AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, May 20, 2024
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
   4.A. EDA Meeting Minutes - 3-18-2024
5. Discussion Items
   5.A. Adopt Resolution No. EDA 2024-47 Authorizing Issuance and Sale of $51,370,000 Lease Revenue Bonds, Series 2024A by the Chaska EDA
6. Other Business
7. Adjourn

DRAFT

- MINUTES -
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
MARCH 18, 2024

1. Call to Order
President Pro Tem Grau called the meeting to order at 8:45 p.m.

2. Roll Call
Roll call was taken. Present: President Pro Tem Grau and Commissioners Hatfield, Hubbard, and Huang.

Absent: President Windschitl.

Also Present: Julie Grove, Economic Development Coordinator, Elise Durbin, Assistant Executive Director and Matt Podhradsky, Executive Director.

3. Agenda
Motion by Commissioner Hubbard, second by Commissioner Haung to adopt the agenda as presented.
Motion carried.

4. Minutes
4.A. Approve EDA Meeting Minutes of 18-12-2023
Motion by Commissioner Hubbard, second by Commissioner Hatfield to approve the minutes of the December 18, 2023 EDA Meeting Minutes.
Motion carried.

5. Discussion Items
5.A. Approve Downtown Building Improvement Program Loan Application from Chaska Mill Properties for 500 N Pine St
Executive Director Podhradsky introduced the item and Economic Development Coordinator Julie Grove provided an overview of the item.

Commissioner Hatfield pointed out the Mill is important to Chaska's history, and it is excited for the area to be refreshed. Commissioner Huang noted his agreement with Commissioner Hatfield.

Motion by Commissioner Hatfield, second by Commissioner Huang to approve the Downtown Building Improvement Program Loan request for Chaska Mill Properties LLC for work to be completed at 500 N Pine St. and authorize the Assistant Executive Director to execute the necessary loan documents.
Motion carried.

5.B. Bond Sale Reimbursement
Executive Director Podhradsky introduced and provided an overview of this item.

Motion by Commissioner Hubbard, second by Commissioner Huang to adopt Chaska EDA Resolution No 2024-28 Establishing Compliance with Reimbursement Bond Regulations under the Internal Revenue Code of 1986.
Motion carried.

DRAFT

6. Other Business

There was no other business.

7. Adjourn

Motion by Commissioner Hubbard, second by Commissioner Hatfield to adjourn the meeting at 8:54 p.m.

Motion carried.

REQUEST FOR ACTION
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
5/20/2024

Subject: **Adopt Resolution No. EDA 2024-47 Relating to $51,370,000 Lease Revenue Bonds, Series 2024A**

Prepared By: Noel Graczyk, Administrative Services Director, City of Chaska
Erica Mattice, Finance Division Director, City of Chaska

Overview

Baker Tilly Municipal Advisors, LLC (BTMA), Municipal Advisor to both the City and Chaska EDA (EDA), and City staff have together structured Lease Revenue Bonds, Series 2024A to be issued by the Chaska EDA to fund construction of a new Public Safety Facility for the City of Chaska. This type of lease financing has been used previously by the City in conjunction with the EDA to finance other City facilities. Attached is a "Pre-Sale Summary for Issuance of Bonds" as prepared by BTMA that summarizes terms and conditions for the proposed series of bonds to be issued.

Also Attached is a draft of a resolution as prepared by Dorsey and Whitney, LLP., Bond Counsel to both the City and EDA, for adoption by the EDA. This parameters resolution establishes maximum parameters for issuance of the bonds and will allow the City and EDA to sell bonds on Monday June 24, 2024, a date when it is anticipated there will be fewer issuers competing in the market. The parameters established for issuance are $52,500,000 as the maximum PAR amount and 5.75% as the maximum True Interest Cost (TIC). The Pre-Sale Summary from BTMA anticipates a Par Amount is $51,370,000 with a 4.40% TIC, both less than proposed maximum parameters.

The proposed resolution for adoption by the EDA references and authorizes EDA staff to execute additional documents related to sale and issuance of the bonds. Attached is a Lease Purchase Agreement between the City of Chaska and the Chaska EDA that transfers ownership of the site parcel to the EDA for the thirty-year term of the bonds. The parcel will be returned to the City once all bonds have been paid in full. The second attachment is an indenture with U.S. Bank as Trustee that secures the bond holders and the EDA by collecting semi-annul lease payments from the City and ensuring compliance by the City with obligations in accordance with the lease.

The following is a discussion of the proposed bonds.

$51,370,000 Chaska EDA Lease Revenue Bonds, Series 2024A

This series of bonds provides funding for the new Public Safety Facility currently under construction and is issued in accordance with authority provided by Minnesota Statutes, Chapters 465.71 and 471.64. Debt service on these bonds is to be paid from annul appropriations established in future annual budgets as adopted by the City. Sources to repay debt service have been identified as part of the City Facility Program and include General Fund sources such as property taxes as well as utility fund contributions.

Other project sources include $2.6 million in retained reserves that have been designated for this building as part of the City Facility Program. An additional $1.5 Million in Federal resources awarded to the City to fund construction of an Emergency Operations Center (EOC) are also included. The total amount of proposed financing is listed as follows.

Project	Project Costs	Issuance Costs, Net	Other (Sources)	PAR Bonding Amount
Public Safety Facility with EOC	$53,481,798	$1,988,202	($4,100,000)	$51,370,000

GO Pledge
Issuance of this series of bonds does not include a General Obligation (G.O.) pledge of the full faith and taxing authority of the City of Chaska or the EDA towards the repayment of debt service on these bonds. Instead of this pledge, the City will establish annual appropriations for lease payments as part of each annually adopted budget over the thirty-year term of the bonds.

Public Sale Date
This series of bonds will be sold at a competitive public sale on Monday June 24, 2024, and the winning bid will be determined in compliance with parameters established in the resolution. The result of the sale will be ratified by both the City and EDA at the next regular meeting on Monday July 1, 2024.

Update and Recommendation
The City and EDA have requested that S&P Global Ratings (S&P) issue a bonding rating for this series of bonds. A rating call with S&P has been scheduled for Monday June 3, 2024, and a rating report will be issued by S&P prior to the date of sale.

Ms. Mikaela Huot, Director at BTMA, will be at the meeting to review the proposed bond structure and issuance recommendation.

It is the recommendation by City and EDA staff that the board adopt the proposed parameters resolution for issuance of bonds.

BOARD ACTION REQUESTED
Motion to adopt Resolution No. EDA 2024-47 relating to Lease Revenue Bonds Series 2024A; authorizing the issuance, providing for sale, prescribing the form and details and providing for the award and payment thereof and authoring the execution and delivery of a Lease-Purchase Agreement and related documents.

CERTIFICATION OF MINUTES RELATING TO
CITY OF CHASKA ECONOMIC DEVELOPMENT AUTHORITY
LEASE REVENUE BONDS, SERIES 2024A

Issuer: Economic Development Authority of the City of Chaska, Minnesota

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held on May 20, 2024, at 7:30 p.m., at the City Hall.

Commissioners Present:

Commissioners Absent:

Documents Attached:
Minutes of said meeting (including):

RESOLUTION NO. EDA 2024-47

RESOLUTION RELATING TO LEASE REVENUE BONDS, SERIES 2024A; AUTHORIZING THE ISSUANCE, PROVIDING FOR SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE AWARD AND PAYMENT THEREOF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTS

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the Bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said Bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer on _______________, 2024.

____
Secretary

4879-5128-6202\4

Commissioner ____________________ introduced the following resolution and moved its adoption, which motion was seconded by Commissioner _____________________:

RESOLUTION NO. EDA 2024-47

RESOLUTION RELATING TO LEASE REVENUE BONDS, SERIES 2024A; AUTHORIZING THE ISSUANCE, PROVIDING FOR SALE, PRESCRIBING THE FORM AND DETAILS AND PROVIDING FOR THE AWARD AND PAYMENT THEREOF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE-PURCHASE AGREEMENT AND RELATED DOCUMENTS

WHEREAS, the City of Chaska (the "City") has determined that it is in the best interests of the City and its residents to finance a new public safety campus within the City (the "Project"); and

WHEREAS, the City has determined that the most efficient way to do so is to convey its interest in the real property comprising the Project to the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") and lease-purchase the Project back from the Authority pursuant to Minnesota Statutes, Sections 465.71 and 471.64.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the Authority, as follows:

SECTION 1. AUTHORIZATION AND SALE.

1.01. Authorization. Acting pursuant to Minnesota Statutes, Section 469.012, subdivision 1(h), the Authority has the power to acquire the Project and demolish, remove, rehabilitate, or reconstruct buildings and improvements or construct new buildings and improvements or grade, fill, and construct foundations or otherwise prepare the Project. The same provision of law authorizes the Authority to finance the Project and lease the Project to the City. Pursuant to Minnesota Statutes, Sections 469.033 and 469.034, and Chapter 475, the Authority has the power to issue revenue bonds to provide the funds necessary for the construction of the Project.

Pursuant to the foregoing authority, the Authority proposes to (i) construct the improvements comprising the Project to be further described in a Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as trustee (the "Trustee"), to be dated on or after July 1, 2024 (the "Indenture"); and (ii) finance the costs thereof by the issuance of its revenue bonds, in one or more tax-exempt series (the "Bonds"), under this resolution and the Indenture.

The Authority further proposes to lease the Project to the City pursuant to a Lease-Purchase Agreement, to be dated on or after July 1, 2024 (the "Lease"), between the Authority, as lessor, and the City, as lessee. Bonds issued under this resolution and the Indenture will be secured solely by rental payments to be made by the City pursuant to the Lease and funds held by the Trustee under the Indenture and said Bonds and the interest on said Bonds shall be payable solely from the revenue pledged therefor under the Indenture, and no such Bonds shall constitute nor give rise to a pecuniary liability of the Authority, the City, or a charge against the Authority or City's general credit or taxing powers and shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority or City, other than the revenues pledged to the payment of the Bonds under the Indenture. The obligation of the City created by the Lease in excess of $1,000,000 shall, as provided in Minnesota Statutes, Section 465.71, be included in the calculation of net debt of the City for purposes of Minnesota Statutes, Section 475.53, and such obligation does not cause the net debt of the City to exceed its debt limit.

Under the Lease, and subject to the right of termination by the City at the end of each fiscal year of the City as provided in the Lease, the City is to pay to the Authority sufficient money each year to pay the principal of, premium, if any, and interest on the Bonds issued under this resolution and the Indenture, and the City is to provide the cost of maintaining the Project in good repair, the cost of keeping the Project properly insured, and any payments required for taxes and any expenses incurred by the Authority in connection with the Project.

1.02. Sale of Bonds. The Authority has retained Baker Tilly Municipal Advisors LLC ("Baker Tilly"), an independent financial advisor, to assist the Authority in connection with the sale of the Bonds on a competitive basis. Baker Tilly is hereby authorized to solicit and receive, on behalf of the Authority, proposals for the purchase of the Bonds in accordance with the Terms of Proposals attached hereto. In consultation with Baker Tilly, the President and the Executive Director of the Authority, each individually, are hereby authorized to approve the sale of the Bonds and execute a contract on the part of the Authority for the sale of the Bonds to the purchaser, provided the aggregate principal amount does not exceed $52,500,000 and the true interest cost for the Bonds does not exceed 5.75% per annum. Notwithstanding the authorization and approval of a competitive sale herein, this Board hereby further authorizes, if deemed necessary by the President or the Executive Director of the Authority upon the advice of Baker Tilly, the solicitation and selection of an underwriter for the Bonds and a negotiated sale of the Bonds pursuant to Minnesota Statutes, Section 475.60, Subd. 2, paragraph (9), and the parameters set forth hereinabove.

SECTION 2. BOND TERMS; REGISTRATION; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds. For the purpose of (i) paying costs of constructing the Project, (ii) paying costs of issuance of the Bonds, (iii) funding capitalized interest; and (iv), if necessary, funding a Debt Service Reserve Fund, the Board hereby authorizes the issuance of the Bonds in an aggregate principal amount not to exceed $52,500,000, in one or more tax-exempt series. The sale and issuance of the Bonds in one or more tax-exempt series shall be conclusive evidence of and shall constitute full approval of such Bonds.

2.02. Terms of the Bonds. The Bonds shall be designated "Lease Revenue Bonds, Series 2024A," with each tax-exempt series being further designated by number (i.e., Series 2024A-1, Series 2024A-2, etc.). The terms of the Bonds, including without limitation, the date of original issue, interest payment dates, maturity dates and principal amounts, interest rates, redemption provisions, and provisions for registration and exchange shall be set forth in the Indenture. The Authority hereby approves and selects U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, as Trustee.

2.03. Execution, Authentication and Delivery. The Bonds shall be executed by the Authority, and authenticated and delivered by the Trustee, in accordance with the applicable provisions of the Indenture.

2.04. Form of Bonds. The Bonds shall be printed in substantially the form set forth in the Indenture.

SECTION 3. APPROVAL OF LEASE AGREEMENT AND TRUST INDENTURE. The forms of the Lease and Indenture (the "Documents") are hereby approved. The President and the Executive Director, each individually, or each of their authorized designees, are hereby authorized and directed to execute and deliver the Documents and such other documents, instruments, certificates and agreements which are required to accomplish the issuance of the Bonds in the name of and on behalf of the Authority with such variations, omissions, deletions and insertions as the President and the Executive Director shall approve, which approval shall be conclusively presumed by the execution and delivery of the Documents by the President and the Executive Director.

SECTION 4. FURTHER AUTHORIZATIONS. The President and the Executive Director, each individually, or each of their authorized designees, and any other officers and employees of the Authority are hereby further authorized to take any actions on behalf of the Authority as are needed to consummate the Indenture, the Lease, and the financing transaction therein described and herein authorized, including any actions related to real property of the Authority. The Board hereby expressly authorizes the execution of any real estate instruments deemed necessary by counsel to the Authority. All actions heretofore taken with respect to the Documents and the real property described in the Lease are hereby ratified and fully approved. For the avoidance of doubt, this authorization includes but is not limited to the authority to acquire, dispose of and encumber any real property related to or necessary for the Project.

SECTION 5. RENTAL PAYMENTS. It is hereby estimated that the rental payments to be made by the City pursuant to the Lease will produce the amounts needed to meet, when due, the principal and interest payments on the Bonds.

SECTION 6. REGISTRATION OF BONDS. The Clerk or Deputy Clerk is hereby authorized and directed to file a certified copy of this resolution with the County Auditor of Carver County, together with such additional information as required, and to obtain from the County Auditor a certificate that the Bonds have been duly entered upon the County Auditor's bond register.

SECTION 7. AUTHENTICATION OF TRANSCRIPT. The officers of the Authority are hereby authorized and directed to prepare and furnish to the purchaser of the Bonds, and to Dorsey & Whitney LLP, the attorneys rendering an opinion as to the legality thereof, certified copies of all proceedings and records relating to the Bonds and such other affidavits, certificates and information as may be required to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise known to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the Authority as to the correctness of all statements contained therein.

SECTION 8. OFFICIAL STATEMENT. Officers of the City and the Authority and Baker Tilly are hereby authorized and directed to prepare and distribute, on behalf of the Authority, a Preliminary Official Statement relating to the Bonds, any necessary amendments or supplements thereto to be prepared hereafter, and a final Official Statement (together with the Preliminary Official Statement and any necessary amendments or supplements thereto, the "Official Statement"), listing the offering price, the interest rates, selling compensation, delivery date, the underwriters and such other information relating to the Bonds required to be included in the Official Statement by Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Act of 1934. Within seven business days from the date the Bonds are sold, the Authority shall deliver to the purchaser sufficient copies of the Official Statement. The officers of the Authority are hereby authorized and directed to review such Official Statement and to execute such certificates as may be appropriate concerning the accuracy, completeness and sufficiency thereof, the execution of which shall constitute full approval of such.

SECTION 9. CONTINUING DISCLOSURE.

(a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the Securities Exchange Commission (the "SEC") under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the "Rule"), which will enhance the marketability of the Bonds, the Authority hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the Outstanding Bonds. The Authority and the City are the only obligated persons in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. If the City or Authority fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any Outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The Authority will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the Authority, the following information at the following times:

(1) on or before twelve (12) months after the end of each fiscal year of the City, commencing with the fiscal year ending December 31, 2023, the following financial information and operating data in respect of the City (the "Disclosure Information"):

(A) the audited financial statements of the City for such fiscal year, prepared in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the City, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the City; and

(B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under the headings: "Appendix I – General and Financial Information Concerning the City of Chaska, Minnesota – City Property Values;" "– City Indebtedness;" and "– City Tax Rates, Levies and Collections."

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the Authority shall provide on or before such date unaudited financial statements and, within 10 days after the receipt thereof, the Authority shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access System ("EMMA") or the SEC. The Authority shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the City or the Authority have materially changed or been discontinued, such Disclosure Information need no longer be provided if the Authority includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other Authority or City operations in respect of which data is not included in the Disclosure Information and the

Authority determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the Authority shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

(2) In a timely manner, not in excess of 10 business days after the occurrence of the event, to the MSRB through EMMA, notice of the occurrence of any of the following events (each a "Material Fact"):

(A) principal and interest payment delinquencies;
(B) non-payment related defaults, if material;
(C) unscheduled draws on debt service reserves reflecting financial difficulties;
(D) unscheduled draws on credit enhancements reflecting financial difficulties;
(E) substitution of credit or liquidity providers, or their failure to perform;
(F) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
(G) modifications to rights of holders of the Bonds, if material;
(H) bond calls, if material, and tender offers;
(I) defeasances;
(J) release, substitution or sale of property securing repayment of the Bonds, if material;
(K) rating changes;
(L) bankruptcy, insolvency, receivership, or similar event of the obligated person;
(M) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(N) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(O) incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
(P) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

For purposes of the events identified in paragraphs (O) and (P) above, the term "financial obligation" means (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

For the purposes of the event identified in (L) hereinabove, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

As used herein, for those events that must be reported if material, an event is "material" if it is an event as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, an event is also "material" if it is an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

(3) In a timely manner, to the MSRB through EMMA, notice of the occurrence of any of the following events or conditions:

(A) the failure of the Authority to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
(B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the Authority under subsection (d)(2);
(C) the termination of the obligations of the Authority under this section pursuant to subsection (d);
(D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
(E) any change in the fiscal year of the City.

(c) <u>Manner of Disclosure</u>.

(1) The Authority agrees to make available to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, the information described in subsection (b).

(2) All documents provided to the MSRB pursuant to this subsection (c) shall be accompanied by identifying information as prescribed by the MSRB from time to time.

(d) Term; Amendments; Interpretation.

(1) The covenants of the Authority in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the Authority under this section shall terminate and be without further effect as of any date on which the Authority delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the Authority to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.

(2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the Authority from time to time, without notice to (except as provided in paragraph (c)(2) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the Authority accompanied by an opinion of Bond Counsel, who may rely on certificates of the Authority and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the Authority or the City or the type of operations conducted by the Authority or the City, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the City agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

(3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

SECTION 10. TAX MATTERS.

10.01. General Tax Covenant. The Authority agrees with the owners from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action that would cause interest on such Bonds to become includable in gross income of the recipient under the Internal Revenue Code of 1986, as amended (the "Code") and applicable Treasury Regulations (the "Regulations"), and agrees to take any and all actions within its powers to ensure that the interest on such Bonds will not become includable in gross income of the recipient under the Code and the Regulations. All proceeds of the Bonds deposited in the Project Fund established pursuant to the Indenture will be expended solely for the payment of the costs of the Project as set forth in the Indenture. So long as any Bonds are outstanding, the Authority shall not enter into any contract for the sale of all or a portion of the Project financed by such Bonds or enter into any lease, management contract, use agreement or other agreement with any non-governmental person relating to the use of all or a portion of the Project financed by such Bonds or security for the payment of such Bonds which might cause such Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code.

10.02. Certification. As it relates to the Bonds, the President and Executive Director, being the officers of the Authority charged with the responsibility for issuing the Bonds pursuant to this resolution, are authorized and directed to execute and deliver to the purchaser a certificate in accordance with Section 148 of the Code, and applicable Regulations, stating the facts, estimates and circumstances in existence on the date of issue and delivery of the Bonds which make it reasonable to expect that the proceeds of any Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of the Code and Regulations.

10.03. Arbitrage Rebate. The Authority acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Authority and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations to preserve the exclusion of interest on such Bonds from gross income for federal income tax purposes.

10.04. Reimbursement. The Authority certifies that the proceeds of the Bonds will not be used by the Authority to reimburse itself for any expenditure with respect to the Project which the Authority paid or will have paid more than 60 days prior to the issuance of the Bonds, except to the extent the Authority has complied with the provisions of Section 1.150-2 of the Regulations by declaring its official intent to do so.

SECTION 11. AUTHORIZATION OF PAYMENT OF CERTAIN COSTS OF ISSUANCE. The Authority authorizes the Trustee to pay costs of issuance of the Bonds as set forth in Exhibit B to the Indenture.

SECTION 12. EXPIRATION OF AUTHORITY. If the Executive Director or the President, or one of their authorized designees, has not approved the sale of the Bonds to a purchaser and executed the related purchase agreement by December 1, 2024, this resolution and all approvals hereunder shall expire.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the Resolution was declared duly passed and adopted.

Attachment A

THE AUTHORITY HAS AUTHORIZED BAKER TILLY MUNICIPAL ADVISORS, LLC TO NEGOTIATE THIS ISSUE ON ITS BEHALF. PROPOSALS WILL BE RECEIVED ON THE FOLLOWING BASIS:

TERMS OF PROPOSAL

$51,370,000

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

LEASE REVENUE BONDS, SERIES 2024A (CITY OF CHASKA, MINNESOTA LEASE OBLIGATION)

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Bonds") will be received by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") on Monday, June 24, 2024, (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by a designated pricing committee (the "Pricing Committee") following the opening of proposals.

