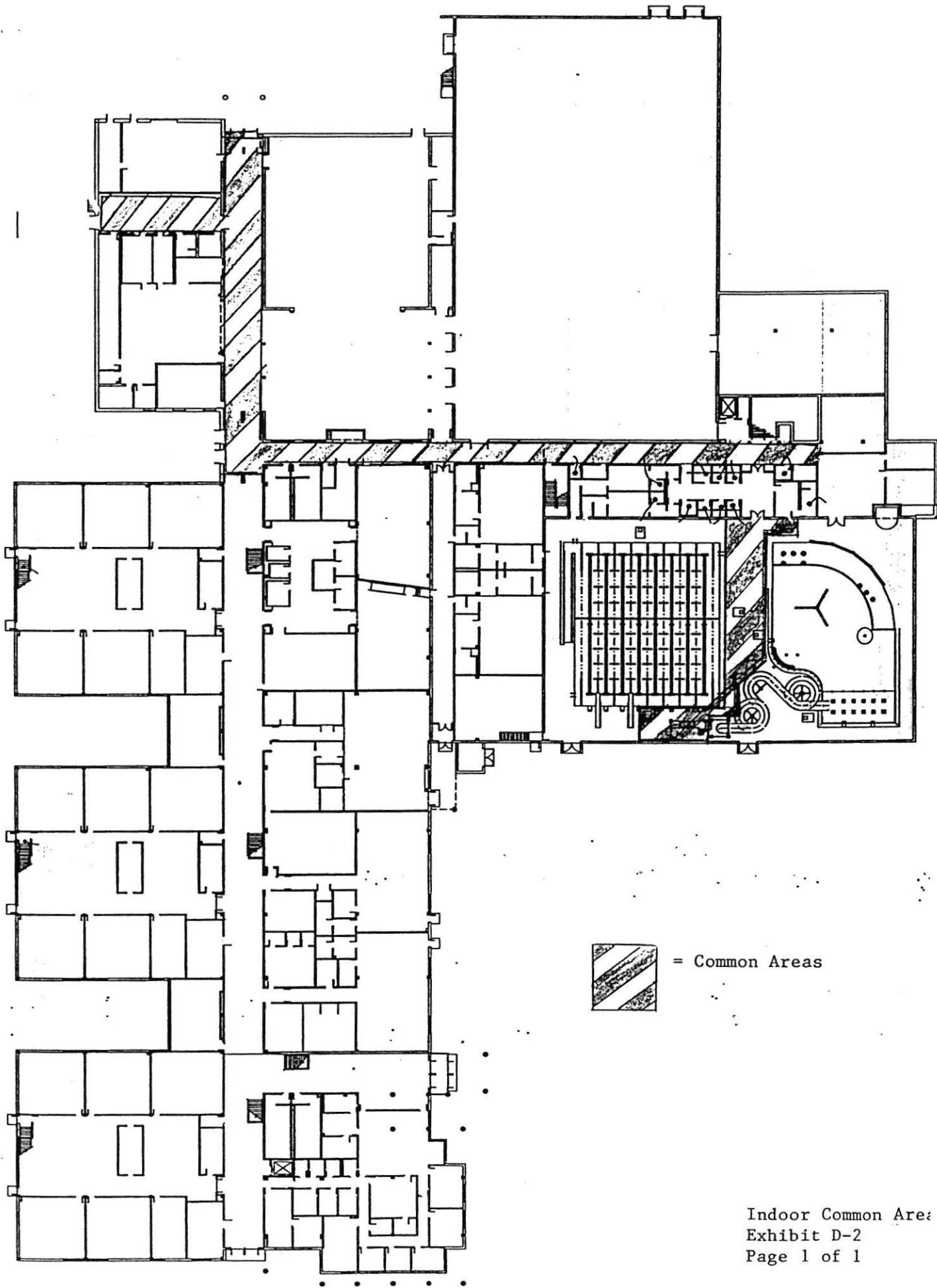


EXHIBIT D

Common Areas

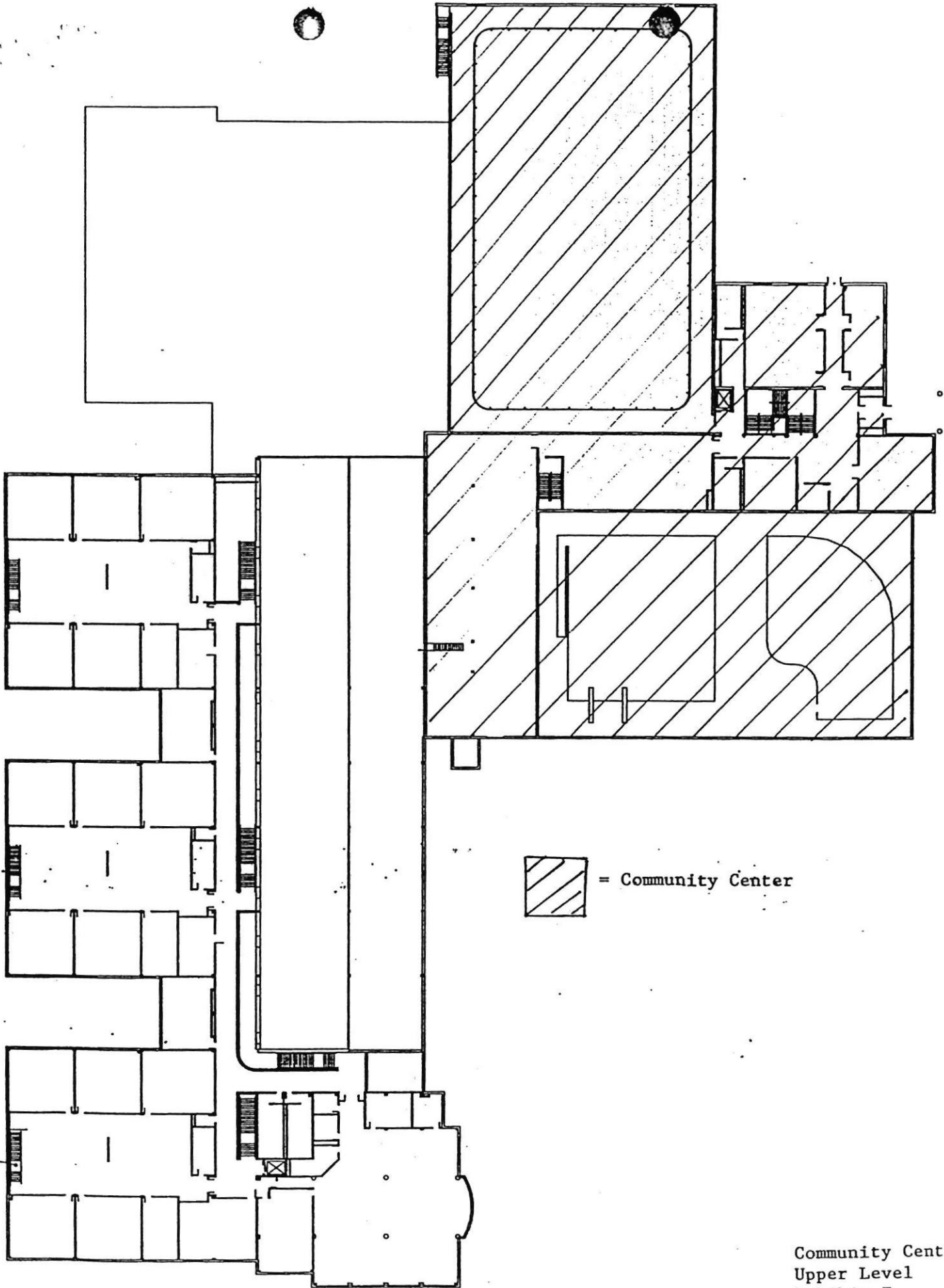
1. All of the driveways, approaches, entrances, parking lots, sidewalks, walkways, loading areas, refuse storage areas and other common areas depicted on the diagram attached as Exhibit D-1. The parties agree that the driveway depicted on the northern edge of the property shown in the diagram attached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