SUBMISSION OF PROPOSALS

Baker Tilly MA will assume no liability for the inability of a bidder or its proposal to reach Baker Tilly MA prior to the Sale Time, and neither the Authority nor Baker Tilly MA shall be responsible for any failure, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each proposal shall be deemed to constitute a contract between the bidder and the Authority to purchase the Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Completed, signed proposals may be submitted to Baker Tilly MA by email to bids@bakertilly.com and must be received prior to the Sale Time.

OR

(b) ***Electronic Bidding.*** Proposals may also be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all proposals submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® for purposes of submitting its electronic proposal in a timely manner and in compliance with the requirements of the Terms of Proposal*. Neither the Authority, its agents, nor PARITY® shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the Authority, its agents, nor PARITY® shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY®. The Authority is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY® is not an agent of the Authority.

If any provisions of this Terms of Proposal conflict with information provided by PARITY®, this Terms of Proposal shall control. Further information about PARITY®, including any fee charged, may be obtained from:

> PARITY®, 1359 Broadway, 2nd Floor, New York, New York 10018
> Customer Support: (212) 849-5000

*Preliminary; subject to change.

DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2025. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature February 1 in the years and amounts as follows:

2026	$1,020,000	2032	$1,245,000	2038	$1,515,000	2044	$1,920,000	2050	$2,495,000
2027	$1,055,000	2033	$1,285,000	2039	$1,570,000	2045	$2,005,000	2051	$2,610,000
2028	$1,095,000	2034	$1,330,000	2040	$1,630,000	2046	$2,090,000	2052	$2,730,000
2029	$1,130,000	2035	$1,375,000	2041	$1,695,000	2047	$2,185,000	2053	$2,860,000
2030	$1,170,000	2036	$1,420,000	2042	$1,765,000	2048	$2,280,000	2054	$2,995,000
2031	$1,210,000	2037	$1,465,000	2043	$1,840,000	2049	$2,385,000		

*The Authority reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of $5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per $1,000 of Bonds as that of the original proposal. Gross spread for this purpose is the differential between the price paid to the Authority for the new issue and the prices at which the proposal indicates the securities will be initially offered to the investing public.

BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of $5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

TRUSTEE

U.S. Bank Trust Company, National Association, Saint Paul, Minnesota will serve as trustee (the "Trustee") for the Bonds, and the Authority will pay for the services of the Trustee.

OPTIONAL REDEMPTION

The Authority may elect on »February 1, 2034, and on any day thereafter, to redeem Bonds due on or after »February 1, 2035. Redemption may be in whole or in part and if in part at the option of the Authority and in such manner as the Authority shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. »All redemptions shall be at a price of par plus accrued interest.

SPECIAL OPTIONAL REDEMPTION

The Bonds are subject to special redemption in whole on any date at a price of par plus accrued interest in the event the Facility or any portion thereof is destroyed or damaged by fire or other casualty or title to or temporary use of the Land and the Facility or any part thereof is taken under the exercise of the power of eminent domain and the Authority determines that the reconstruction and restoration of the Facility to its prior condition is not economically feasible.

SECURITY AND PURPOSE

The Bonds will be special, limited obligations of the Authority payable solely from rental payments to be received by the Authority from the City of Chaska, Minnesota (the "City") pursuant to a Lease Agreement between the Authority and the City dated July 1, 2024 (the "Lease"). The Bonds will be issued pursuant to a Trust Indenture between the Authority and the Trustee dated July 1, 2024 (the "Indenture"); a resolution of the Authority dated May 20, 2024 (the "Authority Resolution"); and a concurring resolution of the City dated May 20, 2024 (the "City Resolution"). The Bonds do not constitute a debt for which the faith and credit or taxing powers of the Authority, the City, or the State of Minnesota will be pledged. The City's obligation under the Lease is subject to annual appropriation. The proceeds of the Bonds will be used to (i) construct a new public safety campus within the City; (ii) fund capitalized interest to pay a portion of the debt service due on the Bonds; (iii) pay the costs associated with the issuance of the Bonds; and (iv), if necessary, fund a Debt Service Reserve Fund.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The Authority will not designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

BIDDING PARAMETERS

Proposals shall be for not less than $51,370,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

Proposals for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the proposal must specify "Years of Term Maturities" in the spaces provided on the proposal form.

No proposal can be withdrawn or amended after the time set for receiving proposals unless award of the Bonds is not made by the Pricing Committee following the opening of proposals, as designated by the Authority Resolution. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Bonds for federal income tax purposes, the Authority requires bidders to agree to the following, and by submitting a proposal, each bidder agrees to the following.

If a proposal is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the "initial offering price") for each maturity as set forth in the proposal and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, third-party distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the District to that effect at the time it submits its proposal and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the Authority shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule or (ii) the "hold-the-offering price" rule applies.

<u>If the Authority advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies</u>, the Purchaser will be required to deliver to the Authority at or prior to closing a certification, substantially in the form attached hereto as Exhibit A, as to the reasonably expected initial offering price as of the award date.

<u>If the Authority advises the Purchaser that the requirements for a competitive sale have not been satisfied, the hold-the-offering price rule will apply.</u> The Purchaser shall (1) upon the request of the Authority confirm that the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the Authority a certification substantially in the form attached hereto as Exhibit B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the Authority pursuant hereto may be taken or received on behalf of the Authority by Baker Tilly MA.

Bidders should prepare their proposals on the assumption that the Bonds will be subject to the "hold-the-offering-price" rule. Any proposal submitted pursuant to the Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, and proposals submitted will not be subject to cancellation or withdrawal.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the Authority in the amount of $513,700 (the "Deposit") no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the Authority nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the Authority may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the Authority upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of proposals. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the Authority and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted proposal, said amount will be retained by the Authority.

AWARD

The Bonds will be awarded on the basis of the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the proposal prior to any adjustment made by the Authority. The Authority's computation of the interest rate of each proposal, in accordance with customary practice, will be controlling.

The Authority will reserve the right to: (i) waive non-substantive informalities of any proposal or of matters relating to the receipt of proposals and award of the Bonds, (ii) reject all proposals without cause, and (iii) reject any proposal that the Authority determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The Authority has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's proposal. The Authority specifically reserves the right to reject any proposal specifying municipal bond insurance, even though such proposal may result in the lowest TIC to the Authority. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the Authority) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

On or about July 17, 2024, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Dorsey & Whitney LLP of Minneapolis, Minnesota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the Authority or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the Authority, or its agents, the Purchaser shall be liable to the Authority for any loss suffered by the Authority by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

In accordance with SEC Rule 15c2-12(b)(5), the Authority will undertake, pursuant to the Authority Resolution, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Official Statement. The Purchaser's obligation to purchase the Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Bonds.

OFFICIAL STATEMENT

The Authority has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the Authority as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The City has also provided a certificate regarding the accuracy and completeness of the Preliminary Official Statement. For an electronic copy of the Preliminary Official Statement or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the Authority, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000, or by email bids@bakertilly.com.

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts, and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the Authority agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The Authority designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its proposal is accepted by the Authority, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated May 20, 2024 BY ORDER OF THE BOARD OF COMMISSIONERS

/s/ Matthew Podhradsky
Executive Director

EXHIBIT A

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH AT LEAST THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the obligations named above (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Authority* means [DESCRIBE ISSUER].

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a "related party" to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Authority[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER]
By:____
Name:______________________________________

Dated: [ISSUE DATE]

SCHEDULE A
EXPECTED OFFERING PRICES
(*Attached*)

SCHEDULE B
COPY OF UNDERWRITER’S BID
(*Attached*)

EXHIBIT B

ISSUE PRICE CERTIFICATE – COMPETITIVE SALES WITH FEWER THAN THREE BIDS FROM ESTABLISHED UNDERWRITERS

$[PRINCIPAL AMOUNT]
[BOND CAPTION]
ISSUE PRICE CERTIFICATE

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”)][the “Representative”)][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Initial Offering Price of the Bonds***. [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. ***First Price at which Sold to the Public.*** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein][in Schedule C], if different].

3. ***Hold the Offering Price Rule***. [SHORT NAME OF UNDERWRITER][Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative][SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. ***Defined Terms***. For purposes of this Issue Price Certificate:

(a) *Holding Period* means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) *Authority* means [DESCRIBE ISSUER].

(c) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was [DATE].

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Authority[and BORROWER (the "Borrower")] with respect to certain of the representations set forth in the [Tax Certificate][Tax Exemption Agreement] and with respect to compliance with the federal income tax rules affecting the Bonds, and by [BOND COUNSEL] in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038[-G][-GC][-TC], and other federal income tax advice that it may give to the Authority[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By:____________________________________
Name:__________________________________

Dated: [ISSUE DATE]

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS

(*Attached*)

SCHEDULE B
PRICING WIRE

(*Attached*)

SCHEDULE C
SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE AT THE INITIAL OFFERING PRICE

(*Attached*)

COUNTY AUDITOR'S CERTIFICATE AS TO REGISTRATION

The undersigned, being the duly qualified and acting County Auditor of Carver County, Minnesota, hereby certifies that there has been filed in my office a certified copy of a resolution duly adopted on May 20, 2024, by the Economic Development Authority of the City of Chaska, Minnesota, setting forth the form and details of an issue of $[PAR] Lease Revenue Bonds, Series 2024A, dated as of July 17, 2024.

I further certify that the issue has been entered on my bond register as required by Minnesota Statutes, Sections 475.62 and 475.63.

WITNESS my hand this ___ day of _____________, 2024.

____
Carver County Auditor

Economic Development Authority of the City of Chaska, Minnesota

$51,370,000 Lease Revenue Bonds, Series 2024A (City of Chaska, Minnesota Lease Obligation)

Pre-Sale Summary for Issuance of Bonds

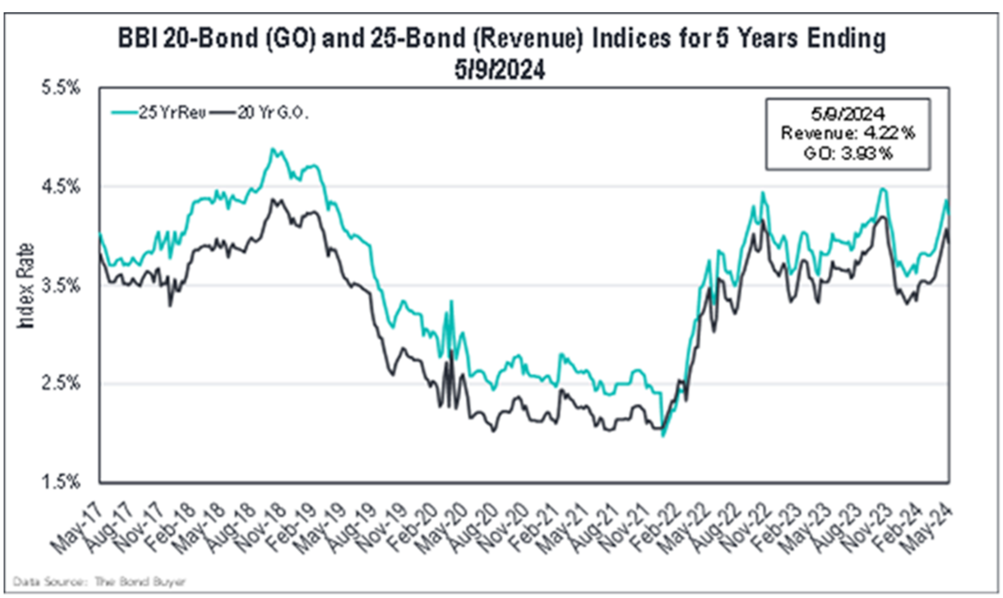
The Economic Development Authority (the "EDA" or "Authority") and the City of Chaska (the "City") has under consideration the issuance of bonds to fund (i) the construction of a new public safety campus within the City; (ii) capitalized interest and; (iii) costs of issuance. This document provides information relative to the proposed issuance.

KEY EVENTS: The following summary schedule includes the timing of key events that will occur relative to the bond issuance:

May 20, 2024	City Council considers Parameters Resolution requesting the EDA issue the Bonds and setting certain parameters
May 20, 2024	Authority Board considers Parameters Resolution setting certain parameters for the Bonds and establishing a pricing committee
June 3, 2024	Rating conference is conducted
June 24, 10:00 a.m.	**Competitive proposals are received. Award of the Bonds by the pricing committee**
July ,1 2024	**EDA and City ratifies the bond sale**
July 17, 2024	Proceeds are received

RATING: An application will be made to S&P Global Ratings (S&P) for ratings on the Bonds. The City's general obligation debt is currently rated "AA" by S&P. The City's lease revenue debt subject to annual appropriation is currently rated "AA-" by S&P.

THE MARKET: Performance of the tax-exempt market is often measured by the Bond Buyer's Index ("BBI") which measures the yield of high grade municipal bonds in the 20th year for general obligation bonds rated Aa2 by Moody's or AA by S&P (the BBI 20-Bond GO Index) and the 30th year for revenue bonds rated A1 by Moody's or A+ by S&P (the BBI 25-Bond Revenue Index). The following chart illustrates these two indices over the past five years:



Study No.: 00158913.2124941
Date: May 16, 2024

PURPOSE: Proceeds of the Bonds together with various sources of funds of the City in the total amount of $4,100,000 will be used to finance (i) the construction of a new Public Safety Facility (the "Project"); (ii) capitalized interest; and (iii) costs of issuance of the Bonds.

The Project consists of a new Public Safety Facility located on the current existing Fire Station location. The plans include demolition of the existing fire station and construction of a new 99,000 square foot Public Safety Facility which will house the police department and fire department on one campus and will include space for public use.

AUTHORITY: The Bonds are being issued pursuant to Minnesota Statutes, Sections 465.71, 471.64, 469.012 subdivision 1(h), Sections 469.033 and 469.034, and Chapter 475The Bonds are further being issued pursuant to a Trust Indenture between the Authority and U.S. Bank National Association, St. Paul, Minnesota (the "Trustee") dated July 1, 2024 (the "Indenture"), a lease purchase agreement between the Authority and the City (the "Lease") and resolutions to be adopted by the Authority (the "Authority Resolution") and the City (the "City Resolution") on May 20, 2024. The Authority and the City will adopt their respective resolutions on May 20, 2024 authorizing the issuance of the bonds and setting the following parameters: (i) the total par amount of the Bonds will not exceed $52,500,000; and the maximum True Interest Cost (TIC) will not exceed 5.75%; and (ii) designating the President and Executive Director of the Authority to approve the sale of the Bonds in consultation with the Authority's Municipal Advisor pursuant to the designated parameters.

SECURITY: The Bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to the Lease. The City's obligation under the lease is subject to annual appropriation. The February 1, 2025 interest payment is being funded by capitalized interest.

The City expects to levy taxes to pay the lease payments. The City will make their first levy in 2024 for collection in 2025.

STRUCTURING SUMMARY: In consultation with City staff, the Bonds are structured over a 30-year term with a level annual debt service requirement. The structure of the Bonds takes into consideration the City's future plans for debt issuance related to City's facility planning.

SCHEDULES ATTACHED: Schedules attached include the sources and uses of funds and estimated debt service requirements for the issue, given the current interest environment.

RISKS/SPECIAL CONSIDERATIONS: The outcome of this financing will rely on the market conditions at the time of the sale. Any projections included herein are estimates based on current market conditions.

SALE TERMS AND MARKETING: Variability of Issue Size: A specific provision in the sale terms permits modifications to the issue size and/or maturity structure to customize the issue once the price and interest rates are set on the day of sale.

Prepayment Provisions: Bonds maturing on or after February 1, 2034 may be prepaid at a price of par plus accrued interest on or after February 1, 2035.

Bank Qualification: This issue exceeds the $10 million limit for tax-exempt obligations in 2024; therefore the Bonds are not designated as bank qualified.

Post Issuance Compliance

POST ISSUANCE COMPLIANCE:

The issuance of the Bonds will result in post-issuance compliance responsibilities. The responsibilities are in two primary areas: (i) compliance with federal arbitrage requirements and (ii) compliance with secondary disclosure requirements.

Federal arbitrage requirements include a wide range of implications that have been taken into account as this issue has been structured. Post-issuance compliance responsibilities for this tax-exempt issue include both rebate and yield restriction provisions of the IRS Code. In general terms the arbitrage requirements control the earnings on unexpended bond proceeds, including investment earnings, moneys held for debt service payments (which are considered to be proceeds under the IRS regulations), and/or reserves. Under certain circumstances any “excess earnings” will need to be paid to the IRS to maintain the tax-exempt status of the Bonds. Any interest earnings on gross bond proceeds or debt service funds should not be spent until it has been determined based on actual facts that they are not “excess earnings” as defined by the IRS Code.

The arbitrage rules provide for spend-down exceptions for proceeds that are spent within either a 6-month, 18-month or, for certain construction issues, a 24-month period each in accordance with certain spending criteria. Proceeds that qualify for an exception will be exempt from rebate. These exceptions are based on actual expenditures and not based on reasonable expectations, and expenditures, including any investment proceeds will have to meet the spending criteria to qualify for the exclusion. The City expects to meet the 24-month spending exception.

Regardless of whether the issue qualifies for an exemption from the rebate provisions, yield restriction provisions will apply to Bond proceeds (including interest earnings) unspent after three years and the debt service fund throughout the term of the Bonds. These moneys should be monitored until the Bonds are retired.

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. To meet this requirement, any prospective underwriter will require the City and the Authority to commit to providing the information needed to comply under a continuing disclosure agreement.

The City and the Authority has contracted with Baker Tilly to provide post issuance compliance services for the Bonds related to arbitrage and continuing disclosure.

Preliminary

$51,370,000

Economic Development Authority of the City of Chaska, MN

Lease Revenue Bonds, Series 2024A (City of Chaska, MN Lease Ob.)
Public Safety Campus

Sources & Uses

Dated 07/17/2024 | Delivered 07/17/2024

Sources Of Funds	
Par Amount of Bonds	$51,370,000.00
City Cash Contribution	2,600,000.00
Federal Funds for Building - EOC	1,500,000.00
Total Sources	**$55,470,000.00**

Uses Of Funds	
Deposit to Project Construction Fund	53,481,798.00
Deposit to Capitalized Interest (CIF) Fund	1,140,550.79
Total Underwriter's Discount (1.200%)	616,440.00
Costs of Issuance	230,000.00
Rounding Amount	1,211.21
Total Uses	**$55,470,000.00**

Preliminary

$51,370,000

Economic Development Authority of the City of Chaska, MN

Lease Revenue Bonds, Series 2024A (City of Chaska, MN Lease Ob.)
Public Safety Campus

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S
02/01/2025	-	-	1,140,550.79	1,140,550.79	(1,140,550.79)	-
02/01/2026	1,020,000.00	3.800%	2,116,486.00	3,136,486.00	-	3,136,486.00
02/01/2027	1,055,000.00	3.570%	2,077,726.00	3,132,726.00	-	3,132,726.00
02/01/2028	1,095,000.00	3.440%	2,040,062.50	3,135,062.50	-	3,135,062.50
02/01/2029	1,130,000.00	3.300%	2,002,394.50	3,132,394.50	-	3,132,394.50
02/01/2030	1,170,000.00	3.260%	1,965,104.50	3,135,104.50	-	3,135,104.50
02/01/2031	1,210,000.00	3.250%	1,926,962.50	3,136,962.50	-	3,136,962.50
02/01/2032	1,245,000.00	3.240%	1,887,637.50	3,132,637.50	-	3,132,637.50
02/01/2033	1,285,000.00	3.250%	1,847,299.50	3,132,299.50	-	3,132,299.50
02/01/2034	1,330,000.00	3.280%	1,805,537.00	3,135,537.00	-	3,135,537.00
02/01/2035	1,375,000.00	3.300%	1,761,913.00	3,136,913.00	-	3,136,913.00
02/01/2036	1,420,000.00	3.380%	1,716,538.00	3,136,538.00	-	3,136,538.00
02/01/2037	1,465,000.00	3.480%	1,668,542.00	3,133,542.00	-	3,133,542.00
02/01/2038	1,515,000.00	3.620%	1,617,560.00	3,132,560.00	-	3,132,560.00
02/01/2039	1,570,000.00	3.880%	1,562,717.00	3,132,717.00	-	3,132,717.00
02/01/2040	1,630,000.00	3.980%	1,501,801.00	3,131,801.00	-	3,131,801.00
02/01/2041	1,695,000.00	4.120%	1,436,927.00	3,131,927.00	-	3,131,927.00
02/01/2042	1,765,000.00	4.220%	1,367,093.00	3,132,093.00	-	3,132,093.00
02/01/2043	1,840,000.00	4.270%	1,292,610.00	3,132,610.00	-	3,132,610.00
02/01/2044	1,920,000.00	4.330%	1,214,042.00	3,134,042.00	-	3,134,042.00
02/01/2045	2,005,000.00	4.390%	1,130,906.00	3,135,906.00	-	3,135,906.00
02/01/2046	2,090,000.00	4.440%	1,042,886.50	3,132,886.50	-	3,132,886.50
02/01/2047	2,185,000.00	4.490%	950,090.50	3,135,090.50	-	3,135,090.50
02/01/2048	2,280,000.00	4.540%	851,984.00	3,131,984.00	-	3,131,984.00
02/01/2049	2,385,000.00	4.590%	748,472.00	3,133,472.00	-	3,133,472.00
02/01/2050	2,495,000.00	4.630%	639,000.50	3,134,000.50	-	3,134,000.50
02/01/2051	2,610,000.00	4.650%	523,482.00	3,133,482.00	-	3,133,482.00
02/01/2052	2,730,000.00	4.660%	402,117.00	3,132,117.00	-	3,132,117.00
02/01/2053	2,860,000.00	4.690%	274,899.00	3,134,899.00	-	3,134,899.00
02/01/2054	2,995,000.00	4.700%	140,765.00	3,135,765.00	-	3,135,765.00
Total	**$51,370,000.00**	**-**	**$40,654,106.29**	**$92,024,106.29**	**(1,140,550.79)**	**$90,883,555.50**

Yield Statistics

Bond Year Dollars	$935,112.72
Average Life	18.203 Years
Average Coupon	4.3475086%
Net Interest Cost (NIC)	4.4134301%
True Interest Cost (TIC)	4.3952348%
Bond Yield for Arbitrage Purposes	4.2941632%
All Inclusive Cost (AIC)	4.4334163%

IRS Form 8038

Net Interest Cost	4.3475086%
Weighted Average Maturity	18.203 Years

Preliminary

$51,370,000

Economic Development Authority of the City of Chaska, MN

Lease Revenue Bonds, Series 2024A (City of Chaska, MN Lease Ob.)
Public Safety Campus

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	CIF	Net New D/S	Fiscal Total
07/17/2024	-	-	-	-	-	-	-
02/01/2025	-	-	1,140,550.79	1,140,550.79	(1,140,550.79)	-	-
08/01/2025	-	-	1,058,243.00	1,058,243.00	-	1,058,243.00	-
02/01/2026	1,020,000.00	3.800%	1,058,243.00	2,078,243.00	-	2,078,243.00	3,136,486.00
08/01/2026	-	-	1,038,863.00	1,038,863.00	-	1,038,863.00	-
02/01/2027	1,055,000.00	3.570%	1,038,863.00	2,093,863.00	-	2,093,863.00	3,132,726.00
08/01/2027	-	-	1,020,031.25	1,020,031.25	-	1,020,031.25	-
02/01/2028	1,095,000.00	3.440%	1,020,031.25	2,115,031.25	-	2,115,031.25	3,135,062.50
08/01/2028	-	-	1,001,197.25	1,001,197.25	-	1,001,197.25	-
02/01/2029	1,130,000.00	3.300%	1,001,197.25	2,131,197.25	-	2,131,197.25	3,132,394.50
08/01/2029	-	-	982,552.25	982,552.25	-	982,552.25	-
02/01/2030	1,170,000.00	3.260%	982,552.25	2,152,552.25	-	2,152,552.25	3,135,104.50
08/01/2030	-	-	963,481.25	963,481.25	-	963,481.25	-
02/01/2031	1,210,000.00	3.250%	963,481.25	2,173,481.25	-	2,173,481.25	3,136,962.50
08/01/2031	-	-	943,818.75	943,818.75	-	943,818.75	-
02/01/2032	1,245,000.00	3.240%	943,818.75	2,188,818.75	-	2,188,818.75	3,132,637.50
08/01/2032	-	-	923,649.75	923,649.75	-	923,649.75	-
02/01/2033	1,285,000.00	3.250%	923,649.75	2,208,649.75	-	2,208,649.75	3,132,299.50
08/01/2033	-	-	902,768.50	902,768.50	-	902,768.50	-
02/01/2034	1,330,000.00	3.280%	902,768.50	2,232,768.50	-	2,232,768.50	3,135,537.00
08/01/2034	-	-	880,956.50	880,956.50	-	880,956.50	-
02/01/2035	1,375,000.00	3.300%	880,956.50	2,255,956.50	-	2,255,956.50	3,136,913.00
08/01/2035	-	-	858,269.00	858,269.00	-	858,269.00	-
02/01/2036	1,420,000.00	3.380%	858,269.00	2,278,269.00	-	2,278,269.00	3,136,538.00
08/01/2036	-	-	834,271.00	834,271.00	-	834,271.00	-
02/01/2037	1,465,000.00	3.480%	834,271.00	2,299,271.00	-	2,299,271.00	3,133,542.00
08/01/2037	-	-	808,780.00	808,780.00	-	808,780.00	-
02/01/2038	1,515,000.00	3.620%	808,780.00	2,323,780.00	-	2,323,780.00	3,132,560.00
08/01/2038	-	-	781,358.50	781,358.50	-	781,358.50	-
02/01/2039	1,570,000.00	3.880%	781,358.50	2,351,358.50	-	2,351,358.50	3,132,717.00
08/01/2039	-	-	750,900.50	750,900.50	-	750,900.50	-
02/01/2040	1,630,000.00	3.980%	750,900.50	2,380,900.50	-	2,380,900.50	3,131,801.00
08/01/2040	-	-	718,463.50	718,463.50	-	718,463.50	-
02/01/2041	1,695,000.00	4.120%	718,463.50	2,413,463.50	-	2,413,463.50	3,131,927.00
08/01/2041	-	-	683,546.50	683,546.50	-	683,546.50	-
02/01/2042	1,765,000.00	4.220%	683,546.50	2,448,546.50	-	2,448,546.50	3,132,093.00
08/01/2042	-	-	646,305.00	646,305.00	-	646,305.00	-
02/01/2043	1,840,000.00	4.270%	646,305.00	2,486,305.00	-	2,486,305.00	3,132,610.00
08/01/2043	-	-	607,021.00	607,021.00	-	607,021.00	-
02/01/2044	1,920,000.00	4.330%	607,021.00	2,527,021.00	-	2,527,021.00	3,134,042.00
08/01/2044	-	-	565,453.00	565,453.00	-	565,453.00	-
02/01/2045	2,005,000.00	4.390%	565,453.00	2,570,453.00	-	2,570,453.00	3,135,906.00
08/01/2045	-	-	521,443.25	521,443.25	-	521,443.25	-
02/01/2046	2,090,000.00	4.440%	521,443.25	2,611,443.25	-	2,611,443.25	3,132,886.50
08/01/2046	-	-	475,045.25	475,045.25	-	475,045.25	-
02/01/2047	2,185,000.00	4.490%	475,045.25	2,660,045.25	-	2,660,045.25	3,135,090.50
08/01/2047	-	-	425,992.00	425,992.00	-	425,992.00	-
02/01/2048	2,280,000.00	4.540%	425,992.00	2,705,992.00	-	2,705,992.00	3,131,984.00
08/01/2048	-	-	374,236.00	374,236.00	-	374,236.00	-
02/01/2049	2,385,000.00	4.590%	374,236.00	2,759,236.00	-	2,759,236.00	3,133,472.00
08/01/2049	-	-	319,500.25	319,500.25	-	319,500.25	-
02/01/2050	2,495,000.00	4.630%	319,500.25	2,814,500.25	-	2,814,500.25	3,134,000.50
08/01/2050	-	-	261,741.00	261,741.00	-	261,741.00	-
02/01/2051	2,610,000.00	4.650%	261,741.00	2,871,741.00	-	2,871,741.00	3,133,482.00
08/01/2051	-	-	201,058.50	201,058.50	-	201,058.50	-
02/01/2052	2,730,000.00	4.660%	201,058.50	2,931,058.50	-	2,931,058.50	3,132,117.00
08/01/2052	-	-	137,449.50	137,449.50	-	137,449.50	-
02/01/2053	2,860,000.00	4.690%	137,449.50	2,997,449.50	-	2,997,449.50	3,134,899.00
08/01/2053	-	-	70,382.50	70,382.50	-	70,382.50	-
02/01/2054	2,995,000.00	4.700%	70,382.50	3,065,382.50	-	3,065,382.50	3,135,765.00
Total	**$51,370,000.00**	**-**	**$40,654,106.29**	**$92,024,106.29**	**(1,140,550.79)**	**$90,883,555.50**	**-**

LEASE-PURCHASE AGREEMENT

by and between

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA
as Lessor

and the

CITY OF CHASKA, MINNESOTA
as Lessee

Dated as of July 1, 2024

Relating to:

LEASE REVENUE BONDS, SERIES 2024A
(PUBLIC SAFETY BUILDING PROJECT)

This instrument drafted by:

Dorsey & Whitney LLP
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402
(612) 340-2600

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LEASE-PURCHASE AGREEMENT

This **LEASE-PURCHASE AGREEMENT** dated as of July 1, 2024 (the "Lease"), is executed by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA**, a body corporate and politic of the State of Minnesota, having its principal office and address at One City Hall Plaza, Chaska, Minnesota, as lessor (the "Authority"), and the **CITY OF CHASKA, MINNESOTA**, a political subdivision of the State of Minnesota, having its main office at One City Hall Plaza, Chaska, Minnesota, as lessee (the "City").

RECITALS

WHEREAS, the City is authorized by Minnesota Statutes to acquire real and personal property by entering into lease-purchase agreements; and

WHEREAS, the City and the Authority have determined to enter into this Lease to finance the acquisition, improvement and construction of certain improvements and real property in the City, as further described in Exhibits A and B.

NOW THEREFORE, in the joint and mutual exercise of their powers, and in consideration of the mutual covenants herein contained, the parties hereto recite and agree as follows:

4884-9477-5226\2

ARTICLE I
DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease and its exhibits, have the meanings herein specified.

Additional Bonds means any additional Bonds issued pursuant to Section 2.10 of the Indenture.

Authority Representative means the President or the Executive Director of the Authority or any other person authorized to act on behalf of the Authority under or with respect to this Lease, as evidenced by a certificate conferring such authority executed by the President and given to the Trustee and the City.

Bond Fund means the bond fund so designated and established by the Trustee pursuant to the Trust Indenture.

Bond or Bonds means the Series 2024 Bonds together with any Additional Bonds.

Business Day means any day other than a Saturday, Sunday, or other day on which commercial banks in the City in which the principal corporate trust office of the Trustee is located are not open for business.

City Representative means the Mayor, or any person authorized by law to act on behalf of the City under or with respect to this Lease, as evidenced by a certificate conferring such authority executed by the Mayor and given to the Trustee and the Authority.

Code means the Internal Revenue Code of 1986, as amended, and the regulations and revenue rulings and procedures issued pursuant thereto from time to time.

Completion Certificate means a certificate in the form attached as Exhibit C, executed by the City, stating that the Project has been completed.

Completion Date means, with respect to the Project, the date upon which a final Completion Certificate is issued with respect thereto by the City and delivered to the Authority and the Trustee.

Event of Default means an Event of Default as described in Section 10.1 hereof or Section 7.01 of the Indenture, which has not been cured.

Fiscal Year means each twelve-month fiscal period of the City commencing on January 1 of any year and ending on December 31 of said year.

Improvements means the improvements to the Land, which improvements are to be made pursuant hereto and are described on Exhibit B.

Independent Counsel means an attorney duly admitted to the practice of law before the highest court of the State of Minnesota who is not a full-time employee of the Authority or the City.

Interest Payment Date means the stated maturity of an installment of interest on any of the Bonds.

Land means the real property described on Exhibit A comprising the Project, which real property is to be improved pursuant hereto.

Lease means this Lease-Purchase Agreement, and any duly authorized and executed amendment hereto.

Lease Term means the period during which this Lease remains in effect as specified in Sections 4.1 and 4.2.

Net Proceeds means any insurance proceeds or condemnation award paid with respect to the Project, remaining after payment therefrom of all expenses incurred in the collection thereof.

Outstanding means, when used as of any particular time with reference to Bonds (subject to the provisions of Section 9.03 of the Indenture pertaining to Bonds held by the Authority and the City), all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds deemed not outstanding pursuant to the terms of Section 10.02 of the Indenture; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.08 of the Indenture pertaining to replacement of Bonds.

Permitted Encumbrances means, as of any particular time: (i) liens for taxes and assessments not then delinquent, or which the City may, pursuant to provisions of Article VI hereof, permit to remain unpaid; (ii) this Lease and the Trust Indenture, (iii) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, or (iv) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the Land and do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was intended.

Principal Payment Date means the stated maturity of principal of any Bond, or the mandatory sinking fund redemption date of any Bond.

Project means the Land together with the Improvements, which are both being leased by the City with the option to purchase, pursuant to this Lease.

Project Fund means the fund so designated and established by the Trustee pursuant to the Trust Indenture

Purchase Price means the amount necessary to defease, to the earliest permissible redemption date, the remaining Outstanding principal amount of Bonds, together with an amount equal to the Authority's and Trustee's fees and expenses in connection with such defeasance and redemption.

Rental Payment means any payment due from the City to the Authority under Section 5.1 of this Lease.

Rental Payment Date means the fifth Business Day preceding each Interest Payment Date, which is the date upon which any Rental Payment is due and payable as provided in Section 5.1 hereof.

[Reserve Fund means the fund so designated and established by the Trustee pursuant to the Trust Indenture.]

Series 2024 Bonds means the $[PAR] Lease Revenue Bonds, Series 2024A, to be issued by the Authority pursuant to the Trust Indenture.

State means the State of Minnesota.

State and Federal Law or Laws means the Constitution and laws of the State, and any ordinance, rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any executive department or federal agency.

Trustee means U.S. Bank Trust Company, National Association, with an office in St. Paul, Minnesota, and any successor thereto.

Trust Indenture means the Trust Indenture dated as of the date hereof, between the Authority and the Trustee, and any duly authorized and executed amendment thereto.

Section 1.2. Exhibits. The following Exhibits are attached to and by reference made a part of this Lease:

Exhibit A. Description of the Improvements

Exhibit B. Description of the Land

Exhibit C. Form of Completion Certificate

ARTICLE II
REPRESENTATIONS AND COVENANTS OF THE CITY AND THE AUTHORITY

Section 2.1. Representations and Covenants of the City. The City represents and covenants as follows:

(a) The Constitution and the laws of the State authorize the City to enter into this Lease and the transactions contemplated hereby, and to carry out its obligations under this Lease.

(b) The officers of the City executing this Lease are duly authorized to execute and deliver this Lease under the Constitution and laws of the State.

(c) The City has complied and will comply with all open meeting laws, all public bidding laws and all other State and Federal Laws applicable to this Lease and the acquisition of the Project by the City.

(d) The City will use the Project during the Lease Term only to perform essential governmental functions of the City, and will not enter into any sublease, use agreement, management agreement or other contract with respect to the Project which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code if the result would be that interest payable on the Bonds would become includable in gross income for federal tax purposes.

(e) During the Lease Term, the City will not take, or permit any of its officers to take, any action with respect to the Lease or the Project which would cause interest on the Bonds to become includable in gross income of the recipient for federal income tax purposes under the Code, and shall take all actions necessary to ensure that interest on the Bonds remains excludable from gross income of the recipient under the Code, insofar as it has the power and authority to take such actions.

(f) The execution and delivery of this Lease and the other agreements contemplated hereby to which the City is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, or constitute on the part of the City a breach of, or a default under, any existing (i) law, or (ii) provisions of any legislative act or other proceeding establishing or relating to the establishment of the City or its affairs or its resolutions, or (iii) agreement, indenture, mortgage, lease or other instrument to which the City is subject or is a party or by which it is bound.

(g) No officer of the City who is authorized to take part in any manner in making this Lease or any contract contemplated hereby has a personal financial interest in or has personally and financially benefited from this Lease or any such contract.

(h) There is not pending or overtly threatened, any suit, action or proceeding against or affecting the City before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the

City, of this Lease, any of the obligations of the City hereunder or any of the transactions contemplated hereby.

(i) No event of nonappropriation or other financing lease termination has occurred in connection with any prior lease financing of the City.

(j) The useful life of the Project is not less than 20 years and the Project is essential for the carrying out of the governmental purposes of the City.

(k) The obligation created by this Lease ($[PAR]), together with all other net debt of the City, does not cause the net debt of the City to exceed the limitation set forth in Minnesota Statutes, Section 475.53.

Section 2.2. Representations and Covenants of the Authority. The Authority represents and covenants as follows:

(a) The Constitution and the laws of the State authorize the Authority to undertake the Project, to enter into this Lease and the Trust Indenture and the transactions contemplated hereby and thereby, and to carry out its obligations under this Lease and the Trust Indenture.

(b) The officers of the Authority executing this Lease and the Trust Indenture are duly authorized to execute and deliver this Lease and the Trust Indenture under the Constitution and laws of the State.

(c) The Authority has complied and will comply with all open meeting laws, all public bidding laws and all other State and Federal Laws applicable to this Lease and the acquisition of the Project.

(d) So long as the Bonds remain Outstanding, the Authority will not enter into any lease, use agreement, management agreement or other contract which would cause the Bonds to be considered "private activity bonds" or "private loan bonds" pursuant to Section 141 of the Code if the result would be that interest payable on the Bonds would become includable in gross income for federal income tax purposes.

(e) So long as any of the Bonds remain Outstanding, the Authority will not take or permit any of its officers to take any action with respect to this Lease or the Project which would cause interest on the Bonds to become includable in gross income of the recipient for federal income tax purposes under the Code, and shall take all actions necessary to ensure that interest on the Bonds remains excludable from gross income of the recipient under the Code, insofar as it has the power and authority to take such actions.

(f) The execution and delivery of this Lease and the Trust Indenture and the other agreements contemplated hereby to which the Authority is a party and the consummation of the transactions contemplated hereby and thereby and the fulfillment of the terms hereof and thereof will not conflict with, or constitute on the part of the Authority a breach of, or a default under, any existing (i) law, or (ii) provisions of any legislative act or other proceeding establishing or relating to the establishment of the Authority or its affairs or its resolutions, or (iii) agreement, indenture, mortgage, lease or other instrument to which the Authority is subject or is a party or by which it is bound.

(g) No officer of the Authority who is authorized to take part in any manner in making this Lease or any contract contemplated hereby has a personal financial interest in or has personally and financially benefited from this Lease or any such contract.

(h) There is not pending or threatened any suit, action or proceeding against or affecting the Authority before or by any court, arbitrator, administrative agency or other governmental authority which materially and adversely affects the validity, as to the Authority, of this Lease or the Trust Indenture, any of the obligations of the Authority thereunder or any of the transactions contemplated thereby.

ARTICLE III
LEASE OF PROJECT

Section 3.1. Lease. The Authority hereby leases the Project to the City, and the City hereby leases the Project from the Authority, upon the terms and conditions set forth in this Lease.

Section 3.2. Possession and Enjoyment. The Authority hereby covenants to provide the City, during the Lease Term, with the quiet use and enjoyment of the Project; and the City shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Project without suit, trouble or hindrance from the Authority, except as expressly set forth in this Lease. The Authority will, at the request of the City and at the City's cost, join in any legal action in which the City asserts its right to such possession and enjoyment to the extent the Authority lawfully may do so.

Section 3.3. City to Act as Agent; Acquisition and Construction of Project; Authority Access to Project. The Authority hereby irrevocably appoints the City as its agent in connection with the acquisition and construction of the Project. The City, as agent of the Authority, has or will enter into all contracts with the contractors providing for the acquisition and construction of the Project in accordance with the City's specifications. The Authority shall have no obligation whatsoever with respect to the design, acquisition, construction, installation or operation of the Project and no obligation whatsoever with respect to the Project other than the obligations set forth in Section 3.1. Upon final acceptance of the Project, if requested, the City shall execute and deliver to the Authority a Certificate of Acceptance substantially in the form of Exhibit C.

The City agrees that the Authority and any Authority Representative shall have the right at all reasonable times to examine and inspect the Project. The City further agrees that the Authority and the Authority's Representative shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of the Project in the event of failure by the City to perform its obligations hereunder, or to carry out the Authority's obligations and exercise the Authority's rights under Article X, or to determine whether the City is in compliance with this Lease.

ARTICLE IV
LEASE TERM

Section 4.1. Lease Term. This Lease shall be and remain in effect with respect to the Project for a Lease Term commencing on its date of execution and continuing until no Bonds remain Outstanding, or until terminated as provided in Section 4.2.

Section 4.2. Termination of Lease Term. The Lease Term will terminate prior to February 1, 20[__] upon the occurrence of the first of the following events:

(a) termination of this Lease pursuant to Section 5.4 hereof;

(b) a default by the City and the Authority's election to terminate this Lease pursuant to Article X; or

(c) the payment by the City of all Rental Payments due hereunder or the payment of the Purchase Price pursuant to Section 11.3 hereof, together with any fees and expenses due the Authority or the Trustee hereunder or under the Trust Indenture.

ARTICLE V
RENTAL PAYMENTS; FEES AND EXPENSES

Section 5.1. Rental Payments. The City shall, by wire transfer in immediately available funds, pay Rental Payments with respect to the Project as follows:

(a) By each Rental Payment Date, the City shall pay an amount equal to the interest, and principal, if any, due on the Bonds on the next succeeding Interest Payment Date.

(b) As a credit against the first interest payment otherwise required to be paid by the City to the Trustee pursuant to (a) of this Section 5.1, there shall be applied any accrued interest on the Bonds initially deposited into the Bond Fund.

(c) On each Rental Payment Date, so long as no Event of Default has occurred and is continuing, the City shall have a credit against the Rental Payment otherwise due on said date to the extent of any investment profits or earnings which have been transferred or are otherwise available in the Bond Fund for such purpose.

(d) In the event the City shall have paid Rental Payments with respect to the next succeeding Interest Payment Date, but the funds on deposit in the Bond Fund are nevertheless insufficient to pay such principal, premium (if any) and interest on the Bonds then due or to become due on such Interest Payment Date, the City will forthwith pay, as Rental Payments, the amount of the deficiency.

(e) The City shall also have a credit against its Rental Payment obligations under this Section to the extent of funds transferred from the [Reserve Fund] to the Bond Fund to make the final payments due on Outstanding Bonds.

The Rental Payments provided for in this Section 5.1 shall be paid directly to the Trustee at its corporate trust office for the account of the City for deposit in the Bond Fund as provided in the Indenture.

Section 5.2. Rental Payments to be Unconditional. Except as provided in Section 5.4, the obligation of the City to make Rental Payments due with respect to the Project or any other payments required hereunder shall be absolute and unconditional in all events. Notwithstanding any dispute between the City and the Authority or any other person, the City shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute nor shall the City assert any right of set-off or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. The City's obligation to make Rental Payments or other payments during the Lease Term shall not be abated through accident or unforeseen circumstances including, without limitation, any circumstance related to the Project or the construction thereof.

Section 5.3. Current Expense. The obligations of the City under this Lease, including its obligation to pay the Rental Payments due with respect to the Project in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of the City for such Fiscal Year and shall not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State (except the amount of the Lease in excess of $1,000,000 shall be included in the calculation of net debt for purposes of Minnesota Section 475.53, as provided in Minnesota Statutes, Section 465.71). Nothing herein shall constitute a pledge by the City of any taxes or other money, other than money lawfully appropriated from time to time by or for the benefit of the City's annual budget and the proceeds of the Bonds or Net Proceeds of the Project, to the payment of any Rental Payment or other amount coming due hereunder.