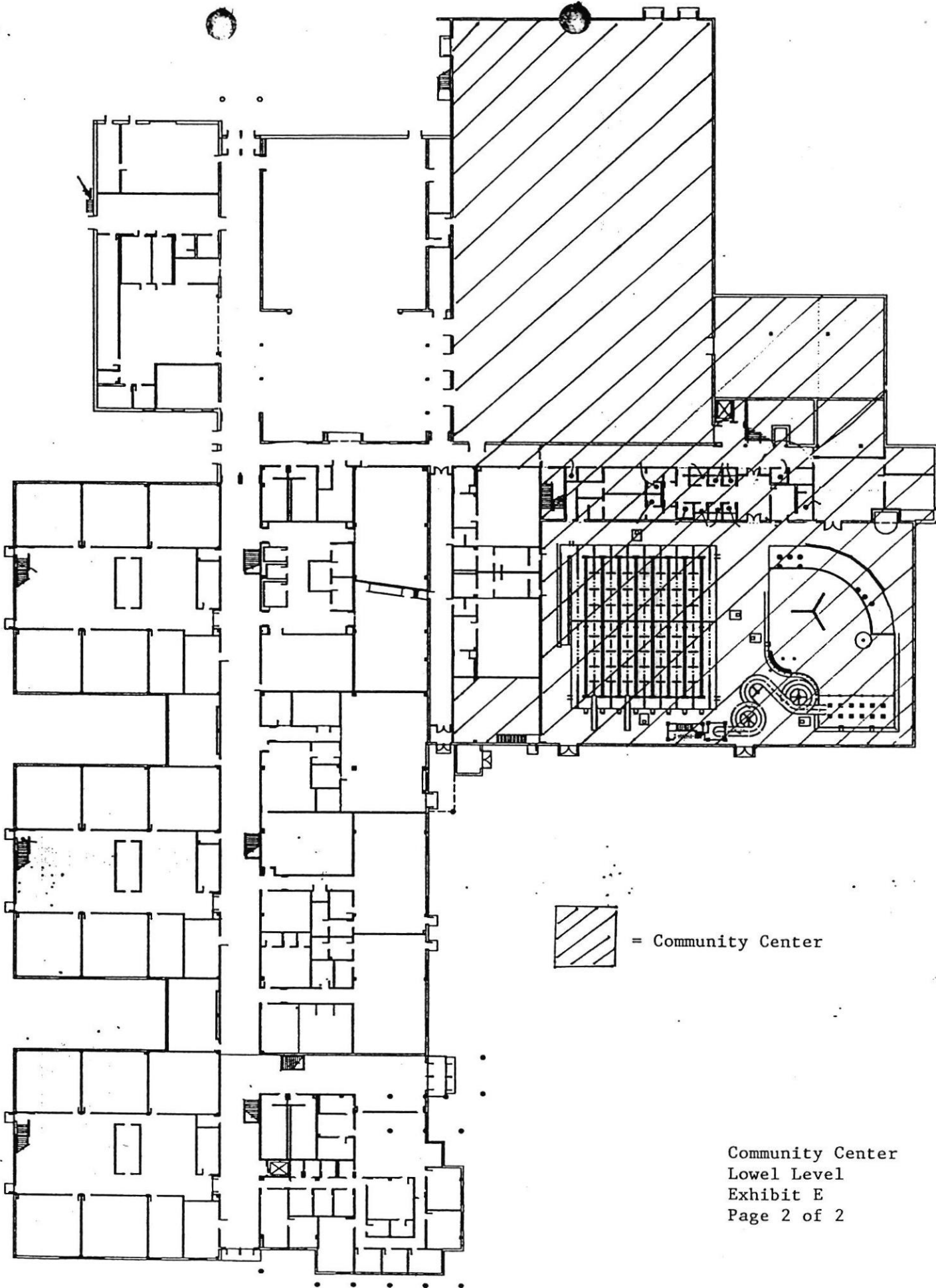
= Common Areas

EXHIBIT E

Community Center



 = Community Center



Community Center
Lowel Level
Exhibit E
Page 2 of 2

EXHIBIT F

High School Parcel

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

Parcel 1

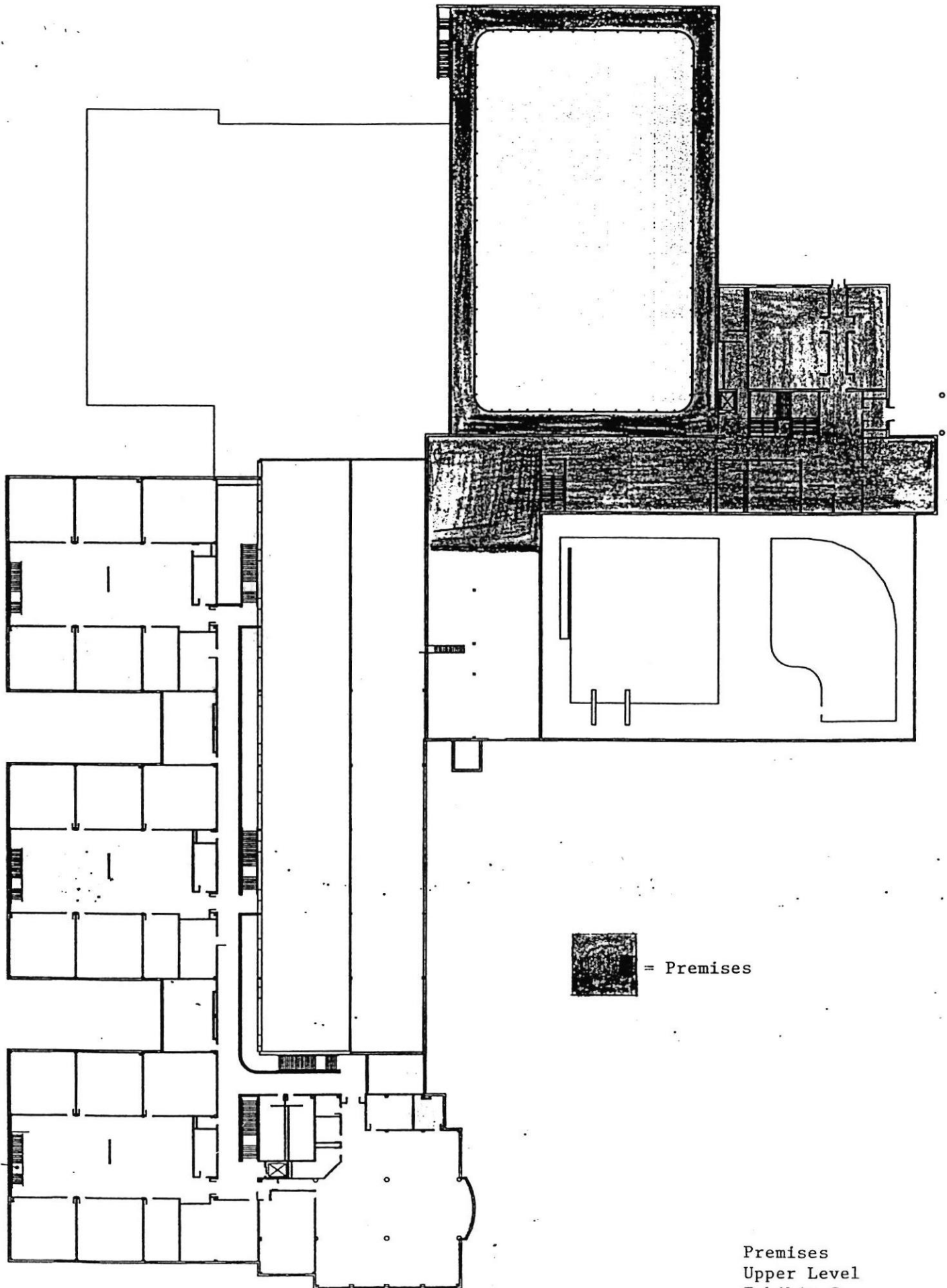
The West 10 acres of the South Half of the Southeast Quarter of said Section 22.

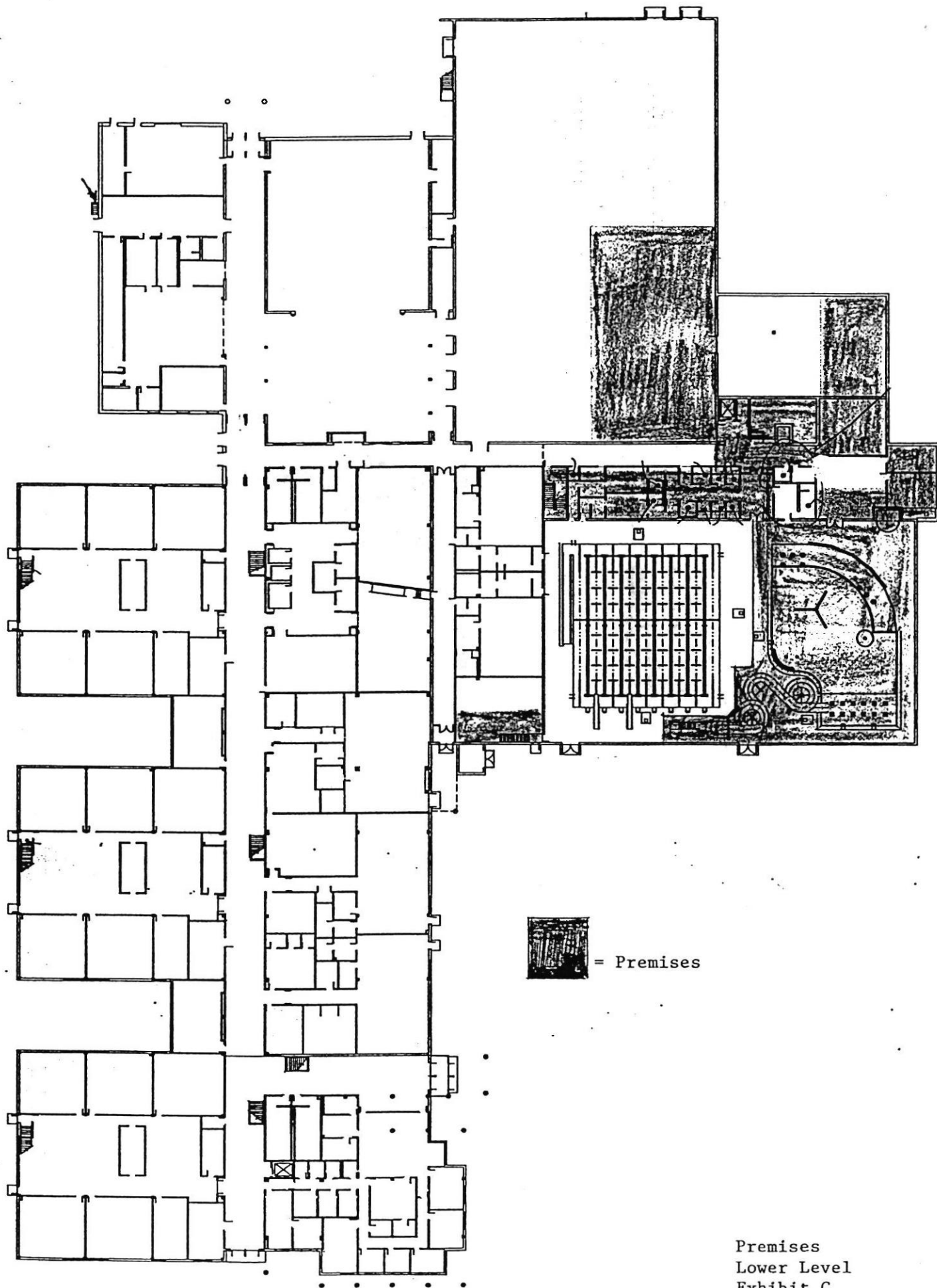
Parcel 2

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

EXHIBIT G

Premises