Section 5.4. Nonappropriation; Termination of Lease. The City shall have the right to cancel and terminate this Lease, in whole but not in part, at the end of any Fiscal Year of the City, in the manner and subject to the terms specified in this Section and Section 5.6, if the City's governing body does not appropriate money sufficient to pay the Rental Payments coming due in the next Fiscal Year. Lack of a sufficient appropriation shall be evidenced by a specific provision in the budget of the City which prohibits the expenditure of the City funds for this purpose. The City may effect such termination by giving the Authority a written notice of termination and by paying to the Authority any Rental Payments which are due and have not been paid at or before the end of its then current Fiscal Year. The City shall endeavor to give notice of termination not less than one hundred twenty (120) days prior to the end of such Fiscal Year, and shall notify the Authority of any anticipated termination. In the event of termination of this Lease as provided in this Section, the City shall deliver possession of the Project to the Authority in accordance with Section 10.3, and release its interest in the Project granted under this Lease within ten (10) days after the termination of this Lease.

The Authority may not terminate this Lease except as provided in Article X hereof upon the occurrence and continuation of an Event of Default by the City.

Section 5.5. Intent to Continue Lease-Purchase Payments; Appropriations. The City presently intends to continue this Lease for the entire Lease Term and to pay all Rental Payments required hereunder. The City Administrator will include in the budget request for each Fiscal Year the Rental Payments to become due in such Fiscal Year, and will use all reasonable and lawful means at his or her disposal to secure the appropriation of money for such Fiscal Year sufficient to pay the Rental Payments coming due therein. The City reasonably believes that money in an amount sufficient to make all such Rental Payments can and will lawfully be appropriated and made available for this purpose. To provide the funds necessary to make the Rental Payments, the City agrees, subject to the provisions of Section 5.4, that it will include in each annual budget an appropriation sufficient therefor.

Section 5.6. Effect of Termination. Upon termination of this Lease as provided in Section 5.4, the City shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years, but if the City has not delivered possession of the Project to the Authority in accordance with Section 10.3 and conveyed to the Authority or released its interest in the Project granted under this Lease within ten (10) days after the termination of the Lease, the termination shall nevertheless be effective, but the City shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments thereafter coming due which are attributable to the number of days after such ten (10) day period during which the City fails to take such actions. Upon termination of this Lease as provided in Section 5.4, the Trustee, on behalf of the Authority, may take any of the actions specified in Section 10.2 hereof.

Section 5.7. Additional Rental Payments. The City shall, during the Lease Term, within ten (10) Business Days after written notice that such payment is due, also pay the following amounts of additional rent to the following persons:

(a) to the Trustee, all reasonable fees and expenses of the Trustee for services rendered under the Trust Indenture, provided that the City may, without creating a default hereunder, contest in good faith the reasonableness of any such fees or expenses other than the Trustee's fees for ordinary services as may be set forth in the Trust Indenture;

(b) to the Authority, all reasonable expenses incurred by the Authority in connection with the transactions contemplated hereby which are not otherwise required to be paid by the City under the terms of this Lease;

(c) all other costs and expenses specifically required to be paid by the City under the terms of this Lease or the Trust Indenture;

(d) to the Authority or the Trustee, as the case may be, the amount of all advances of funds made by either of them under the provisions hereof; and

(e) to the Trustee, an amount equal to any amount transferred from the [Reserve Fund] to the Bond Fund pursuant to Section 5.02 of the Trust Indenture to cure a deficiency in the Bond Fund; all amounts payable pursuant to this paragraph (e) shall be paid by the City within ten (10) Business Days following mailing of notice of such amount due by the Trustee to the City; provided that the City shall not be required to make such payment if the City has determined to terminate the Lease pursuant to the provisions of Section 5.4 hereof and has provided written notice of such intention to the Trustee.

In the event the City should fail to make any of the payments required by this Section, the item in default shall continue as an obligation of the City until the amount in default shall have been fully paid, and the City will pay the same with interest thereon at the rate of 8% per annum, or, if less, at the maximum rate permitted by law.

ARTICLE VI
USE OF THE PROJECT; TAXES, INSURANCE AND NEGLIGENCE

Section 6.1. Use; Permits. The City shall exercise due care in the acquisition, construction, installation, use, possession, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of State and Federal Laws or for a purpose or in a manner contrary to that contemplated by this Lease. The City shall obtain all permits and licenses necessary for the installation, operation, possession and use of the Project. The City shall comply with all State and Federal Laws applicable to the acquisition, construction, installation, use, possession, operation and maintenance of the Project, and if compliance with any such State and Federal Law requires changes or additions to be made to the Project, such changes or additions shall be made by the City at its expense.

Section 6.2. Maintenance of Project by the City. The City shall, at its own expense, maintain, preserve and keep the Project in good repair, working order and condition, and shall from time to time make all repairs and replacements necessary to keep the Project in such condition. The Authority shall have no responsibility for any of these repairs or replacements.

Section 6.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this Section, the City shall pay all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Project, the Rental Payments or any part thereof, or which become due during the Lease Term, whether assessed against the City or the Authority. The City shall also pay when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the City shall be obligated to pay only such installments as are required to be paid during the Lease Term as and when the same become due. The City shall not be required to pay any federal, state or local income, inheritance, estate, succession, transfer, gift, franchise, gross receipts, profit, excess profit, capital stock, corporate, or other similar tax payable by the Authority, its successors or assigns, unless such tax is made in lieu of or as a substitute for any real estate or other tax upon the Project.

The City may, at the City's expense and in the City's name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such items the interest of the Authority in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority.

Section 6.4. Liability Insurance. Upon receipt of possession of the Project, the City shall take such measures as may be necessary to ensure that any liability for injuries to or death of any person or damage to or loss of property arising out of or in any way relating to the condition or the operation of the Project or any part thereof, is covered by a blanket or other general liability insurance policy maintained by the City. The Net Proceeds of all such insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which any Net Proceeds may be paid.

Section 6.5. Negligence. The City assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of the City or of third parties, and whether such property damage be to the City's property or the property of others, which is proximately caused by the negligent conduct of the City, its officers, employees and agents. The City hereby assumes responsibility for and agrees to reimburse the Authority for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against the Authority that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of the City, its officers, employees and agents, to the maximum extent permitted by law.

Section 6.6. Property Insurance. Upon receipt of possession of the Project, the City shall have and assume the risk of loss with respect thereto. The City shall procure and maintain continuously in effect during the Lease Term, all-risk insurance, subject only to the standard exclusions contained in the policy, in such amount as will be at least sufficient so that a claim may be made for the full replacement cost of any part thereof damaged or destroyed and to pay the applicable Purchase Price of the Project. Such insurance may be provided by a rider to an existing policy or under a separate policy. Such insurance may be written with customary deductible amounts. The Net Proceeds of insurance required by this Section shall be applied to the prompt repair, restoration or replacement of the Project, or to the purchase of the Project, as provided in Section 7.1. Any Net Proceeds not needed for those purposes shall be paid to the City.

Section 6.7. Worker's Compensation Insurance. If required by State law, the City shall carry worker's compensation insurance covering all its employees on, in, near or about the Project. Alternatively, the City may self-insure against such liabilities in accordance with applicable law.

Section 6.8. Other Insurance and Requirements for All Insurance. All insurance by this Article may be carried under a separate policy or a rider or endorsement to an existing policy; shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State; shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to both parties, and to the Trustee, at least 30 days before the cancellation or revision becomes effective; and shall name the City, the Authority and the Trustee as insured parties as their interests may appear. The City shall provide the Trustee, commencing as of the date hereof with a Certificate as to compliance with the provisions of this Article VI. The Trustee shall be entitled to rely upon said Certificate as to the City's compliance with the insurance requirements. The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies. Before the expiration of any such policy, the City shall furnish to the

Trustee and the Authority evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article.

Section 6.9. Advances. If the City shall fail to perform any of its obligations under this Lease, the Authority or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the City shall be obligated to repay all such advances on demand, with interest at the maximum rate permitted by law or 8%, whichever is less, from the date of the advance to the date of repayment.

Section 6.10. Liens. The City shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of the Authority and the City as herein provided and Permitted Encumbrances. Except as expressly provided in this Article, the City shall promptly, at its own expense, take such action as may be necessary duly to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time. The City shall reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 6.11. Financial Statements. The City shall provide the Trustee and the Authority, within 365 days of the end of each Fiscal Year, with a copy of its annual audited financial statements. The Trustee shall have no duty to review or analyze any such financial statements. The trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner therein.

Section 6.12. Arbitrage Rebate. The City and the Authority acknowledge that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The City covenants and agrees to retain such records, make such determinations, file such reports and documents and pay such amounts at such times as are required under said Section 148(f) and applicable Regulations, unless the Bonds qualify for an exception from the rebate requirement pursuant to one of the spending exceptions set forth in Section 1.148-7 of the Regulations and no "gross proceeds" of the Bonds (other than amounts constituting a "bona fide debt service fund") arise during or after the expenditure of the original proceeds thereof.

Section 6.13. Waiver of Right to Receive Brokerage Confirmation. The City and the Authority acknowledge that regulations of the Comptroller of the Currency grant the Authority the right to receive brokerage confirmations of the security transactions as they occur. The Authority specifically waives such notification to the extent permitted by law and acknowledges that the City will receive periodic cash transaction statements which will detail all investment transactions.

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION;
USE OF NET PROCEEDS

Section 7.1. Damage, Destruction and Condemnation. If after delivery of the Project to the City all or any part of the Project is lost, stolen, destroyed or damaged beyond repair the City shall have the rights specified in this Section with respect to the Net Proceeds of any insurance or condemnation award. The City may either (i) apply such Net Proceeds to replace the Project with a project of equal or greater value to the Project immediately prior to the time of the loss occurrence, such replacement project to be subject to the Authority's reasonable approval, whereupon such replacement shall be substituted in this Lease by appropriate endorsement and the City shall be obligated to continue to pay the Rental Payments or (ii) the City may exercise its option to purchase the Project pursuant to the terms of Section 11.3 hereof, in which event the Net Proceeds may be used for such purpose. The City shall notify the Authority and the Trustee within 90 days of the date of damage, destruction or taking as to its decision regarding replacement or purchase. In the event the City determines to replace the Project, the Authority shall assign to the City all of its interests in said Net Proceeds and the City shall deposit the Net Proceeds with the Trustee for deposit into the Project Fund. The Trustee shall disburse such Net Proceeds from the Project Fund to pay the costs of replacement in the manner provided in Article IV of the Trust Indenture.

Section 7.2. Insufficiency of Net Proceeds. If the City elects to replace the Project and the Net Proceeds are insufficient to pay in full the cost of any replacement, the City shall complete the work and pay any cost in excess of the amount of the Net Proceeds, and the City agrees that if by reason of any such insufficiency of the Net Proceeds the City shall make any payments pursuant to the provisions of this Section 7.2, the City shall not be entitled to any reimbursement therefor from the Authority nor shall the City be entitled to any diminution of the Rental Payments due with respect to the Project.

Section 7.3. Cooperation of Authority. The Authority shall cooperate fully with the City at the expense of the City in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 7.1 hereof and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the City to litigate in any proceeding resulting therefrom in the name of and on behalf of the Authority. In no event will the Authority voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim or any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the City.

Section 7.4. Destruction or Condemnation of Other Property Owned by City. The City shall be entitled to the Net Proceeds of any insurance claim or condemnation award or portion thereof made for destruction of, damage to or taking of its property not included in the Project.

ARTICLE VIII
CITY'S PROJECT; REPAIRS; WARRANTIES; DISCLAIMER

Section 8.1. Installation of City's Equipment. The City may at any time and from time to time after the Completion Date, in its sole discretion and at its own expense, install items of equipment in or upon the Project. All such items shall remain the sole property of the City, in which the Authority shall have no interest, and may be modified or removed by the City at any time provided that the City shall repair and restore any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the City from purchasing items to be installed pursuant to this Section under a conditional sale or lease with option to purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Project.

Section 8.2. Installation and Maintenance of Project. The Authority shall have no obligation to install, erect, test, inspect, service or maintain the Project, or any portion thereof, under any circumstances, but such actions shall be the obligation of the City in accordance with the provisions of this Lease.

Section 8.3. Modification of Project. The City shall, at its own expense, have the right to make repairs to the Project, and to make repairs, replacements, substitutions and modifications to all or any of the parts thereof. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Project and be subject to the provisions of this Lease. Such work shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law or those contemplated by this Lease; and the Project, upon completion of any such work shall be of a value which is not less than the value of the Project immediately prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this Section may be disposed of by the City in such manner and on such terms as are determined by the City. The City will not permit any mechanic's or other lien to be established or remain against the Project for labor or materials furnished in connection with any repair, replacement, substitution or modification made by the City pursuant to this Section; provided that if any such lien is established and the City shall first notify the Authority of the City's intention to do so, the City may in good faith contest any lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless the Authority shall notify the City that, in the opinion of Independent Counsel, by nonpayment of any such item the interest of the Authority in the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event the City shall promptly pay and cause to be satisfied and discharged all such unpaid items or provide the Authority with full security against any such loss or forfeiture, in form satisfactory to the Authority. The Authority will cooperate fully with the City in any such contest, upon the request and at the expense of City.

Section 8.4. Warranties. The Authority hereby assigns to the City for and during the Lease Term, all of its interest, if any, in all warranties and guarantees, express or implied, issued on or applicable to the Project, and the Authority hereby authorizes the City to obtain the customary services furnished in connection with such warranties and guarantees at the City's expense.

Section 8.5. Disclaimer of Warranties. THE AUTHORITY MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY THE CITY OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

ARTICLE IX
ASSIGNMENT AND SUBLEASING

Section 9.1. Delegation and Assignment by Authority. The Authority shall not delegate its obligations under this Lease, and no purported delegation thereof shall be effective. However, all of the Authority's right, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder (other than any indemnity payments and reimbursement of costs and expenses) may be assigned to the Trustee and the City hereby consents to the assignment made by the Authority to the Trustee pursuant to the Trust Indenture.

Section 9.2. Delegation and Assignment and Subleasing by City. The City may not delegate its obligations or assign its rights under this Lease to any person during the Lease Term. The City may not sublease all or any part of the Project, or contract for the operation of the Project by an entity other than the City or an agency or department of the State during the Lease Term unless such contract, authorized by prior written consent of the Authority, will not cause interest on the Bonds to become includable in gross income of the owners thereof for federal income tax purposes, as evidenced by an opinion of nationally recognized bond counsel filed with the Authority and Trustee prior to the effective date of any such sublease or contract.

ARTICLE X
EVENTS OF DEFAULT AND REMEDIES

Section 10.1. Events of Default Defined. The following shall be Events of Default under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, with respect to the Project, any one or more of the following events:

(i) Failure by the City to pay any Rental Payments or other payments required to be paid hereunder at the time specified herein, which failure shall continue for a period of five days after written notice given to the City by the Trustee on behalf of the Authority.

(ii) Failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of sixty (60) days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Trustee on behalf of the Authority, unless the Trustee shall agree in writing to an extension of such time prior to its expiration.

(iii) The filing by the City of a voluntary petition in bankruptcy, or failure by the City promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of the City to carry on the operation of the Project, or adjudication of the City as a bankrupt, or assignment by the City for the benefit of creditors, or the entry by the City into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the City in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

The provisions of this Section 10.1 and Section 10.2 are subject to the following limitation: if by reason of force majeure the City is unable in whole or in part to carry out its obligations under this Lease with respect to the Project, other than the obligation of the City to pay Rental Payments with respect thereto which shall be paid when due notwithstanding the provisions of this paragraph, the City shall not be deemed in default during the continuance of such inability or during any other delays which are a direct consequence of the force majeure inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America of the State of Minnesota or any of its departments, agencies or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; or any other cause or event not reasonably within the control of the City and not resulting from its negligence. The City agrees, however, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its obligations under this Lease; provided that the settlement of strikes, lockouts and other employment disputes shall be entirely within the discretion of the City.

Section 10.2. Remedies on Default. Whenever any event of default referred to in Section 10.1 hereof shall have happened and be continuing with respect to the Project, the

Trustee, on behalf of the Authority, shall have the right, at its option, to take one or any combination of the following remedial steps:

(i) Cancel and terminate this Lease by written notice in accordance with law, reenter and take possession of the Project and all improvements thereto, and charge the City for costs incurred in repossessing the Project, and all prior Rental Payments made hereunder by the City shall belong to the Authority as liquidated damages; and

(ii) Take whatever action at law or in equity may appear necessary or desirable to collect the Rental Payments then due and thereafter to become due during the then current Fiscal Year of the City with respect to the Project, or enforce performance and observance of any obligation, agreement or covenant of the City under this Lease; and

(iii) Lease or sell the Authority's interests in the Project or any portion thereof in a commercially reasonable manner at public or private sale in accordance with applicable State laws and apply the proceeds of such lease or sale in accordance with Section 7.03 of the Trust Indenture.

The Authority covenants to cooperate with the Trustee, upon request, in the exercise of any of the foregoing remedies.

Section 10.3. Surrender of Project. Upon the termination of this Lease as aforesaid, the City shall surrender possession of the Project to the Authority in the condition, repair, appearance and working order required in Section 6.1.

Section 10.4. Delay; Notice. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle any party to exercise any remedy reserved to it in this Lease it shall not be necessary to give any notice, other than such notice as may be required in this Lease or by law.

Section 10.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 10.6. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of money or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fee of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 10.7. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XI
TITLE

Section 11.1. Title. During the Lease Term, and so long as the City is not in default under Article X, legal title to the Project and any and all repairs, replacements, substitutions and modifications to it shall be in the name of the Authority, subject to the interests of the City under this Lease. Upon termination of this Lease pursuant to Section 4.2(c), full and unencumbered legal title to the Project shall pass to the City, and the Authority shall have no further interest therein. In such event, the Authority shall execute and deliver to the City such documents as the City may request to evidence the passage of legal title to the Project to the City and the termination of the Authority's interest therein.

Section 11.2. Security Interest. The Authority shall have and retain a security interest under the Uniform Commercial Code in the Project, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof made pursuant to Section 8.3, and a security interest in the proceeds of all insurance policies and amounts held in the funds established pursuant to the Trust Indenture relating to the Bonds, in order to secure the City's payment of all Rental Payments due during the Lease Term and the performance of all other obligations herein to be performed by the City. The Authority is authorized to record such financing statements as may be necessary to perfect such security interest. The City will join with the Authority in executing such other documents and will perform such acts as the Authority may request to establish and maintain a valid security interest in the Project. If requested by the Authority, the City shall conspicuously mark the Project with appropriate lettering, labels or tags, and maintain such markings during the Lease Term, so as clearly to disclose the Authority's security interest in the Project.

Section 11.3. Purchase of Project. Except during the continuance of an Event of Default, the City shall have the option of purchasing the Project as follows:

(a) The City shall give written notice to the Authority and to the Trustee of its intention to purchase the Project, stating therein a closing date not less than forty (40) nor more than ninety (90) days after the date the notice is mailed, and the City shall make arrangements satisfactory to the Trustee for the giving of any required notice of redemption or notice of defeasance of the Bonds in connection with the purchase.

(b) The City shall pay to the Trustee, on or before the closing date, an amount equal to the Purchase Price for the Project.

(c) On the closing date, a closing shall be held at the principal office of the Trustee, or any other office mutually agreed upon. At the closing the City and the Authority shall, upon acknowledgment of receipt of the Purchase Price, the Authority shall convey or release to the City, all of its right, title and/or interest in and to the Project by delivering to the City such documents as the City deems necessary for this purpose.

At such time as all of the Bonds have been fully paid or provision for payment thereof has been made in accordance with the provisions of the Indenture, and all expenses of the Authority and Trustee have been paid or provided for to the date of such full payment of the Bonds, the City shall be deemed to have purchased all right, title and interest of the Authority in the Project, this Lease shall be deemed terminated, and title to the Project shall automatically vest in the City. Nevertheless, the Authority, at the expense of the City, shall execute such documents as shall be reasonably necessary to convey its interest in the Project to the City.

ARTICLE XII
ADMINISTRATIVE PROVISIONS

Section 12.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given on the earlier of (i) delivery or (ii) three days following deposit in the United States mail in first-class form with postage fully prepaid to the addresses shown in the first paragraph hereof. The Authority and the City, by notice given hereunder, and to the Trustee, may designate different addresses to which subsequent notices, certificates or other communications will be sent. Any notice provided hereunder by the City or the Authority shall also be sent to Trustee at the address given in Section 13.08 of the Trust Indenture.

Section 12.2. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon the Authority and the City and their respective successors and assigns.

Section 12.3. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.4. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written amendment authorized and executed by the City and the Authority, and in accordance with Article XII of the Trust Indenture.

Section 12.5. Further Assurances and Corrective Instruments. The Authority and the City agree that they will, if necessary, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby sold or intended so to be or for carrying out the expressed intention of this Lease.

Section 12.6. Execution Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.7. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

Section 12.8. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

IN WITNESS WHEREOF, the Authority has caused this Lease to be executed in its corporate name by its duly authorized officers and the City has caused this Lease to be executed in its name by its duly authorized officers as of the date first above written.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

By ____
President

Attest: ____________________________________
Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this _____ day of __________, 2024, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

____
Notary Public

CITY OF CHASKA, MINNESOTA

By ____
Mayor

And ____
City Administrator

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on this _____ day of _______, 2024, by Mark Windschitl and Matt Podhradsky, the Mayor and City Administrator, respectively, of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

____
Notary Public

EXHIBIT A

DESCRIPTION OF LAND

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

EXHIBIT C

COMPLETION CERTIFICATE

The undersigned, being a duly appointed City Representative under the Lease-Purchase Agreement, dated as of July 1, 2024 (the "Lease"), between the Economic Development Authority of the City of Chaska, Minnesota (the "Authority"), and the City of Chaska, Minnesota (the "City"), hereby certifies on behalf of the City with respect to the project to be acquired and constructed under said Lease (the "Project"), that the Project has been acquired and constructed pursuant to and in accordance with said Lease, and is now available for use by the City.

Dated ____________________, 20__

CITY OF CHASKA, MINNESOTA

By ____________________________________
City Representative

TRUST INDENTURE

by and between

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

and

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION
as Trustee

Dated as of July 1, 2024

Relating to:

LEASE REVENUE BONDS, SERIES 2024A
(PUBLIC SAFETY BUILDING PROJECT)

This instrument drafted by:

Dorsey & Whitney LLP
Suite 1500
50 South Sixth Street
Minneapolis, Minnesota 55402-1498

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TRUST INDENTURE

This **TRUST INDENTURE** dated as of July 1, 2024 (the "Indenture") is executed by and between the **ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA**, a public body corporate and politic of the State of Minnesota, having its principal office and address at One City Hall Plaza, Chaska, Minnesota (the "Authority"), and **U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**, a national trust company and banking association, having an office in the City of St. Paul, Minnesota (the "Trustee").

RECITALS

WHEREAS, pursuant to Minnesota Statutes, Sections 469.091, Subdivision 1, the Authority has the powers of a housing and redevelopment authority under Minnesota Statutes, Sections 469.001 to 469.047. As authorized by Section 469.034, the Authority has agreed to issue its revenue bonds to finance the acquisition and construction of certain improvements to real property within the City (as hereinafter defined), and to lease such real property and improvements thereon to the City of Chaska, Minnesota (the "City") pursuant to and in accordance with the Lease (as hereinafter defined).

WHEREAS, the Authority has authorized and deemed it advisable to enter into this Indenture and to issue its Lease Revenue Bonds, Series 2024A, in the aggregate principal amount of $[PAR] (the "Series 2024 Bonds" and together with any Additional Bonds, the "Bonds"), which Series 2024 Bonds shall be fully registered bonds as hereinafter provided;

WHEREAS, the proceeds of the Series 2024 Bonds, together with any other required funds, will be used for the specific authorized purpose of providing funds to pay Project Costs (as hereinafter defined);

WHEREAS, the Lease (as hereinafter defined) requires the City to make rental payments thereunder in amounts and at times sufficient to pay, when due, the principal of, premium, if any, and interest on the Series 2024 Bonds, subject to annual appropriation as further set forth therein;

WHEREAS, the execution and delivery of this Indenture, the Lease, and the issuance of the Series 2024 Bonds have been in all respects duly and validly authorized by the Board of Commissioners of the Authority pursuant to a bond resolution adopted by the Board of Commissioners of the Authority on May 20, 2024 (the "Bond Resolution");

WHEREAS, all conditions, acts and things necessary and required by the Constitution and Laws of the State of Minnesota, or otherwise, to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Indenture, and in the issuance of the Series 2024 Bonds, do exist, have happened or have been performed in regular form, time and manner, and the execution and delivery of this Indenture have been in all respects duly authorized; and

WHEREAS, the Trustee has accepted the trusts created by this Indenture and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, THIS INDENTURE WITNESSETH as follows:

GRANTING CLAUSES

That the Authority, in order to secure the payment of the principal of, premium (if any) and interest on the Bonds issued under this Indenture according to their tenor and effect and the performance and observance of each and all of the covenants and conditions herein and therein contained, and for and in consideration of the premises and of the purchase and acceptance of the Bonds by the respective purchaser or purchasers and Owners or Holders thereof, and for other good and valuable considerations, the receipt whereof is hereby acknowledged, has executed and delivered this Indenture and has granted, bargained, sold, assigned, transferred, conveyed, warranted, pledged and set over, and by these presents does hereby grant, bargain, sell, assign, transfer, convey, warrant, pledge and set over, absolutely unto the Trustee, and to its successor or successors in the trust hereby created and to its or their assigns forever:

I.

All of the right, title and interest of the Authority in the Lease (except for the Authority's rights to indemnification and reimbursement of expenses).

II.

A first lien on and pledge of (i) the money and investments in the Bond Fund covenanted to be created and maintained under this Indenture, (ii) [the money and investments in the Reserve Fund established under this Indenture] and (iii) the money and investments in the Project Fund established under this Indenture not paid out to meet Project Costs.

III.

Any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, assigned or transferred, or in which a security interest is granted, by the Authority or the City or by anyone on behalf of them or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same to the terms hereof.

TO HAVE AND TO HOLD, all and singular, the said property hereby conveyed and assigned, or agreed or intended so to be, to the Trustee, its successor or successors in trust and its and their assigns, FOREVER.

IN TRUST NEVERTHELESS, upon the terms and trust herein set forth, for the equal and proportionate benefit, security and protection of all Holders of the Bonds issued or to be issued under and secured by this Indenture, without preference, priority or distinction as to lien or otherwise of any of the Bonds over any of the others;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns, shall well and truly pay or cause to be paid the principal of the Bonds and the premium (if any) and interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, according to the true intent and meaning thereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee sums sufficient to pay the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it and shall pay to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof; then upon such final payment this Indenture and the rights hereby granted shall cease, determine and be void; otherwise, this Indenture to be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared that, all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby assigned or pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective Holders from time to time, of the said Bonds, as follows:

ARTICLE I
DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this Article I and in the recitals and succeeding Articles of this Indenture shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified, such definitions to be equally applicable to both the singular and plural forms of any of the terms defined:

Additional Bonds means any additional bonds issued pursuant to the terms and conditions of Section 2.10 of this Indenture.

Authority Representative means the President or Executive Director of the Authority or any other person authorized to act on behalf of the Authority under or with respect to this Indenture, as evidenced by a certificate conferring such authority executed by the President, given to the Trustee and the City.

Bond Fund means the fund so named and created under Section 5.01 of this Indenture.

Bond Resolution means the resolution of the Authority adopted by the Board of Commissioners of the Authority on May 20, 2024, respectively, authorizing the issuance and sale of the Series 2024 Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bond Year means a calendar year.

Bond or Bonds means the Series 2024 Bonds and any Additional Bonds.

Business Day means any day other than a Saturday, Sunday, or other day on which commercial banks in the city in which the principal corporate trust office of the Trustee is located are not open for business.

Certificate means a certification in writing required or permitted by the provisions of the Lease or this Indenture, signed and delivered to the Trustee or other proper person or persons.

City means the City of Chaska, Minnesota, and its permitted successors and assigns under the Lease.

City Representative means the Mayor or City Administrator, or any person authorized by law to act on behalf of the City under or with respect to the Lease, as evidenced by a certificate conferring such authority executed by the City Administrator and given to the Trustee and the Authority.

Completion Certificate means an executed certificate in the form of Exhibit C to the Lease, as the case may be.

Completion Date means, with respect to the Project, as the case may be, the date upon which the corresponding Completion Certificate is issued with respect thereto by the City and delivered to the Authority and the Trustee.

Debt Service Reserve Requirement means the amounts described in Section 5.02 hereof.

Default means default by the Authority in the performance or observance of any of the covenants, agreements or conditions on its part contained in this Indenture, exclusive of any notice or period of grace required to constitute a default an "Event of Default" as described in Section 7.01 hereof.

Event of Default means an Event of Default described in Section 7.01 hereof which has not been cured.

Fiscal Year means the fiscal year of the Authority; initially, the 12-month period commencing on January 1 in each year.

Holder, *Bondholder* or *Owner* means the person or persons in whose name any Bond is registered in the registration books maintained by the Trustee on behalf of the Authority.

Indenture means this Trust Indenture under which the Bonds are authorized to be issued, and any amendments or supplements hereto entered into in accordance with the provisions hereof.

Independent Counsel means an attorney or firm of attorneys duly admitted to practice law before the highest court of any state and not an officer or full-time employee of the Authority or the City.

Interest Payment Date means the stated maturity of an installment of interest on any of the Bonds.

Internal Revenue Code means the Internal Revenue Code of 1986, as amended from time to time.

Land means the real property as described on Exhibit B hereto, which real property is to be improved pursuant to the Lease.

Lease means the Lease-Purchase Agreement, dated as of July 1, 2024, between the Authority, as lessor, and the City, as lessee, relating to the Series 2024 Bonds, as the same may be amended or supplemented pursuant thereto and hereto.

Opinion of Counsel means a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the City or Authority and acceptable to the Trustee or appointed by the Trustee.

Outstanding means, when used as of any particular time with reference to Bonds (subject to the provisions of Section 9.03 of this Indenture pertaining to Bonds held by the Authority and the City) all Bonds theretofore authenticated and delivered by the Trustee under this Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds deemed not outstanding pursuant to the terms of Section 10.02 of this Indenture; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.08 hereof pertaining to replacement of Bonds.

Payment Date means the fifth Business Day preceding each Interest Payment Date, which is the date upon which any Rental Payment is due and payable as provided in Section 5.1 hereof.

Predecessor Bonds means every previous Bond evidencing all or a portion of the same debt as that evidenced by a particular Bond, including Bonds exchanged pursuant to Section 2.05 hereof, and for purposes of this definition, any Bond authenticated and delivered under Section 2.08 hereof in lieu of a lost, destroyed or stolen Bond shall be deemed to evidence the same debt as the lost, destroyed or stolen Bond.

Principal Payment Date means the stated maturity of principal of any Bond, or the mandatory sinking fund redemption date of any Bond.

Project means the Land and the improvements to be acquired and constructed on the Land, as more fully described in Exhibit B to the Lease and Exhibit C hereof.

Project Costs means the costs defined in Section 4.03 of this Indenture.

Project Fund means means the fund so named and created under Section 4.02 of this Indenture.

Project Purchase Price means the amount necessary to defease, to the earliest permissible redemption date, the remaining Outstanding principal amount of Bonds, together with an amount equal to the Authority's and Trustee's fees and expenses in connection with such defeasance and redemption.

Qualified Investments means (1) any investments permitted pursuant to Sections 118A.04 and 118A.05, Minnesota Statutes, for the investment of public funds, and (2) shares in an open-ended registered investment company which exclusively purchases and holds direct, full faith and credit obligations of the United States or obligations of agencies or instrumentalities of the United States, the full and timely payment of which is unconditionally guaranteed by the United States (including repurchase agreements collateralized by such obligations), including funds for which the Trustee or its affiliates provide investment advisory or other management services.

Redeem or *Redemption* includes and means "prepay" or "prepayment," as the case may be.

Rental Payment means any payment due from the City to the Authority under the Lease.

[Reserve Fund means the fund so named and created under Section 5.02 of this Indenture.]

Responsible Officer means as to any Trustee, the president, every vice president, every assistant vice president, the cashier, every assistant cashier, every corporate trust officer, and every officer and assistant officer of such Trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of such person's knowledge of, and familiarity with, a particular subject.

Series 2024 Bonds means the $[PAR] Lease Revenue Bonds, Series 2024A, authorized by this Indenture and the Bond Resolution and described in Section 2.01 of this Indenture.

Trust Estate means the interest of the Authority in the Lease assigned under Granting Clause I of this Indenture; the revenues, money, investments, contract rights, general intangibles and instruments and proceeds and products and accessions thereof as set forth in Granting Clause II of this Indenture; and additional property held by the Trustee pursuant to Granting Clause III of this Indenture.

Trustee means the trustee at the time serving as such under this Indenture.

Section 1.02 Additional Provisions as to Interpretation. All references herein to "Articles", "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof. Any terms defined in the Lease, but not defined herein, shall have the same meaning herein unless the context hereof clearly requires otherwise. This Indenture is governed by and shall be construed in accordance with the laws of Minnesota.

ARTICLE II
FORM, EXECUTION AND REGISTRATION OF BONDS

Section 2.01 Forms of Series 2024 Bonds.

The Series 2024 Bonds to be issued and secured under this Indenture shall each be designated "Lease Revenue Bonds, Series 2024." The Series 2024 Bonds, forms of assignment and certificates of Trustee shall all be substantially the form of Exhibit A hereto.

Section 2.02 Maturities, Numeration and Interest Payment Dates.

The Series 2024 Bonds shall be in the denomination of $5,000 or any integral multiple thereof, initially numbered within each series, R-1 upwards, in order of issuance or in such other manner as the Trustee may determine. The Series 2024 Bonds shall bear a date of original issue as of [closing date], 2024. No Series 2024 Bond shall represent principal payable or maturing in different years. The Series 2024 Bonds shall bear interest payable semiannually on February 1 and August 1 of each year, commencing [February 1, 202_], from their date of original issue or the most recent Interest Payment Date to which interest has been paid or duly provided for. The principal and redemption price of the Series 2024 Bonds shall be payable to the Owner upon presentation and surrender at the principal office of the Trustee in such coin or currency of the United States of America as may be, on the respective dates of payment thereof, legal tender for the payment of public and private debts, and interest on the Series 2024 Bonds shall be paid by check or draft mailed to the Owner at the Owner's registered address; provided that, so long as the Series 2024 Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee shall pay all principal of and interest on the Series 2024 Bonds, and shall give all notices with respect to the Series 2024 Bonds, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or such other securities depository.

The Regular Record Date referred to in Section 2.06 for the payment of interest on the Series 2024 Bonds payable, and punctually paid or duly provided for, on any Interest Payment Date, shall be the l5th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

The Series 2024 Bonds shall be issued in the aggregate principal amount of $[PAR], and shall mature on February 1 in the years and amounts and shall bear interest at the rates per annum, according to years of maturity, as follows [TO COME]:

Year	Amount	Rate	Year	Amount	Rate

Section 2.03 Execution of Bonds. Bonds shall be signed in the name of the Authority by the manual or facsimile signatures of the President and Executive Director of the Authority and said signatures shall be authenticated by the Trustee, which is hereby designated as authenticating agent. The seal of the Authority, if any, need not be affixed to or imprinted on the Bonds. In the event that any of the officers who shall have signed any of the Bonds shall cease to be officers of the Authority before the Bonds shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may, nevertheless, be authenticated, delivered, and issued, and upon such authentication, delivery and issue, shall be binding upon the Authority as though those officers who signed the same had continued to be such officers of the Authority; and, also, any Bond may be signed on behalf of the Authority by such person who, at the actual date of execution of such Bond, shall be the proper officer of the Authority, although at the date of such Bond such person shall not have been such an officer of the Authority. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds to the Trustee for authentication.

Section 2.04 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder or under the Lease, unless an authorized signatory of the Trustee shall manually endorse and execute on such Bond a certificate of authentication substantially in the form of the Trustee's certificates set forth in Section 2.01 hereof. Such Trustee's certificate upon any Bond executed on behalf of the Authority shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture and the Lease. No Bonds shall be authenticated by the Trustee except in accordance with this Article. The Trustee shall not be required to authenticate any Bond or Bonds unless provided with the documents referred to in Sections 2.09 and 2.10 hereof, as applicable.

Section 2.05 Registration, Transfer and Exchange. As long as any of the Bonds issued hereunder shall remain outstanding, the Authority shall maintain and keep at the office of the Trustee, as paying agent and registrar, the records for the payment of the principal of and interest on such Bonds, as in this Indenture provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Trustee books for such registration and transfer (the "Bond Register"). The Authority does hereby appoint the Trustee, and its successors in the trust from time to time, as its agent to maintain said office and agency at the office of the Trustee.

Upon surrender for transfer of any fully registered Bond at the office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or the Owner's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the Authority shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity.

Except as the right of exchange may be limited as to Bonds of any series, fully registered Bonds, upon surrender thereof at the office of the Trustee, may, at the option of the Owner thereof, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same series, maturity and interest rate of any authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the Authority shall execute and the Trustee shall deliver Bonds in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Indenture, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City pursuant to the Lease. The Authority and the Trustee shall not be obligated to make any such exchange or transfer of Bonds during the 15 days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds. The Authority and Trustee shall not be required to make any transfer or exchange of any Bonds called for redemption. Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC.

Section 2.06 Payment of Interest on Bonds; Interest Rights Preserved. Interest on any Bond which is payable, and is punctually paid or duly provided for on any Interest Payment Date shall be paid to the person in whose name that Bond (or one or more Predecessor Bonds) is registered at the close of business on the Regular Record Date for such interest specified in the provisions of this Indenture creating such series.

Any interest on any Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest may be paid by the Authority as provided in Subsection (a) or (b) below:

(a) The Authority may elect to make payment of any Defaulted Interest on the fully registered Bonds of any series to the persons in whose names such Bonds (or their respective Predecessor Bonds) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Authority shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Authority shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided and not to be deemed part of the Trust Estate. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Authority of such Special Record Date and, in the name of the Authority and at the expense of the City, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a fully registered Bond of such series at his address as it appears in the registration books not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names the Bonds of such series (or their respective Predecessor Bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection (b).

(b) The Authority may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner, if, after notice given by the Authority to the Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Bond delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Bond shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond and each such Bond shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

Section 2.07 Ownership of Bonds. The Authority and the Trustee and their respective successors, each in its discretion, may deem and treat the person in whose name any Bond shall, for the time being, be registered, as the absolute owner thereof for all purposes, and neither the Authority nor the Trustee nor their respective successors shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the Owner thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.08 Reissuance of Mutilated, Destroyed, Stolen or Lost Bonds. In case any outstanding Bond shall become mutilated or be destroyed, stolen or lost, the Trustee shall authenticate and deliver a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender of such mutilated Bond, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Authority and the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority, the Trustee and the City with indemnity satisfactory to them and complying with such other reasonable regulations as the Trustee may prescribe and paying such reasonable expenses as the Authority, the Trustee and the City may incur in connection therewith. In the event any such Bond shall have matured, instead of issuing a new Bond, the Authority may pay the same without surrender thereof.

Section 2.09 Conditions for Authentication of Series 2024 Bonds. The Trustee shall not authenticate and deliver the Bonds to be issued and delivered pursuant to the Indenture unless theretofore or simultaneously therewith there shall have been delivered to the Trustee the following:

(i) a certified copy of the Bond Resolution authorizing the issuance of the Bonds and the execution and delivery of the Lease and this Indenture;

(ii) a certified copy of the resolution adopted by the City Council of the City approving the issuance of the Bonds and the terms of the Indenture and authorizing the execution and delivery of the Lease by the City;

(iii) executed counterparts of the Lease and the Indenture;

(iv) the manually signed approving opinion of Dorsey & Whitney LLP, Minneapolis, Minnesota, as bond counsel for the Authority, concerning the validity and legality of the Bonds and exemption of interest on any tax-exempt portion thereof from federal income taxation under the Internal Revenue Code; and

(v) such further certifications, documents and Opinions of Counsel as bond counsel may require.

Section 2.10 Authorization of Additional Bonds. In addition to the Bonds above described, the Authority may in its discretion, upon request of the City, issue Additional Bonds to (1) provide funds to complete the acquisition and construction of the Project, (2) provide funds for additions to or further improvements of the Project, and (3) subject to Section 6.02 hereof and applicable law, refund or advance refund any Bonds then Outstanding and, in case of an advance refunding, the interest thereon to maturity or a specified redemption date. Any such Additional Bonds shall be authorized by resolution of the Authority and described in a supplemental indenture executed by the Authority and the Trustee and which, when so issued, authorized and described, shall be secured by this Indenture and the Trust Estate on a parity with the Bonds then Outstanding under this Indenture; provided, that no such Additional Bonds shall be issued under the Indenture or secured by the Trust Estate on a parity with the Outstanding Bonds unless the following conditions are met:

(i) There shall have been furnished to the Trustee a Certificate of an Authority Representative and a Certificate of a City Representative to the effect that the Lease is in effect and no "event of default" (as such term is defined in the Lease) exists thereunder which shall not be cured upon the issuance of the Additional Bonds;

(ii) There shall have been furnished to the Trustee an Opinion of Counsel to the effect that the issuance of the Additional Bonds will not adversely affect the exemption from federal income taxation of the interest on any Outstanding Bonds;

(iii) There shall have been furnished to the Trustee a supplement to the Lease, providing for additional Rental Payments sufficient to pay the principal of and interest on the Additional Bonds when due;

(iv) [The balance in the corresponding Reserve Fund be increased or otherwise modified to the Debt Service Reserve Requirement;]

(v) There shall have been furnished to the Trustee a Certificate of an Authority Representative to the effect that the proceeds of the Additional Bonds, together with any additional funds supplied or to be supplied by the Authority or City, will be sufficient to complete the purchase of the Project, the cost of the improvement to the Project or the cost of the refunding, as the case may be;

(vi) If the Additional Bonds are issued for an advance refunding described in clause (iii) above, a report of an independent accountant to the effect that (A) the proceeds (excluding accrued interest but including any premium) of the Additional Bonds, plus any money to be withdrawn from the Bond Fund for such purpose and any other funds deposited with the Trustee for such purpose, will be not less than an amount sufficient to pay the principal of and the redemption premium, if any, on the Outstanding Bonds to be refunded and interest which will become due and payable on or prior to maturity or an earlier redemption date, or that (B) from such proceeds or other sources there shall be deposited in trust with the Trustee government securities of the type specified in Minnesota Statutes, Section 475.67, subd. 8, the principal of and the interest on which when due and payable will provide, together with any other money which shall have been deposited with the Trustee for such purpose, sufficient money to pay such principal, redemption premium and interest; and

(vii) If the Additional Bonds are issued for the purpose described in clause (iii) above and do not defease all Outstanding Bonds, a report of an independent accountant to the effect that the debt service payable on the Outstanding Bonds (including the Additional Bonds to be issued) in each future Bond Year during which Bonds remain Outstanding will not be increased over the amount which would have been payable in such Bond Years had the Additional Bonds not been issued.

The Trustee shall not authenticate any such Additional Bonds until there is also delivered to the Trustee a resolution of the Authority authorizing the Additional Bonds, executed counterparts of amendments to the corresponding Lease providing for the additional Rental Payments, a supplement to the Indenture describing the Additional Bonds and further documents of the kind described in Section 2.09, to the extent applicable to the Additional Bonds. Additional Bonds shall have Interest Payment Dates of [_________month/day______ and __________month/day_____], and Principal Payment Dates of [_______month/day_____].