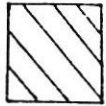




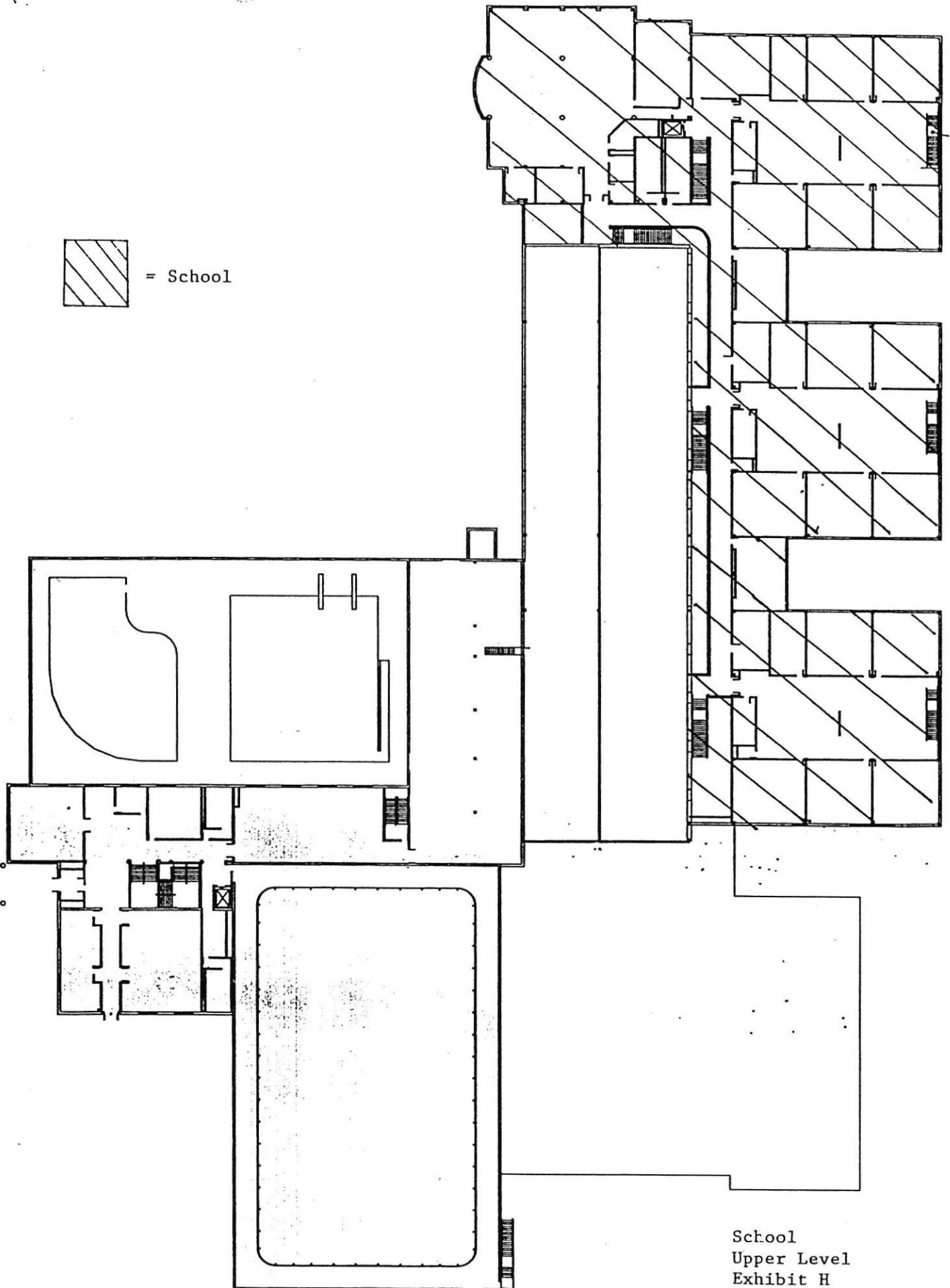
 = Premises

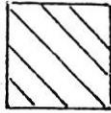
EXHIBIT H

School



= School



 = School

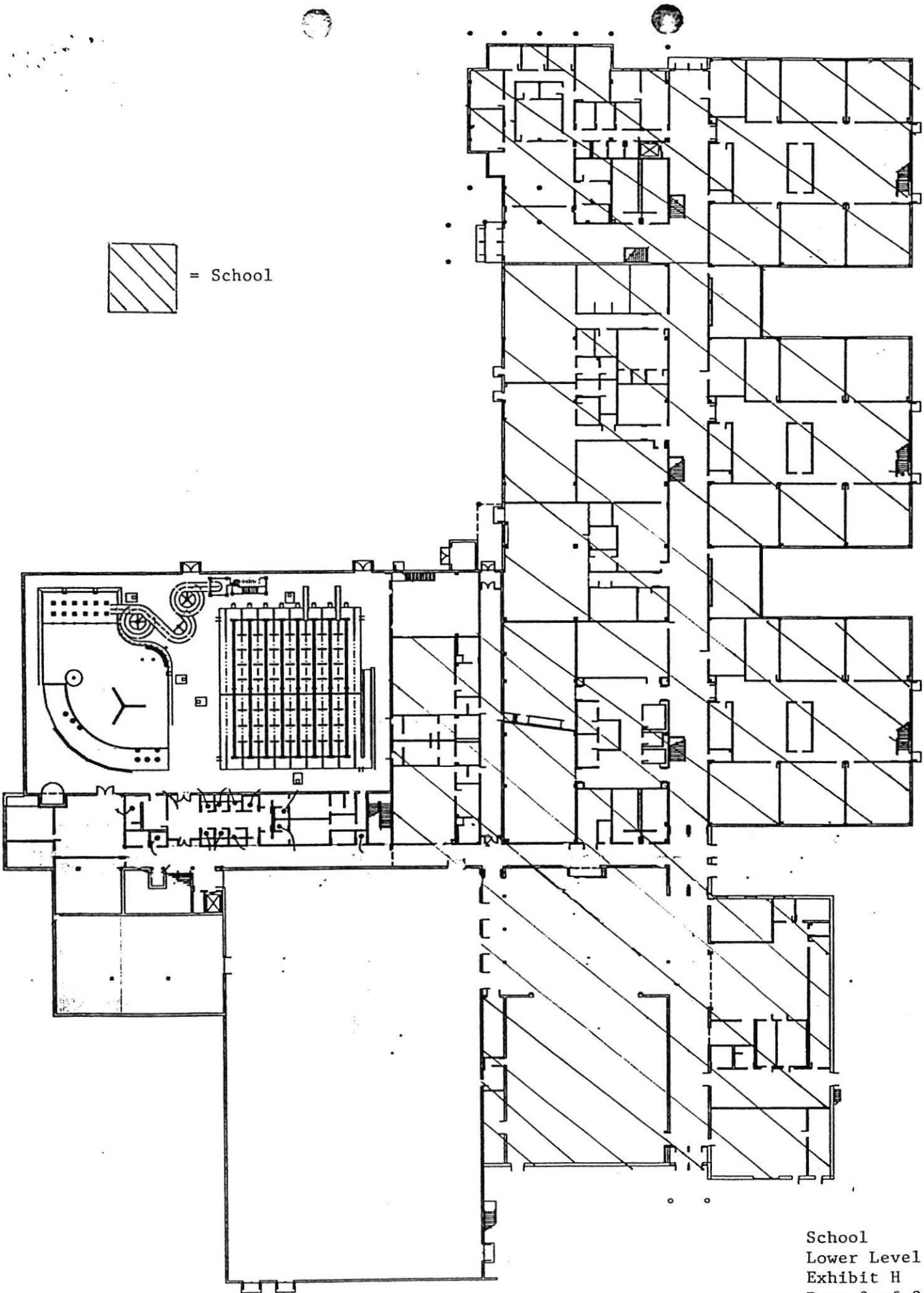
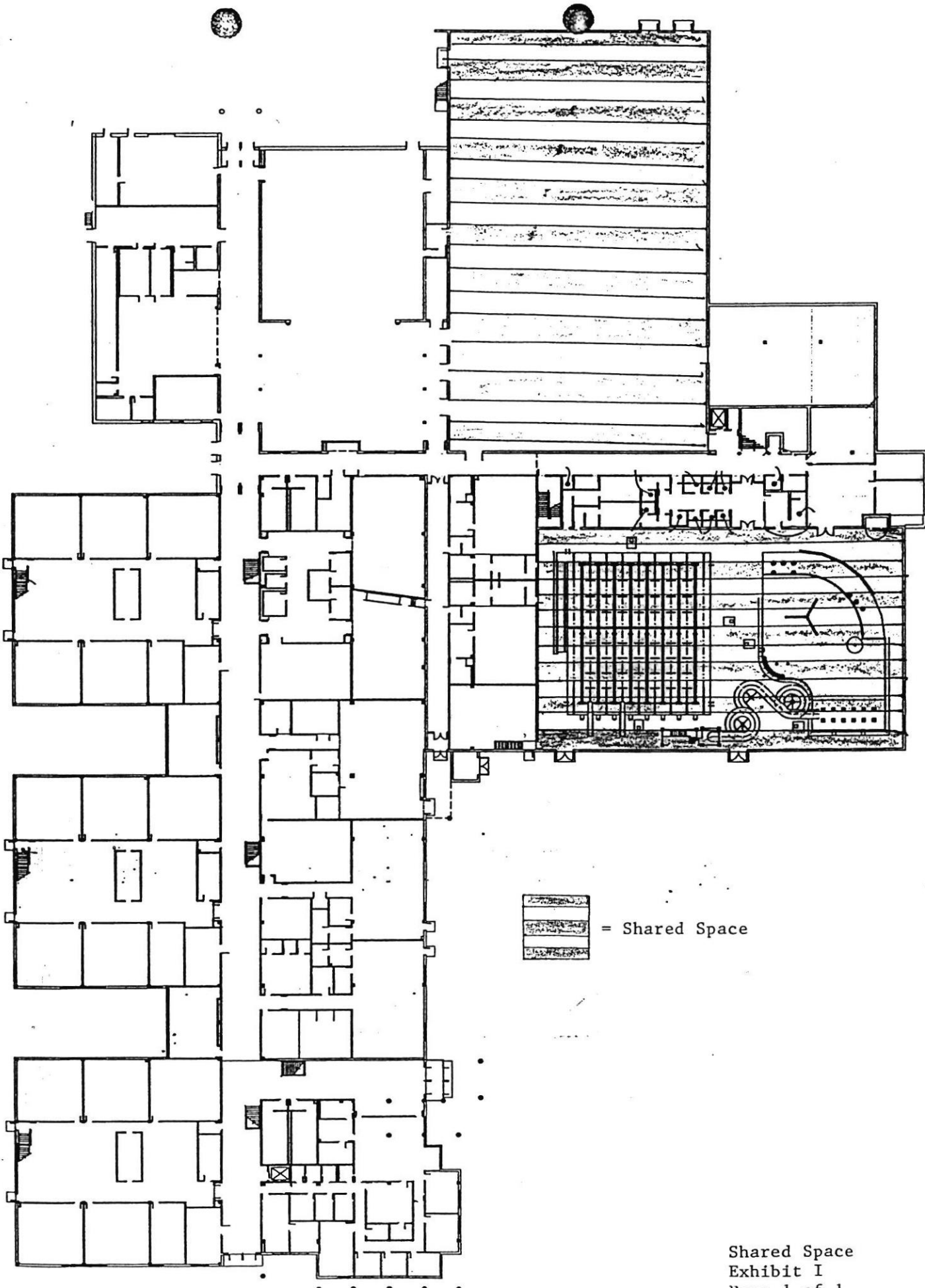