Section 2.11 Book-Entry Only System. For purposes of this Section and Section 2.12, the following terms shall have the following meanings:

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the beneficial owner of such Bond by a Participant on the records of such Participant, or such person's subrogee.

"DTC" shall mean The Depository Trust Company of New York, New York.

"DTC Participant" shall mean any broker-dealer, bank or other financial institution for which DTC holds Bonds as securities depository.

"Representation Letter" shall mean the Representation Letter pursuant to which the Authority agrees to comply with DTC's Operational Arrangements.

Upon the initial issuance of the Bonds, DTC will act as securities depository for the Bonds. The Bonds shall be initially issued in the form of a single Bond for each stated maturity, registered in the Bond Register in the name of Cede & Co., as the nominee of DTC.

Until termination of the book-entry only system pursuant to Section 2.12 hereof, the Bonds may only be registered in the name of Cede & Co.

With respect to the Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, neither the Authority nor the Trustee shall have any responsibility or obligation to any DTC Participant or to any Beneficial Owner. Without limiting the immediately preceding sentence, neither the Authority nor the Trustee shall have any responsibility or obligation with respect to (i) the accuracy of the records of DTC or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant, any Beneficial Owner or any other person, other than DTC, of any amount of principal of, premium, if any, or interest with respect to the Bonds.

The Authority and the Trustee may treat as and deem DTC to be the absolute owner of each Bond for the purpose of payment of the principal of, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest with respect to the Bonds only to or upon the order of the Bondholders as shown on the Bond Register, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's and Trustee's obligations with respect to the payment of the principal of, premium, if any, and interest relating to the Bonds to the extent of the sum or sums so paid.

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.05 hereof, references to "Cede & Co." in this Section shall refer to such new nominee of DTC.

Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC.

Section 2.12 Substitute Securities Depository; Termination of Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. The Authority may terminate the services of DTC with respect to the Bonds at any time if it determines that DTC is no longer able to carry out its functions as securities depository or that continuation of the system of book-entry transfers through DTC is not in the best interests of the Authority or the Beneficial Owners.

Upon the termination of the services of DTC, a substitute securities depository may be appointed by the Authority. Any substitute securities depository appointed hereunder shall undertake all the obligations and duties of DTC described in this Indenture. In any such case the references herein to DTC shall be deemed to mean such substitute securities depository and any references herein to Cede & Co., as nominee of DTC, shall be deemed to mean the nominee of such substitute securities depository.

Upon the termination of the services of DTC, and if no substitute securities depository willing to undertake the functions of DTC hereunder can be found that, in the opinion of the Authority, is able to undertake such functions upon reasonable and customary terms, or if the Authority determines that it is in the best interests of the Authority or the Beneficial Owners of the Bonds that the Beneficial Owners be able to obtain certificated Bonds, the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Bondholders shall designate at that time, in accordance with this Article. To the extent that the Beneficial Owners are designated as the transferee by DTC, the Bonds will be delivered to the Beneficial Owners.

Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments of the principal of, premium, if any, and interest relating to such Bond, and all notices with respect to such Bond, shall be made and given to DTC as provided in the Representation Letter.

ARTICLE III
REDEMPTION OF BONDS

Section 3.01 Redemption of Bonds. Series 2024 Bonds maturing in 20[__] and later years are subject to redemption at the option of the Authority, in whole or in part in integral multiples of $5,000, and if in part, in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Series 2024 Bonds maturing on the same date, on any Business Day on or after February 1, 20[__], at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

[Series 2024 Bonds maturing on February 1, 20[__]are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, on February 1 in the following years and amounts:

Series 2024 Bonds Maturing in February 1, 20__

Year		Amount
*stated maturity		

The Series 2024 Bonds are also subject to redemption at the option of the Authority on any Business Day, in whole or in part in integral multiples of $5,000, and if in part in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Series 2024 Bonds maturing on the same date, in the event that all or any part of the Project is lost, stolen, destroyed or damaged beyond repair and the Authority determines that the reconstruction and restoration of the Project to its prior condition is not economically feasible. All prepayments shall be at a price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date.

Section 3.02 Notice of Redemption. If the Bonds are to be redeemed pursuant to Section 3.01 hereof, and written notice of an election to exercise an option to redeem Bonds hereunder shall have been given to the Trustee at least 45 days prior by the Authority (other than for the mandatory sinking fund redemption of certain maturities of the Bonds maturing in the years for which no notice of election shall be required), the Trustee shall prepare a notice in the name of the Authority or in its own name describing the Outstanding Bonds to be redeemed, the date of redemption, and the redemption price. Such notice may be conditional. Notice of redemption shall be mailed by the Trustee, not less than thirty (30) days nor more than ninety (90) days before the redemption date, by first-class mail or by electronic means, to the Owners of all Bonds which are to be redeemed, at their last addresses appearing upon the registry books of the Authority and shall be published to the extent required by law.

Section 3.03 Deposit for Redemption. Prior to the designated redemption date, the Authority shall deposit or cause to be deposited with the Trustee funds sufficient to pay the redemption price of the Bonds to be redeemed, and interest thereon to the redemption date, and there shall be deposited, or arrangements shall be made with the Trustee to deposit, with the Trustee a sum sufficient to pay the proper expenses and charges of the Trustee in connection with such redemption. Upon deposit with the Trustee of the aggregate amount of such redemption price and interest pursuant to this Section, such money shall be set aside by the Trustee and held by it for the account of the respective Holders of the Bonds being redeemed.

Section 3.04 Payment of Redeemed Bonds. After notice of redemption shall have been given as provided in Section 3.02, the Bonds specified in such notice shall become due and payable on the redemption date. Payment of the redemption price and interest shall be made to or upon order of the Owner, upon the surrender of the Bonds. Any installment of interest maturing on or prior to the redemption date shall be payable to the Owners of Bonds registered as such on the relevant Record Dates according to the terms of such Bonds and the provisions of Section 2.06 hereof and the notice of redemption herein provided for may so state. If redemption money is available for the payment of all of the Bonds called for redemption on the redemption date, the Bonds so called shall cease to draw interest after the redemption date, and such Bonds shall not be deemed to be outstanding hereunder for any purpose, except that the Holders thereof, on presentation, as herein provided, shall be entitled to receive payment of the redemption price and interest accrued thereon to the redemption date from the money set aside by the Trustee as aforesaid.

Section 3.05 Cancellation of Redeemed Bonds. All Bonds so redeemed, shall forthwith be canceled and held by the Trustee on file until the final maturity of the Bonds; and no further Bonds shall be executed or authenticated or issued hereunder in exchange or substitution therefor.

Section 3.06 Partial Redemption of Bonds. If less than all of the Bonds of a particular maturity at the time outstanding are to be called for prior redemption, the particular Bonds or portions thereof of such maturity to be redeemed shall be selected by lot, except as otherwise provided herein, by the Trustee in such manner as the Trustee, in its discretion, may determine. The Trustee shall call for redemption in accordance with the foregoing provisions as many Bonds or portions thereof as will, as nearly as practicable, exhaust the money available therefor. Particular Bonds or portions thereof shall be redeemed only in integral multiples of principal amount of $5,000.

So long as the Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Bonds or portions thereof to be redeemed shall be selected in accordance with the operational arrangements of The Depository Trust Company or such other securities depository.

ARTICLE IV
BOND PROCEEDS; PROJECT FUND

Section 4.01 Deposit of Bond Proceeds. The Authority shall deposit, or shall direct the purchaser or purchasers of the Series 2024 Bonds to deposit with the Trustee, all of the net proceeds of the sale of the Series 2024 Bonds (including accrued interest thereon from the date from which interest is to be paid thereon to the date of delivery to the purchaser or purchasers thereof), and the Trustee out of such proceeds shall:

(i) Deposit to the credit of the Bond Fund the amount of $[_______];

(ii) Deposit to the credit of the Reserve Fund the amount of $[__________];

(iii) Pay the costs of issuance of the Series 2024 Bonds, as set forth in Exhibit E, in the amount of $[_________]; and

(iv) Deposit to the credit of the Project Fund the balance of such net proceeds in the amount of $[_______________].

Section 4.02 Establishment of Project Fund. The Authority hereby establishes a fund with the Trustee entitled the "Series 2024 Project Fund" (the "Project Fund"). There shall be deposited with the Trustee to the credit of the Project Fund the amounts specified in Section 4.01 above from the proceeds of the Series 2024 Bonds. As provided in Section 4.05 hereof, income and profit from the investment of money in the Project Fund shall be credited to the Project Fund. The Authority has no obligation hereunder to deposit any money in said Project Fund or apply money to Project Costs except proceeds of Series 2024 Bonds or funds made available therefor by the City.

The money in the Project Fund shall be held in trust by the Trustee and applied to the payment of the Project Costs in accordance with and subject to the provisions of this Article IV, and pending such application shall be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under this Indenture and shall be held for the further security of such Holders until paid out as herein provided. In the event the money in the Bond Fund shall be insufficient on any Interest Payment Date to pay principal of, premium (if any) or interest on the Series 2024 Bonds due on such date, the Trustee shall use any money then on deposit to the credit of the Project Fund, to the extent needed, to pay such principal, premium and interest. In no event shall money in the Project Fund be paid for Project Costs if an Event of Default has occurred under the Lease.

Section 4.03 Project Costs Defined.

For the purposes of this Article, project costs include, without intending thereby to limit or restrict any proper definition of such cost under any applicable laws or sound accounting practice, the following:

(i) The costs of the Project;

(ii) Obligations incurred for labor and to contractors, builders and materialmen in connection with the acquisition and construction of the Project, including obligations for machinery, materials and equipment therefor;

(iii) The cost of any indemnity and surety bonds obtained in connection with the installation of the Project, the fees and expenses of the Trustee during installation, taxes and other municipal governmental charges levied or assessed during installation of the Project or any property acquired therefor, and the premiums for insurance, if any, in connection with the Project during renovation and construction; and

(iv) Expenses of administration, supervision and inspection properly chargeable to the Project, administrative fees of the Authority and the City, legal expenses and fees, financing charges, cost of audits and of preparing, offering and issuing the Bonds, and initial fees of the Trustee, incident to the renovation and construction financing of the Project.

Section 4.04 Payments from Project Fund. Payments shall be made from the Project Fund by the Trustee upon receipt of a draw request from a City Representative substantially in the applicable form attached hereto as Exhibit D that sets forth the following: (1) the requisition number, (2) the name and address of the person, firm or corporation to whom payment is due or has been made, (3) the amount to be paid, (4) the percentage of the cost attributable to Project Costs, (5) the purpose to which such payment is to be applied, and (6) that each obligation, item of cost or expense mentioned therein has been properly incurred and is a proper charge against the Project Fund, as the case may be, and has not been the basis of any previous withdrawal.

Such requisitions shall be submitted no more often than twice a month, and the Trustee shall issue its check for each payment required by each such requisition within three Business Days after receipt of said statement. All payments made from the Project Fund shall be presumed by the Trustee to be made for the purposes certified in said statement, and the Trustee shall not be required to see to the application of any payments made from the Project Fund or to inquire into the purposes for which withdrawals are being made from the Project Fund. For purposes of complying with the requirements of this Section, the Trustee may conclusively rely and shall be protected in acting or refraining from acting upon the draw request of the City Representative. The draw request may be submitted in fax form or via email (PDF format). The Trustee shall not be bound to make an investigation into the facts or matters stated in any draw request submitted by the City. The Trustee shall not be responsible for determining whether the funds on hand in the Project Fund are sufficient to complete the Project. The Trustee shall not be responsible to collect lien waivers.

None of the funds in the Project Fund shall be used for any purposes other than the payment or reimbursement of Project Costs and the payment of principal of, premium (if any) on and interest on the Series 2024 Bonds. The Project Fund shall only be used to pay Project Costs attributable to the Project.

Section 4.05 Deposit and Investment of Money in Project Fund. The Trustee shall invest the money on deposit in the Project Fund at the written request and direction of the City Representative in Qualified Investments. In the absence of written directions delivered to the Trustee from the City, the Trustee shall invest the money in Qualified Investments of its choosing or leave the money uninvested. The Trustee may, from time to time, cause any such investments to be sold or otherwise be converted into cash, whereupon the proceeds derived from such sale or conversion shall be deposited into the Project Fund, as the case may be. Any interest or profit derived from investments shall be credited to the Project Fund, as the case may be. Investments permitted under this Section may be purchased from the Trustee or from any of its affiliates. No portion of the Project Fund representing proceeds of the Series 2024 Bonds shall be invested or used in such manner that any of the Series 2024 Bonds would be "arbitrage bonds" under the Internal Revenue Code and regulations thereunder.

Section 4.06 Application of Balance in Project Fund. When the Project is completed and the Completion Certificate furnished, any balance in the Project Fund, as the case may be (after disbursing any final amount in accordance with a statement from a City Representative), shall be deposited in the Bond Fund, as the case may be.

ARTICLE V
DISPOSITION OF PLEDGED REVENUES

Section 5.01 Bond Fund. The Authority hereby establishes with the Trustee, and shall maintain, so long as any of the Series 2024 Bonds are outstanding, a Series 2024 Bond Fund (the "Bond Fund"). Into such Bond Fund, the Authority and Trustee shall make the following deposits:

(i) The amounts required to be deposited by Section 4.01 hereof.

(ii) Into the Bond Fund, the Rental Payments received from the City pursuant to the Lease.

(iii) All other money received by the Trustee from the City or Authority when accompanied by directions of the City or Authority that such money is to be paid into the Bond Fund or used for purposes for which money in the Bond Fund may be used. If the City or Authority so directs, such money shall be credited against Rental Payments due or to become due.

(iv) All other money required to be deposited in the Bond Fund pursuant to any provision of this Indenture or the Lease.

The money and investments in the Bond Fund are irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of, premium (if any) on and interest on the Bonds, as and when such principal, premium and interest shall become due and payable. The Bond Fund shall only be used to pay the foregoing for the Series 2024 Bonds.

Section 5.02 Reserve Fund. [The Authority hereby establishes and shall maintain, so long as any of the Series 2024 Bonds are outstanding, with the Trustee, a "Series 2024 Reserve

Fund" (the "Reserve Fund"). Forthwith upon delivery of the Series 2024 Bonds, there shall be deposited into the Reserve Fund the initial Debt Service Reserve Requirement, as follows: Into the Reserve Fund, from the proceeds of the Series 2024 Bonds, the amounts required to be deposited by Section 4.01, which is equal to the lesser of (i) 10% of the principal amount of the Series 2024 Bonds, (ii) the maximum amount of principal and interest to come due on the Series 2024 Bonds in any future fiscal year or (iii) 125% of the average annual debt service on the Series 2024 Bonds.

Money on hand in the Reserve Fund shall be used only to pay maturing principal and interest on the Bonds when money in the Bond Fund is insufficient therefor; provided, that money on hand in the Reserve Fund may be applied by the Authority, at the request of the City, to the payment or discharge of the Bonds at any time when all Outstanding Bonds are to be discharged or paid in accordance with Article X hereof. The Reserve Fund shall only be used to pay such amounts relating to the Series 2024 Bonds.

In the event that Additional Bonds are issued pursuant to Section 2.10 hereof, provision shall be made to increase the applicable Reserve Fund, on the date of issuance of such Additional Bonds, to a Debt Service Reserve Requirement equal to the lesser of (i) 10% of the proceeds of each series of Outstanding Bonds issued pursuant to this Indenture and then Outstanding, including the Additional Bonds (ii) the maximum amount of principal and interest to come due in any future fiscal year, during the term of all then Outstanding Bonds, on all of the then Outstanding Bonds and on the Additional Bonds to be issued or (iii) 125% of the average annual debt service, during the term of all then Outstanding Bonds, on all of the then Outstanding Bonds and on the Additional Bonds to be issued.

If the balance on hand in the Reserve Fund is ever reduced below the Debt Service Reserve Requirement, such deficiency shall be restored out of additional payments to be made by the City under Section 5.7(e) of the Lease; provided no such restoration shall be required if the City has determined to terminate the Lease, as the case may be, in accordance with Section 5.4 thereof and has provided written notice of such intention to the Trustee.]

Section 5.03 Investment of Funds in Reserve Fund and Bond Fund. Any money held as a part of the Reserve Fund or Bond Fund shall be invested or reinvested by the Trustee upon the request and direction of a City Representative in any Qualified Investment; provided that, unless an opinion of bond counsel is provided to the effect that acquisition of the Qualified Investment will not cause a violation of the provisions of Section 148 of the Code and applicable Regulations, no Qualified Investment shall be acquired for the Reserve Fund at a discount or premium exceeding 2% times the stated redemption price at maturity of the Qualified Investment to be acquired and, for purposes of Section 148 of the Code and this Indenture, the investments in the Reserve Fund shall be valued at their outstanding principal amount as permitted by Section 1.148-5(d)(1)(i) of the Regulations. Subject to the forgoing, the type, amount and maturity of Qualified Investments shall conform to the instructions, if any, in the written request of the City Representative; provided that (i) investments acquired with money held in the Bond Fund shall mature no later than the Interest Payment Date upon which such money will be needed to pay principal of, premium, if any, and interest on the Bonds and (ii) no Qualified Investments acquired for the Reserve Fund shall have a maturity of longer than one (1) year.

In the absence of written directions delivered to the Trustee from the City, the Trustee shall invest funds in Qualified Investments of its choosing or leave funds univested. Investments permitted under this Section may be purchased from the Trustee or from any of its affiliates. Obligations so purchased shall be deemed at all times to be a part of the Reserve Fund or Bond Fund, respectively, unless otherwise provided herein, but may from time to time be sold or otherwise converted into cash, whereupon the proceeds derived from such sale or conversion shall be credited to the Reserve Fund or Bond Fund, respectively. Any interest accruing on and any profit realized from such investment shall be credited to the Reserve Fund or Bond Fund, respectively; provided that, so long as the balance on hand in the Reserve Fund is not less than the applicable Debt Service Reserve Requirement, interest earnings and realized profits on investments held in the Reserve Fund shall be transferred to the Bond Fund as of each Payment Date and credited against the Rental Payment otherwise due from the City on that date.

The Trustee shall redeem or sell, at the best price obtainable, any obligations so purchased, whenever it shall be necessary to do so in order to provide money to meet any payment from the Bond Fund or Reserve Fund, respectively. Neither the Trustee nor the Authority shall be liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment.

The Trustee shall be entitled to rely on any written direction of a City Representative as to the suitability and legality of the directed investments. The Trustee shall have no responsibility whatsoever to determine whether any investments made pursuant to this Indenture are or continue to be Qualified Investments.

Investment of funds pursuant to this Section shall be limited as to amount and yield of investment in such manner that no part of the outstanding Series 2024 Bonds shall be deemed “arbitrage bonds” under the Internal Revenue Code and regulations thereunder.

The Trustee shall be entitled to rely on any written direction of a City Representative as to the suitability and legality of the directed investments. The Trustee shall have no responsibility whatsoever to determine whether any investments made pursuant to this Indenture are or continue to be Qualified Investments.

ARTICLE VI
PARTICULAR COVENANTS OF THE AUTHORITY

The Authority covenants and agrees, so long as the Bonds shall be outstanding and subject to the limitations on its obligations herein set forth, that:

Section 6.01 Payment of Bonds. It will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture and the Bond Resolution and in each and every Bond executed, authenticated and delivered hereunder; will pay or cause to be paid, from Rental Payments by the City and other amounts received in respect of the Lease or available under this Indenture, the principal of, premium (if any) on and interest on every Bond issued hereunder on the dates, at the places and in the manner prescribed in the Bonds in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of public and private debts; and will cause such amounts received to be deposited with the Trustee prior to the due date of each installment of principal and interest and prior to the maturity of any Bond in amounts sufficient to pay such installment; provided, however, that the principal of and interest on any Bond is not and shall not be deemed to represent a debt or pledge the faith or credit of the Authority, the City, or the State of Minnesota or grant to the Holder of any Bond any right to have the Authority, the City, or the State of Minnesota levy any taxes or appropriate any funds to the payment of principal of or interest on the Bonds, such payment to be made solely and only out of the money received pursuant to the Lease and the funds and accounts established and maintained with the Trustee pursuant to the requirements of this Indenture and appropriated to the payment of the Bonds by the Indenture.

Section 6.02 Extensions of Payments of Bonds. It shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds, or the time of payment of any claims for interest by the purchase or refunding of such Bonds or claims for interest or by any other arrangement; and in case the maturity of any of the Bonds, or the time for payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled in case of any default hereunder to the benefit of the Indenture or to any payment out of any assets of the Authority or the funds (except funds held in the trust by the Trustee for the payment of particular Bonds or claims for interest pursuant to this Indenture) held by the Trustee except subject to the prior payment of the principal of all Bonds issued and outstanding hereunder, the maturity of which Bonds or principal installments has not been extended, and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing in this Section shall, however, be deemed to limit the right of the Authority to fund or refund at one time all of such Bonds and claims for interest.

Section 6.03 Authorization. The Authority is duly authorized under the Constitution and Laws of the State of Minnesota to create and issue the Bonds, to undertake the acquisition and financing of the Project, to execute this Indenture and assign and pledge to the Trustee the Trust Estate, including the Rental Payments, and to make the covenants as herein provided. All necessary action and proceedings on its part to be taken for the creation and issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken.

Section 6.04 Concerning the Lease. It will cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Lease if such action shall, in the Trustee's discretion, be deemed to be in the best interest of the Authority or the Bondholders. The Authority shall do or cause to be done all things on its part to be performed under the Lease so that the obligations of the City thereunder shall not be impaired or excused.