EXHIBIT I

Shared Space



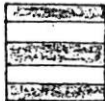
 = Shared Space

EXHIBIT J

Description of Plans and Specifications

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

EXHIBIT K

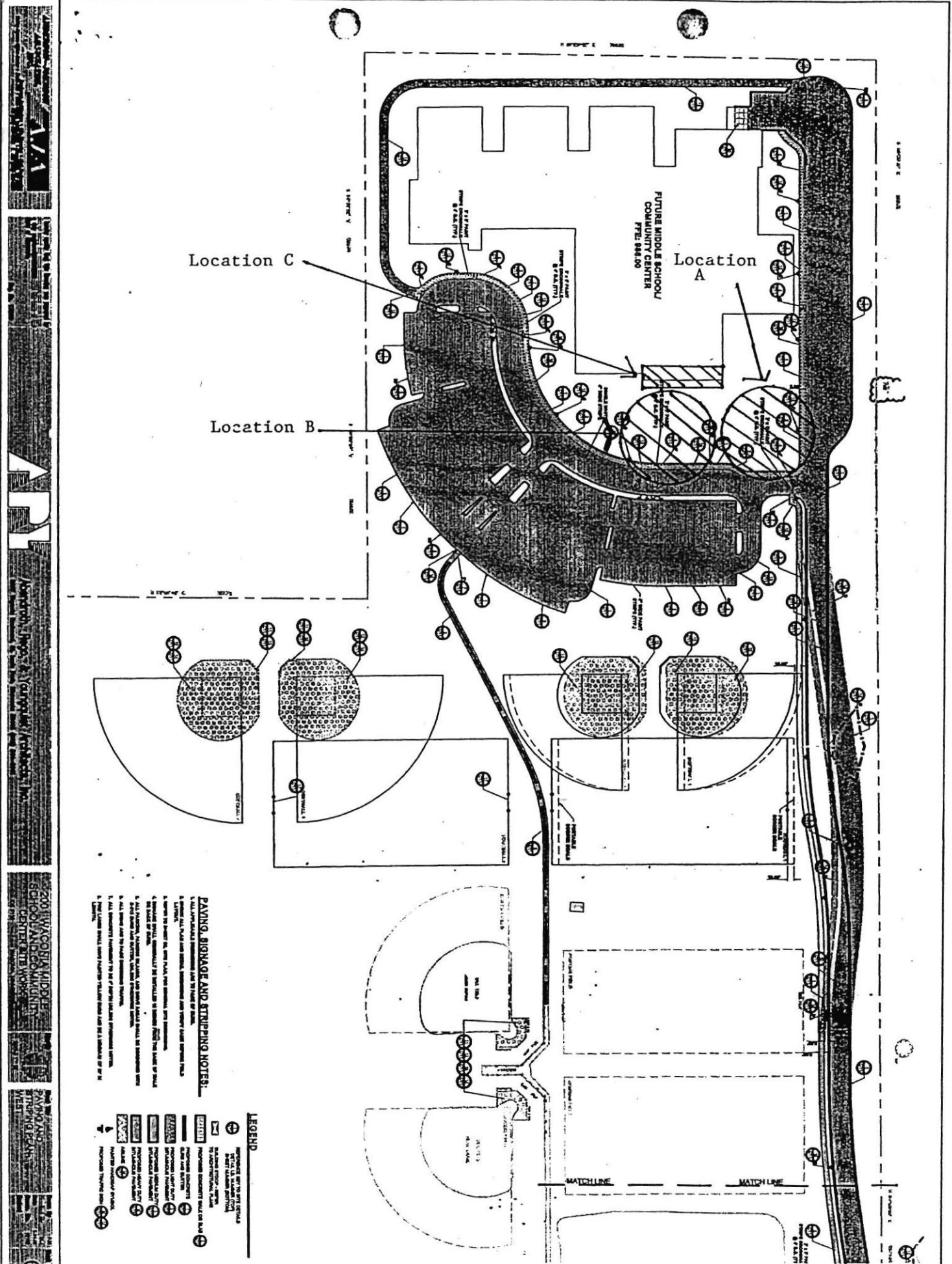
Removable Fixtures and Personal Property

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

EXHIBIT L

Signs

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



Location C

Location B

Location A

FUTURE MIDDLE SCHOOL
COMMUNITY CENTER
SITE PLAN

PAVING, SIGNAGE AND STRIPING NOTES:

1. ALL PAVING SHALL BE PERFORMED BY THE CONTRACTOR.
2. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
3. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
4. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
5. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
6. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
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8. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
9. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.
10. ALL PAVING SHALL BE DONE IN ACCORDANCE WITH THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS, LATEST EDITION.