Section 6.05 To Observe All Covenants and Terms -- Limitations on Authority's Obligations. It will not issue or permit to be issued any Bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and will not suffer or permit any Event of Default to occur under this Indenture, but will faithfully observe and perform all the conditions, covenants and requirements hereof. It is expressly agreed that the Authority has no obligation to make any advance or payment or incur any expense or liability from its general funds in performing, any of the conditions, covenants or requirements of the Bonds or this Indenture or from any funds other than revenues and income received pursuant to the Lease, the proceeds of its annual tax levy, or money in the funds and accounts provided for herein.

Section 6.06 Liens. The Authority agrees it will not mortgage, sell or otherwise encumber its interests in the Land and Project during the term of the Lease, except pursuant to the Lease or as otherwise permitted in the Lease or this Indenture.

Section 6.07 Rental Payments. It is estimated that the rental payments to be made by the City pursuant to the Lease will produce the amounts needed to meet when due the principal and interest payments on the Bonds.

ARTICLE VII
EVENTS OF DEFAULT; REMEDIES

Section 7.01 Events of Default. Each of the following events is hereby defined as, and is declared to be and to constitute, an "Event of Default":

(i) If payment of the principal of, or premium, if any, on any of the Bonds, when the same shall become due and payable, whether at maturity or by proceedings for redemption (by redemption, declaration or otherwise), shall not be made; or

(ii) If payment of any interest on the Bonds when the same shall become due and payable (in which case interest shall be payable to the extent permitted by law on any overdue installments of interest, in each case at the interest rate borne by the Bonds in respect of which such interest is overdue) shall not be made; or

(iii) If an Event of Default shall occur and be subsisting under Section 10.1 of the Lease; or

(iv) If default shall be made in the performance or observance of any other of the covenants, agreements or conditions on the part of the Authority in this Indenture, or in the Bonds contained, and such default shall have continued for a period of thirty days after written notice thereof given to the Authority by the Trustee.

Section 7.02 Enforcement of Covenants and Conditions. Upon the occurrence of an Event of Default with respect to a Lease, the Trustee may, anything herein to the contrary notwithstanding and without any request from any Bondholder of the Bonds relating thereto (subject, however, to the provisions of Section 8.06 hereof), take such action or actions for the enforcement of its rights and the rights of such Bondholders and the rights of the Authority under such Lease as due diligence, prudence and care would require and to pursue the same with like diligence, prudence and care.

Upon the occurrence of an Event of Default with respect to a Lease, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Outstanding Bonds relating thereto, by written notice to the

Authority, declare the principal of the respective Bonds to be immediately due and payable, whereupon that portion of the principal of such Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, anything in this Indenture or in such Bonds to the contrary notwithstanding.

Upon the happening and continuance of an Event of Default, the Trustee may, and shall upon the written request of the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of the outstanding Bonds relating thereto, proceed forthwith by suit or suits at law or in equity or by any other appropriate remedy to enforce payment of such Bonds, to enforce application to such payment of the funds, revenues and income appropriated thereto by this Indenture and by such Bonds, to enforce rights of the Authority under such Lease, and to enforce any such other appropriate legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of its rights or any of the rights of the Bondholders with respect thereto. Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of such Bondholders, as aforesaid, unless such Bondholders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Section 7.03 Application of Money. All money received by the Trustee pursuant to any right given or action taken under the provisions of this Indenture or a Lease, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such money and of the fees, expenses, charges, liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund relating to such Lease and all money in the Bond Fund maintained with the Trustee shall be applied as follows:

(i) Unless the principal of all the Bonds shall have become due and payable, all such money shall be applied:

First: To the payment to the Bondholders entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Bondholders entitled thereto, without any discrimination or privilege; and

Second: To the payment to the Bondholders entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which money is held pursuant to the provisions of this Indenture), in the order of their due dates, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Bondholders entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due, all such money shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Bondholders entitled thereto without any discrimination or privilege.

Whenever money is to be applied by the Trustee pursuant to the provisions of this Section, such money shall be applied by it at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such money available for application and the likelihood of additional money becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such money and of the fixing of any such date, and shall not be required to make payment to the Holder of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all Bonds of a series and interest thereon have been paid under the provisions of this Section and all expenses and charges of the Trustee and the Authority have been paid, any balance remaining shall be paid to the persons entitled to receive the same; if no other person shall be entitled thereto, then the balance shall be paid to the City.

Section 7.04 Right of Trustee to Act Without Possession of Bonds. All rights of action (including the right to file proof of claim) under this Indenture, the Lease or under any of the Bonds, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds, subject to the provisions of Section 6.02 hereof with respect to extended Bonds and claims for interest.

Section 7.05 Power of Majority of Bondholders. Anything in this Indenture to the contrary notwithstanding, the Holders of a majority in aggregate principal amount of Bonds Outstanding hereunder with respect to a Lease shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken under this Indenture and such Lease; provided, that such direction shall not be otherwise than in accordance with the provisions of law and that the Trustee shall be indemnified as provided in Section 8.06.

Section 7.06 Limitation on Suits by Bondholders. No Holder of any Bond with respect to any Lease shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for any other remedy hereunder, unless an Event of Default with respect to such Lease has occurred of which the Trustee has been notified or of which it is deemed to have notice; nor unless the Holders of twenty-five per centum (25%) in aggregate principal amount of Bonds with respect to such Lease Outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; nor unless also they shall have offered to the Trustee indemnity as provided hereinafter; and such notification, request and offer of indemnity are hereby declared in every such case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for enforcement or for any other remedy hereunder; and the Trustee for 60 days after receipt of such written request and offer of indemnity has failed to institute such suit, action or proceeding; and no direction inconsistent with such written request has been given to the Trustee by the Holders of 25% in aggregate principal amount of the Bonds with respect to such Lease during such 60 day period it being understood and intended that no one or more Holders of such Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of such Bonds Outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce and bring suit for the payment of the principal of and interest on any Bond at and after the maturity thereof to pay the principal of and interest on each of the Bonds relating to the relevant Lease issued hereunder to the respective Holders thereof at the time and place in such Bonds expressed, in accordance with the terms of such Bonds.

Section 7.07 Waiver by Bondholders. The Trustee, upon the written request of the Holders of not less than a majority in principal amount of the Bonds relating to a Lease at the time Outstanding hereunder, shall waive any Event of Default hereunder and its consequences, except an Event of Default in the payment of the principal of such Bonds at the date of maturity specified therein; provided, however, that an Event of Default in the payment of interest on such Bonds shall not be waived unless, prior to such waiver, all arrears of interest and all expenses of the Trustee shall have been paid or shall have been provided for by deposit with the Trustee of a sum sufficient to pay the same. In case of any such waiver, the Authority, the Trustee and the Holders of such Bonds shall be restored to their former positions and rights hereunder respectively. No such waiver shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.08 Remedies Cumulative, Delay Not To Constitute Waiver. No remedy by the terms of this Indenture or the Lease, conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Bondholders, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.09 Restoration of Rights Upon Discontinuance of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Bondholders, then and in every such case the Authority, the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceedings had been taken.

ARTICLE VIII
CONCERNING THE TRUSTEE

Section 8.01 Acceptance of Trust and Prudent Performance Thereof. The Trustee, prior to the occurrence of an Event of Default and after the curing of all such Events of Default as may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. The Trustee shall, during the existence of any such Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder, except Default in the deposits or payments specified herein, or failure by the Authority or the City to file with it any of the documents required, unless the Responsible Officer shall be specifically notified in writing of such Default by the City, by the Authority or by the Holders of at least twenty-five per centum (25%) in aggregate principal amount of Bonds outstanding hereunder, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume that there is no Default, except as aforesaid.

Delivery of reports, information and documents to the Trustee under the Agreement is for informational purposes only and the Trustee's receipt of the foregoing shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the City's compliance with any of their covenants hereunder (as to which the Trustee is entitled to rely conclusively on Officers' Certificates).

No provision of this Indenture shall be construed to relieve the Trustee from liability for its own grossly negligent action, its own grossly negligent failure to act, or its own willful misconduct, except that

(i) prior to such an Event of Default hereunder, and after the curing of all such Events of Default which may have occurred:

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee, and

(B) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and to the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms in form to the requirements of this Indenture; and

(ii) at all times, regardless of whether or not any such Event of Default shall exist:

(A) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Trustee unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts, and

(B) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a majority in aggregate principal amount of all the Bonds at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Section 8.02 Trustee May Rely Upon Certain Documents and Opinions. Except as otherwise provided in Section 8.01,

(i) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) any request, direction, election, order, certification or demand of the Authority or the City shall be sufficiently evidenced by an instrument signed by an Authority Representative or a City Representative, as the case may be (unless otherwise in this Indenture specifically prescribed), and any resolution of the Authority may be evidenced to the Trustee by a copy certified by the Executive Director;

(iii) the Trustee may consult with counsel (who may be counsel for the Authority or the City) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel; and

(iv) whenever, in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority or Certificate of the City and any such Certificate shall, in the absence of negligence or bad faith on the part of the Trustee, be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof.

<u>Section 8.03 Trustee Not Responsible for Indenture Statements, Validity</u>. The Trustee shall not be responsible for any recital or statement herein, or in the Bonds (except in respect of the certificate of the Trustee endorsed on such Bonds), or for the validity of the execution by the Authority of this Indenture or the validity or execution of the Lease or the Bond Resolution, or of any supplemental instrument, or for the sufficiency of the security of the Bonds issued hereunder or intended to be secured hereby, or for the value or title of any of the Trust Estate, or otherwise as to the maintenance of the security hereof; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenant, condition or agreement on the part of the Authority or the City, except as herein set forth, but the Trustee may require of the Authority and the City full information and advice as to the performance of the covenants, conditions and agreements aforesaid and of the condition of the physical property included in the Trust Estate. The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder.

<u>Section 8.04 Limits on Duties and Liabilities of Trustee</u>. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty of the Trustee and the Trustee shall be answerable only for its own gross negligence or willful default. The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

<u>Section 8.05 Money Held in Trust</u>. Money held by the Trustee hereunder is held in trust but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Authority or the City.

<u>Section 8.06 Obligation of Trustee</u>. The Trustee shall be under no obligation to institute any suit, or to take any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall have reasonable grounds for believing that repayment of all costs and expenses, outlays and counsel fees and other reasonable disbursements in connection therewith and adequate indemnity against all risk and liability is reasonably assured to it; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without assurance of reimbursement or indemnity, and in such case the Trustee shall be

reimbursed for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the City shall fail to make such reimbursement, the Trustee may reimburse itself from any money in its possession under the provisions of this Indenture and shall be entitled to a preference therefor over any of the Bonds or claims for interest outstanding hereunder.

Section 8.07 Notice to Bondholders. The Trustee shall give to the Holders of the Bonds relating to a Lease whose names and addresses are known to it, written notice of all Events of Default relating to such Lease known to the Trustee by virtue of actual knowledge of a Responsible Officer, within sixty (60) days after the occurrence of an Event of Default unless such Event of Default shall have been cured before the giving of such notice; provided that, except in the case of an Event of Default in the payment of principal and interest on any of such Bonds, the Trustee shall be protected in withholding such notice if and so long as its Board of Directors, an executive committee or trust default committee or chief executive officer of the Trustee in good faith determines that the withholding of such notice is in the interest of the Bondholders relating thereto.

Section 8.08 Intervention in Judicial Proceedings. In any judicial proceeding to which the Authority or the City is a party and which in the opinion of the Trustee has a substantial bearing on the interest of owners of Bonds issued hereunder, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least twenty-five percent (25%) in the aggregate principal amount of Bonds Outstanding hereunder with respect to the Lease subject to such proceeding. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 8.09 Further Investigation by Trustee. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be in full warrant, protection and authority to the Trustee for its actions hereunder; but the Trustee may, in its unrestricted discretion, and shall, if requested in writing so to do by the Holders of not less than twenty-five per centum (25%) in aggregate principal amount of Bonds Outstanding hereunder with respect to a Lease, cause to be made such independent investigation with respect to such Lease as it may see fit, and in that event may decline to release any property, or pay over cash, or take other action relating thereto unless satisfied by such investigation of the truth and accuracy of the matters so investigated.

Section 8.10 Trustee to Retain Financial Records. The Trustee shall retain all financial statements and other reports furnished by the Authority or the City in accordance with this Indenture so long as any of the Bonds shall be Outstanding. The Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner.

Section 8.11 Compensation of Trustee. All advances, counsel fees and other expenses reasonably made or incurred by the Trustee in and about the execution of the trust hereby created and reasonable compensation to the Trustee for its services in the premises shall be paid by the City. The compensation of the Trustee shall not be limited to or by any provision of law in regard to the compensation of trustees of an express trust. If not paid by the City, the Trustee shall have a first lien, with right of payment prior to payment on account of interest or principal of any Bond issued hereunder, for reasonable compensation, expenses, advances and counsel fees incurred in and about the execution of the trusts hereby created and exercise and performance of the powers and duties of the Trustee hereunder and the cost and expense incurred in defending against any liability in the premises of any character whatsoever (unless such liability is adjudicated to have resulted from the gross negligence or willful default of the Trustee).

Section 8.12 Trustee May Hold Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of, Bonds and otherwise deal with the Authority or the City in the same manner and to the same extent and with like effect as though it were not Trustee hereunder.

Section 8.13 Appointment of Trustee. There shall at all times be a trustee hereunder which shall be a trust company or bank in good standing organized and doing business under the laws of the United States or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least Ten Million Dollars ($10,000,000), and subject to supervision or examination by Federal or State authority. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this Section the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.16 hereof.

Section 8.14 Merger of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association, resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor trustee hereunder and vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.15 Resignation or Removal of Trustee. The Trustee may resign and be discharged from the trusts created by this Indenture by giving to the Authority and the Bondholders thirty (30) days' notice in writing of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the day specified in such notice, if a successor Trustee has been appointed, or upon such later date as a successor is appointed.

Any Trustee hereunder may be removed at any time upon 30 days' notice by an instrument or instruments in writing, appointing a successor to the Trustee so removed, filed with the Trustee and executed by either (i) the Authority or (ii) the Holders of a majority in principal amount of the Bonds hereby secured and then Outstanding.

Section 8.16 Appointment of Successor Trustee. In case at any time the Trustee shall resign or shall be removed or otherwise shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if a public supervisory office shall take charge or control of the Trustee or of its property or affairs, a vacancy shall forthwith and ipso facto be created in the office of such Trustee hereunder, and a successor may be appointed by either (i) the Authority or (ii) the Holders of a majority in principal amount of the Bonds hereby secured and then Outstanding, by an instrument or instruments in writing filed with the Trustee and executed by such Bondholders, notification thereof being given to the Authority, but in the event the Trustee has been removed by action of the Bondholders, until a new Trustee shall be appointed by the Bondholders as herein authorized, the Authority may, subject to the provisions hereof, appoint a Trustee to fill such vacancy. After any appointment by the Authority, in the event the Trustee has been removed by action of the Bondholders, the Trustee so appointed shall cause notice of its appointment to be mailed within 30 days of such appointment to the registered Holders of the Bonds, but any new Trustee so appointed by the Authority shall immediately and without further act be superseded by a Trustee appointed in the manner above provided by the Holders of a majority in principal amount of said Bonds whenever such appointment by said Bondholders shall be made.

If, in a proper case, no timely appointment of a successor Trustee shall be made pursuant to the foregoing provisions the Holder of any Bond hereby secured or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

Section 8.17 Transfer of Rights and Property to Successor Trustee. Every successor trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Authority or of its successor execute and deliver an instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor trustee shall deliver all securities and money held by it as Trustee hereunder to its successor. Should any assignment, conveyance or instrument in writing from the Authority be required by any successor trustee for more fully and certainly vesting in such successor trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor trustee, any and all such assignments, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all assignments, conveyances and other instruments provided for in this Article shall, at the expense of the City, be forthwith filed and/or recorded by the successor trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 8.18 Appointment of Successor or Alternate Paying Agents. In the event the initial Trustee shall also have been appointed paying agent for the Series 2024 Bonds or for any Additional Bonds, a successor Trustee shall become successor paying agent with respect to such Bonds unless otherwise provided in the instrument appointing such successor Trustee. If any paying agent other than the initial Trustee shall resign or become incapable of acting, or shall be removed under a supplemental indenture entered into pursuant to the terms hereof, the Trustee may appoint a successor paying agent which is a bank or trust company qualified to act as paying agent under the laws of the State of Minnesota and which is willing to accept the office on reasonable and customary terms approved by an Authority Representative. The Trustee may appoint successor paying agents. "Paying agent" as used in this Section refers to the bank or trust company named in the form of Bond provided for the Series 2024 Bonds in the recitals hereof, or provided for Additional Bonds in a supplemental indenture, where principal of and interest on Bonds may be paid.

Section 8.19 Agents.

The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof.

Section 8.20 Limitation on Damages.

In no event shall the Trustee be liable for incidental, indirect, special, consequential or punitive damages or penalties (including, but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty and regardless of the form of action.

Section 8.21 Indemnification.

To the extent authorized by law, the Authority shall indemnify and hold harmless the Trustee against any and all loss, damage, claims, expense and liability arising out of or in connection with the acceptance of administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the issuer, the borrower any bondholder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder except to the extent that such loss, damage, claim, expense or liability is determined by a court of competent jurisdiction to have been caused solely by Trustee's gross negligence or willful misconduct.

ARTICLE IX
CONCERNING THE BONDHOLDERS

Section 9.01 Execution of Instruments by Bondholders. Any request, direction, consent or other instrument in writing required by this Indenture to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Bondholders in person or by agent duly appointed by an instrument in writing. Proof of the execution of any such instrument and of the ownership of Bonds shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee with regard to any action taken by it under such instrument if made in the following manner:

(i) The fact and date of the execution by any person of any such instrument may be proved by the certificate of any officer in any jurisdiction who, by the laws thereof, has power to take acknowledgments of deeds to be recorded within such jurisdiction, to the effect that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution.

(ii) The ownership of Bonds shall be proved by the registration books kept under the provisions of this Indenture.

Nothing contained in this Article shall be construed as limiting the Trustee to the proof above specified, it being intended that the Trustee may accept any other evidence of the matters herein stated which to it may seem sufficient.

Section 9.02 Waiver of Notice. Any notice or other communication required by this Indenture to be given by delivery, publication or otherwise to the Bondholders or any one or more thereof may be waived, at any time before such notice or communication is so required to be given, by a writing mailed or delivered to the Trustee by the Holder or Holders of all of the Bonds entitled to such notice or communication.

Section 9.03 Determination of Bondholder Concurrence. In determining whether the Holders of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned by the Authority or the City shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver only Bonds which the Trustee knows to be so owned shall be disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person directly or indirectly controlling or controlled by or under common control with the Authority or the City. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 9.04 Bondholders' Meeting. A meeting of the Bondholders with respect to the Lease may be called at any time and from time to time for any of the following purposes:

(i) to give any notice to the Authority or to the Trustee, or to give any direction to the Trustee, or to make any request of the Trustee, or to consent to the waiving of any Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to any of the provisions of Article VII hereof;

(ii) to remove the Trustee or appoint a successor Trustee pursuant to the provisions of Article VIII hereof;

(iii) subject to Article XI hereof, to consent to the execution of an indenture or indentures supplemental hereto;

(iv) subject to Article XII hereof, to consent to any amendment of the Lease or to any instrument supplemental to the Lease; or

(v) to take any other action authorized to be taken by or on behalf of the Holders of any percentage of the Outstanding Bonds under any other provisions of this Indenture or under applicable law.

Any Bondholders' meeting may be called and held as follows:

(i) A meeting of Bondholders may be held at such place within the City where the Trustee has its principal office as the Trustee or, in case of its failure to act, the Authority or Bondholders calling the meeting shall prescribe.

(ii) Notice of every meeting of Bondholders, setting forth the time and place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed, postage prepaid, not less than 20 nor more than 180 days prior to the date fixed for the meeting, to each owner of Bonds. Any failure of the Trustee to mail such notice, or any defect therein shall not, however, in any way impair or affect the validity of any such meeting.

(iii) In case at any time the Authority, pursuant to a resolution, or the Holders of at least ten percent (10%) in aggregate principal amount of the Bonds then Outstanding with respect to any Lease, shall have requested the Trustee to call a meeting of the Bondholders relating to such Lease, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have given the notice of such meeting within 20 days after receipt of such request, then the Authority or the Holders of such Bonds in the amount above specified may call such meeting to take any action authorized in this Section by giving notice thereof as provided in paragraph (b) of this Section.

(iv) Only a Holder of one or more Bonds or a person appointed as proxy by an instrument in writing of such Holder shall be entitled to vote at or to participate with their counsel and the representatives of the Trustee and the Authority in such meeting. Each Holder shall be entitled to one vote for each $5,000 in principal amount of Outstanding Bonds held.

(v) The Trustee or, in case of its failure to act, the Authority or Bondholders calling or requesting the meeting, may make such reasonable regulations as it may deem advisable for any meeting of Bondholders in regard to proof of the holding of Bonds and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate.

(vi) At any meeting of Bondholders, the presence of persons owning Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to this Section may be adjourned from time to time by vote of the

Holders (or proxies for the Holders) of a majority of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

(vii) The vote upon any resolution submitted to any meeting of Bondholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Bonds or of their representatives by proxy and the serial number or numbers of the Bonds held or represented by them. The President of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record, at least in duplicate, of the proceedings of each meeting of Bondholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in paragraph (ii) hereof. Each copy shall be signed and verified by the affidavits of the President and secretary of the meeting and one such copy shall be delivered to the Authority and one copy to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 9.05 Revocation by Bondholders. At any time prior to (but not after) the evidencing to the Trustee of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action, any Holder of a Bond may, by filing written notice with the Trustee at its principal office, revoke any consent given by such Holder or the predecessor Holder of such Bond. Except as aforesaid, any such consent given by the Holder of any Bond shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Bond and of any Bond issued in exchange therefor or in lieu thereof, irrespective of whether or not any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in this Indenture in connection with such action shall be conclusively binding upon the Authority, the Trustee and the Holders of all the Bonds.