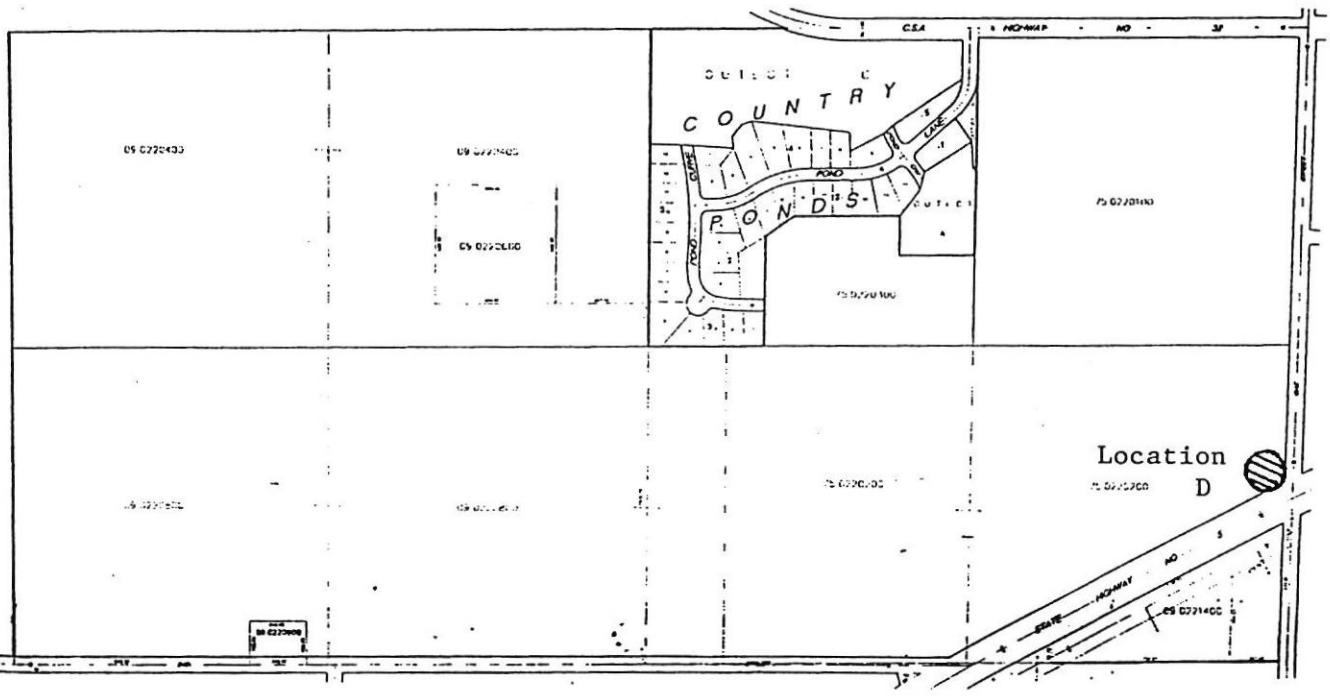
LEGEND

	Proposed Signage
	Proposed Striping
	Proposed Signage
	Proposed Striping
	Proposed Signage
	Proposed Striping
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	Proposed Signage
	Proposed Striping
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	Proposed Striping
	Proposed Signage
	Proposed Striping
	Proposed Signage
	Proposed Striping

THIS IS NOT A LEGALLY RECORDED PLAT. THIS MAP IS A COMPILATION OF RECORDS AS THEY ARE IN THE CARVER COUNTY OFFICE'S AND SHOULD BE USED AS SUCH. THIS MAP IS ONLY TO BE USED FOR REFERENCE PURPOSES. THE COUNTY AND ITS AGENTS ARE NOT RESPONSIBLE FOR ANY INACCURACIES CONTAINED HEREIN.

S1/2 SEC. 22, T.116, R.25

COPIED WITH PERMISSION
OF CARVER COUNTY
SCALE: 1" = 100' (APPROX.)



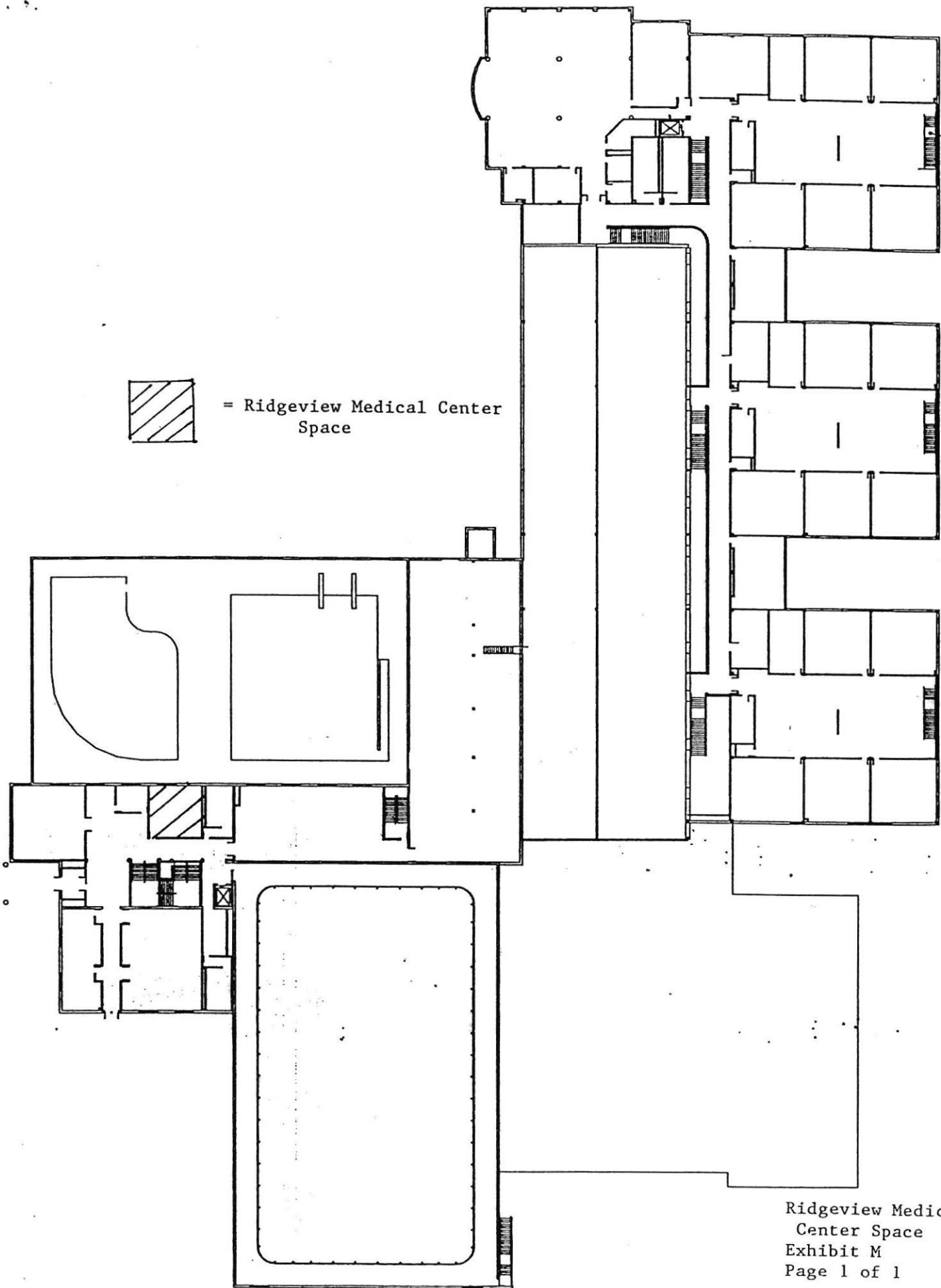
Carver County, Mn.
Revised - December, 1998

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

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

EXHIBIT M

RIDGEVIEW MEDICAL CENTER SPACE



= Ridgeview Medical Center Space