ARTICLE X
PAYMENT, DEFEASANCE AND RELEASE

Section 10.01 Payment and Discharge of Indenture. If the Authority, its successors or assigns, shall

(i) pay or cause to be paid the principal of and premium, if any, and interest on the Series 2024 Bonds, as the case may be, at the time and in the manner stipulated therein and herein, or

(ii) provide for the payment of principal and premium, if any, of such Bonds and interest thereon by depositing with the Trustee at or at any time before maturity amounts sufficient either in cash or in government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, the principal and interest on which when due and payable and without consideration of any reinvestment thereof shall be sufficient to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all said Bonds Outstanding, or

(iii) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of such Outstanding callable Bonds not surrendered or to be surrendered to it for cancellation has been given or waived as provided in Article III hereof, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Authority under its official seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Authority, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such Outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in said Article III, the entire amount of the redemption price, including accrued interest, and premium, if any, either in cash or in government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of such redemption price on the date such Bonds are to be redeemed, and on such prior dates when principal of and interest on the Outstanding Bonds is due and payable, or

(iv) surrender to the Trustee for cancellation all such Bonds for which payment is not so provided, and shall also pay all other sums due and payable hereunder by the Authority,

then and in that case, all the portion of the Trust Estate relating to such Bonds shall revert to the Authority and the City as their interests may appear, and the entire estate, right, title and interest of the Trustee and of the owners of such Bonds shall thereupon cease, determine and become void; and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or securities shall not have been deposited in accordance with the provisions of this Indenture, shall, upon receipt of a written request of the Authority, and at its cost and expense, execute to the Authority, or its order, proper instruments acknowledging satisfaction of this Indenture and surrender to the Authority and the City, as their interests appear, all cash and deposited securities, if any (other than cash or securities for the payment of such Bonds and interest thereon), which shall then be held hereunder as a part of the Trust Estate.

In case of any discharge of the lien of the Indenture with respect to the Series 2024 Bonds pursuant to paragraphs (ii) or (iii) above, there shall be submitted to the Trustee (i) an Opinion of Counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service, to the effect that the interest on such Bonds being discharged will not become includable in gross income for federal income tax purposes, notwithstanding the discharge of the Indenture, and that all requirements of the Lease and Indenture for the defeasance of such Bonds have been complied with and (ii) a report in form and substance acceptable to the Trustee of an independent accountant acceptable to the Trustee to the effect that the payment when due of the principal of and the interest on the government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, deposited with the Trustee will provide, together with any other money which shall have been deposited with the Trustee for such purpose, sufficient money to pay all principal and interest on such Outstanding Bonds when due.

Nothing contained in this Section 10.01 shall be construed to prohibit the defeasance of one or more, but not all, series of Bonds by any of the methods set forth in clauses (i), (ii), (iii) or (iv) above, as the same would apply to the particular series of Bonds being discharged.

Section 10.02 Bonds Deemed Not Outstanding After Deposits. When there shall have been deposited at any time with the Trustee in trust for the purpose, cash or government securities of the type permitted by Minnesota Statutes, Section 475.67, subd. 8, the principal and interest on which shall be sufficient to pay the principal of any Bonds when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due dates for such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all such Bonds shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the funds so deposited, and such Bonds shall be deemed not to be Outstanding hereunder; and it shall be the duty of the Trustee to hold the cash and securities so deposited for the benefit of the Holders of such Bonds, and from and after such date, redemption date or maturity, interest on such Bonds thereof called for redemption shall cease to accrue.

Section 10.03 Unclaimed Money to be Returned. Any money deposited with the Trustee pursuant to the terms of this Indenture, for the payment or redemption of Bonds, and the payment of interest and redemption premium with respect thereto, and remaining unclaimed by the Holders of the Bonds for a period of two years and eleven months after the due date or the date fixed for redemption of the same, as the case may be, shall, upon the written request of the Authority, and if the Authority or any successor to the obligations of the Authority under this Indenture and the Bonds shall not at the time, to the knowledge of the Trustee, be in default with respect to any of the terms and conditions contained in the Indenture or in the Bonds, be paid to the Authority, and such Holders of the Bonds shall thereafter look only to the Authority, for payment and then only to the extent of the amounts so received without interest thereon.

ARTICLE XI
SUPPLEMENTAL INDENTURES

Section 11.01 Purposes for Which Supplemental Indentures May be Executed. The Authority, upon resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Indenture contained, may enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable without the consent of any Bondholder for any one or more of the following purposes:

(i) To correct the description of any property hereby pledged or intended so to be, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties of the Authority or the

City for the equal and proportional benefit and security of the Holders and owners of all Bonds at any time issued and Outstanding under this Indenture, subject, however, to the provisions hereinabove set forth with respect to extended Bonds;

(ii) To add to the covenants and agreements of the Authority in this Indenture contained other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Authority or to or upon any successor;

(iii) To evidence the succession or successive successions of any other department, agency, body or corporation to the Authority and the assumption by such successor of the covenants, agreements and obligations of the Authority in the Bonds hereby secured and in this Indenture and in any and every supplemental indenture contained or the succession, removal or appointment of any trustee or paying agent hereunder;

(iv) To cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indentures which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture, or to make such other provisions in regard to matters or questions arising under this Indenture or any supplemental indenture as the Authority may deem necessary or desirable and which shall not be inconsistent with the provisions of this Indenture or any supplemental indenture and which shall not impair the security of the same;

(v) To modify, eliminate and/or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to this Indenture such other provisions as may be expressly permitted by said Trust Indenture Act of 1939, excluding, however, the provisions referred to in Section 316(a)(2) of said Trust Indenture Act of 1939; and

(vi) To provide for the issuance of Additional Bonds pursuant to this Indenture.

Section 11.02 Execution of Supplemental Indenture. The Trustee is authorized to join with the Authority in the execution of any such supplemental indenture, to make the further agreements and stipulations which may be therein contained, and accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects its rights, duties or immunities under this Indenture.

Section 11.03 Discretion of Trustee. In each and every case provided for in this Article (other than a supplemental indenture approved by the Holders of not less than a majority in aggregate principal amount of the Bonds pursuant to Section 11.04 hereof), the Trustee shall be entitled to exercise its unrestricted discretion in determining whether or not any proposed supplemental indenture or any term or provisions therein contained is necessary or desirable, having in view the needs of the Authority and the respective rights and interests of the Holders of Bonds theretofore issued hereunder; and the Trustee shall be under no responsibility or liability to the Authority or to the City or to any Holder of any Bond, or to anyone whatever, for any act or thing which it may do or decline to do in good faith subject to the provisions of this Article, in the exercise of such discretion.

Section 11.04 Modification of Indenture with Consent of Bondholders. Subject to the terms and provisions contained in this Section, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding with respect to any Lease shall have the right, from time to time, to consent to and approve the execution by the Authority and the Trustee of such indenture or indentures supplemental hereto relating to such Lease as shall be deemed necessary or desirable by the Authority for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture relating to such Lease; provided, however, that, notwithstanding any other provision of this Indenture, nothing herein contained shall permit or be construed as permitting, without the consent of the Holders of all Outstanding Bonds affected thereby, (a) an extension of the maturity of any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by this Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required to consent to supplemental indentures or amendments to the Lease, or (f) a reduction in the aggregate principal amount of the Bonds required to waive an Event of Default.

Whenever the Authority shall deliver to the Trustee a resolution of Bondholders of Bonds relating to a Lease adopted at a Bondholders' meeting approved by, or an instrument or instruments purporting to be executed by, the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, which resolution or instrument or instruments shall refer to the proposed supplemental indenture and shall specifically consent to and approve the execution thereof, thereupon, the Authority and the Trustee may execute such supplemental indenture without liability or responsibility to any Holder of any Bond relating to such Lease, whether or not such Holder shall have consented thereto.

If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding relating to such Lease at the time of the execution of such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Holder of any Bond relating to such Lease shall have any right to object to the execution of such supplemental indenture, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 11.05 Supplemental Indentures to be Part of Indenture. Any supplemental indenture executed in accordance with any of the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provisions authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes, and the respective rights, duties and obligations under this Indenture of the Authority, the Trustee and all Holders of Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments. If deemed necessary or desirable by the Trustee, reference to any such supplemental indenture or any of such terms or conditions thereof may be set forth in reasonable and customary manner in the text of the Bonds or in a legend stamped on the Bonds.

Section 11.06 Rights of City Unaffected.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article XI which adversely affects the rights of the City under the Lease, so long as the Lease is in effect, shall not become effective unless and until the City consents to the execution and delivery of such supplemental indenture. The Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to the execution and delivery of which the City has not already consented, together with a copy of the proposed supplemental indenture, to be mailed to the City at least 30 days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 11.07 Rights of Authority. The Authority has no duty or obligation to consent to any supplemental indenture or other instrument amending the terms hereof and may, at the expense of the City, request and receive an opinion of such counsel as the Authority may select in connection with any matter relating to a proposed amendment to this Indenture.

Section 11.08 Notice to Rating Agencies. The Authority will send by certified mail, or overnight delivery service, to any rating agency then maintaining a rating on the Bonds, a copy of any proposed supplemental indenture not less than 20 Business Days prior to its proposed execution or adoption.

Section 11.09 Opinion of Counsel.

The Trustee shall receive, and shall be fully protected in relying upon, the opinion of any counsel approved by it who may be counsel for the Authority, as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee, under the provisions of this Article, to join in the execution of such supplemental indenture.

ARTICLE XII
AMENDMENTS TO THE LEASE

Section 12.01 Amendments to the Lease Not Requiring Consent of Bondholders. The Authority, the City and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease as may be required (i) by the provisions of the Lease and this Indenture, (ii) in connection with the issuance of Additional Bonds as provided herein, (iii) in connection with the financing of any additions or expansions of the Project, so long as such amendments do not affect the obligation of the City to make Rental Payments as they become due and payable, (iv) for the purpose of curing any ambiguity or formal defect or omission, or (v) in connection with any other change therein which, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Holders of the Bonds.

Section 12.02 Amendments to Lease Requiring Consent of Bondholders. Except for the amendments, changes or modifications as provided in Section 12.01 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of any Lease without the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating thereto given and procured as in this Section provided; provided, however, that no such amendment, change or modification shall ever affect the obligation of the City to make Rental Payments as they become due and payable. If the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding hereunder with respect to a Lease at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution thereof as herein provided, no Holder of any such Bond shall have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Authority or the City from executing the same or from taking any action pursuant to the provisions thereof.

Section 12.03 Rights of Authority. The Authority has no duty or obligation to consent to any proposed amendment to the Lease and may, at the expense of the City, request and receive an opinion of such counsel as the Authority may select in connection with any matter relating to a proposed amendment to the Lease.

Section 12.04 Notice to Rating Agencies. The Authority will send by certified mail, or overnight delivery service, to any rating agency then maintaining a rating on the Bonds, a copy of any proposed amendment to the Lease not less than 20 Business Days prior to its proposed execution or adoption.

ARTICLE XIII
MISCELLANEOUS

Section 13.01 Rights in Authority are Held Solely for Benefit of Bondholders. All rights, title and interest created in the Authority pursuant to the Lease are held by the Authority solely for the benefit of the Owners of the Series 2024 Bonds issued pursuant to this Indenture, and no rights, title or interest is created in the Authority in its individual capacity or for its own account or benefit for any reason whatsoever. All such rights, title and interest have been irrevocably and absolutely assigned and conveyed in their entirety to the Trustee for the benefit of the Owners of the Bonds issued pursuant to this Indenture.

Section 13.02 Covenants of Authority Bind Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the Authority, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 13.03 Immunity of Officers. No recourse for the payment of any part of the principal of or interest on any Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any officer, member or agent of the Board of Commissioners of the Authority, the Authority, the City or the State of Minnesota, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds.

Section 13.04 No Benefits to Outside Parties. Nothing in this Indenture, express or implied, is intended or shall be construed to confer upon or to give to any person or corporation, other than the City, the parties hereto and the Holders of the Bonds issued hereunder, any right, remedy or claim under or by reason of this Indenture or covenant, condition or stipulation thereof; and the covenants, stipulations and agreements in this Indenture contained are and shall be for sole and exclusive benefit of the City, the parties hereto, their successors, and the Holders of the Bonds.

Section 13.05 Separability of Indenture Provisions. In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 13.06 Execution of Indenture in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 13.07 Headings Not Controlling. The headings of the several Articles and Sections hereof are inserted for the convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 13.08 Notices etc., to Trustee, Authority and City. Any request, demand, authorization, direction, notice, consent of Bondholders or other document provided or permitted by this Indenture shall be sufficient for any purpose under this Indenture or the Lease, when mailed certified mail, return receipt requested, postage prepaid (except as otherwise provided in this Indenture) (with a copy to the other parties) at the following addresses (or such other address as may be provided by any party by notice) and shall be deemed to be effective upon receipt:

To the Trustee:	U.S. Bank Trust Company, National Association 60 Livingston Avenue St. Paul, Minnesota 55107 Attn: Corporate Trust Services
To the Authority:	Economic Development Authority of the City of Chaska, Minnesota One City Hall Plaza Chaska, Minnesota 55318 Attn: Executive Director

To the City:

City of Chaska
One City Hall Plaza
Chaska, Minnesota 55318
Attn: City Administrator

IN WITNESS WHEREOF, the Economic Development Authority of the City of Chaska, Minnesota, by its Board of Commissioners, has caused this Indenture to be signed in its name by its President and Executive Director, and U.S. Bank Trust Company, National Association, as Trustee, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its name by an authorized officer of the Trustee, all as of the day and year first above written.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

By ____
Its President

Attest

By __________________________________
Its Executive Director

STATE OF MINNESOTA)
) ss.
COUNTY OF CARVER)

This instrument was acknowledged before me on _____________, 2024, by Mark Windschitl and Matt Podhradsky, the President and Executive Director, respectively, of the Economic Development Authority of the City of Chaska, Minnesota, a Minnesota political subdivision, on behalf of the political subdivision.

____
Notary Public

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee

By ____

Its____

STATE OF MINNESOTA)
) ss.
COUNTY OF ___________)

This instrument was acknowledged before me on _________________, 2024, by _____________________________, the ______________________ of U.S. Bank Trust Company, National Association, a national banking association, on behalf of such association.

____
Notary Public

EXHIBIT A

FORM OF SERIES 2024A BOND

No. R-___ $___________

UNITED STATES OF AMERICA
STATE OF MINNESOTA
CARVER COUNTY

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

LEASE REVENUE BOND, SERIES 2024A

Rate	Maturity	Date of Original Issue	CUSIP
	February 1, 20__	July 1, 2024	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: DOLLARS

The ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA, a public body corporate and politic of the State of Minnesota (the "Authority"), for value received, hereby promises to pay to the registered owner named above, or registered assigns, solely from the sources hereinafter identified, the principal amount set forth above on the maturity date specified above, and to pay to the registered owner hereof, interest on such principal amount, from such sources, at the interest rate specified above, from the date of original issue specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as specified below, on February 1 and August 1 of each year, commencing [February 1, 20__], until said principal amount is paid. Interest shall be computed on the basis of a three hundred sixty (360) day year composed of twelve (12), thirty (30) day months and shall be payable to the person in whose name this Bond is registered at the close of business on the fifteenth day (whether or not a Business Day) of the month preceding such Interest Payment Date at such person's address set forth on the registration books maintained by the Trustee hereinafter designated. The interest hereon, and upon presentation and surrender at the principal office of the agent of the Trustee described below, the principal hereof, is payable in lawful money of the United States of America by check or draft drawn on U.S. Bank Trust Company, National Association, as trustee designated under the Trust Indenture referred to below (the "Trustee"). Any such interest not punctually paid or provided for will cease to be payable to the registered owner as of a regular record date and such defaulted interest may be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee pursuant to the Indenture.

Notwithstanding any other provisions of this Bond, so long as this Bond is registered in the name of Cede & Co., as nominee of The Depository Trust Company, or in the name of any other nominee of The Depository Trust Company or other securities depository, the Trustee shall pay all principal of and interest on this Bond, and shall give all notices with respect to this Bond, only to Cede & Co. or other nominee in accordance with the operational arrangements of The Depository Trust Company or other securities depository as agreed to by the Authority.

This Bond is issued under Minnesota Statutes, Section 465.71, Chapter 469, Chapter 471, and Chapter 475, as amended, and in conformity with the provisions, restrictions and limitations thereof. This Bond and interest hereon are payable from the money received under the Lease (as hereinafter defined), or held by the Trustee in a fund appropriated to the payment of the Bonds of this series under the Indenture (as hereinafter defined), including rental payments to be made by the City of Chaska, Minnesota (the "City"), under such Lease. This Bond does not constitute an indebtedness of the City, the State of Minnesota (the "State") or any other political subdivision within the meaning of any state constitutional provision or statutory limitation, nor does this Bond give rise to a charge against the general credit or properties or taxing powers of the City, the State or other political subdivision and does not grant to the registered owner of this Bond any right to have the City, the State or other political subdivision levy any taxes or appropriate any funds for the payment of the principal hereof or interest hereon, except for the annual levy of the Authority described hereinabove, nor is this Bond a general obligation of the City, the State or other political subdivision or the individual officers or agents thereof.

This Bond is one of a duly authorized series of revenue bonds in an aggregate principal amount of $[PAR] (the "Series 2024A Bonds"), all of which have been authorized by law to be issued and have been issued or are to be issued for the purpose of financing the acquisition and construction of certain improvements in the City (the "Project") which are to be leased to the City by the Authority pursuant to a Lease-Purchase Agreement, dated as of July 1, 2024, between the Authority, as lessor, and the City, as lessee, relating to the Series 2024A Bonds (the "Lease"). The Bonds of this series are issued pursuant to a bond resolution of the Authority duly adopted May 20, 2024 (the "Bond Resolution"), and a Trust Indenture, dated as of July 1, 2024 (the "Indenture"), duly executed and delivered by the Authority to the Trustee, as trustee. The Bonds of this series are equally and ratably secured by the Lease, the Indenture and the Bond Resolution, to which Lease, Indenture and Bond Resolution and amendments thereof reference is hereby made for a description and limitation of the revenues pledged to secure the payment of the Bonds, the nature and extent of the security thereby created, the rights of the registered owners of the Bonds, the rights, duties and immunities of the Trustee, and the rights, immunities and obligations of the Authority thereunder.

The obligation of the City under the Lease to make Rental Payments sufficient to pay the principal of and interest on the Bonds when due is a limited obligation of the City, subject to the annual appropriation in each fiscal year by the City Council of funds sufficient to pay such Rental Payments. The City is not obligated to make any such appropriation and has the right to cancel and terminate the Lease at the end of any fiscal year of the City if the City Council does not appropriate money sufficient to pay the Rental Payments coming due in the next fiscal year. Certified copies of the Bond Resolution and executed counterparts of the Indenture and Lease are on file at the principal corporate trust office of the Trustee.

The Series 2024A Bonds maturing in 20[__] and later years are subject to redemption at the option of the Authority, on February 1, 20[__] and on any Business Day thereafter, in whole or in part in integral multiples of $5,000, and if in part in such order of maturity dates as the

Authority may determine and by lot or other manner deemed fair as to Series 2024A Bonds maturing on the same date, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date.

[The Series 2024A Bonds maturing on February 1, 20[__] are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date, on February 1 in the years and amounts set forth in the Indenture.]

The Series 2024A Bonds are also subject to redemption at the option of the Authority on any Business Day, in whole or in part in integral multiples of $5,000, and if in part in such order of maturity dates as the Authority may determine and by lot or other manner deemed fair as to Series 2024A Bonds maturing on the same date, in the event that all or any part of the Project is lost, stolen, destroyed or damaged beyond repair and the Authority determines that the reconstruction and restoration of the Project to its prior condition is not economically feasible.

All prepayments shall be at a price equal to the principal amount thereof to be redeemed plus accrued interest to the redemption date. Notice of any redemption shall be published if, and to the extent then required by law, and shall also be given to the registered owner of each Bond to be redeemed by first-class mail, addressed to such owner at the owner's registered address, not earlier than ninety (90) days nor later than thirty (30) days prior to the date fixed for redemption. On or prior to the date fixed for redemption, funds are required to be deposited with the Trustee sufficient to pay the Series 2024A Bonds called and accrued interest thereon. Upon the happening of the above conditions, Series 2024A Bonds thus called shall not bear interest after the redemption date and, except for the purpose of payment from the funds so deposited, shall no longer be protected by the Indenture.

This Bond is transferable, as provided in the Indenture, only upon books of the Authority kept at the principal office of the agent of the Trustee by the registered owner hereof in person or by the owner's duly authorized attorney, upon surrender of this Bond for transfer at the principal corporate trust office of the Trustee, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or the owner's duly authorized attorney, and, upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, one or more fully registered Bonds of this series of the same principal amount and interest rate will be issued to the designated transferee or transferees.

The Series 2024A Bonds are issuable only as fully registered bonds without coupons in denominations of $5,000 or any integral multiple thereof of single maturities. As provided in the Indenture and subject to certain limitations therein set forth, the Series 2024A Bonds are exchangeable for a like aggregate principal amount of Series 2024A Bonds of a different authorized denomination, as requested by the registered owner or the owner's duly authorized attorney upon surrender thereof to the Trustee at its principal corporate trust office.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the series of which it is a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by law.

This Bond shall not be valid nor become obligatory for any purpose under the Indenture until it shall have been authenticated by the execution of the certificate hereon endorsed by the manual signature of an authorized representative of the Trustee.

IN WITNESS WHEREOF, the Economic Development Authority of the City of Chaska, Minnesota, by its Board of Commissioners, has caused this Bond to be executed in its name by the facsimile signatures of its President and Executive Director.

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

____
President

____
Executive Director

CERTIFICATE OF AUTHENTICATION

This is one of the Series 2024A Bonds described in the within mentioned Indenture.

Date: ________________

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By ____________________________________
Authorized Representative

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to the applicable laws or regulations:

TEN COM --	as tenants in common	UTMA ________ as Custodian for_________
	as tenants by the entireties	(Cust) (Minor)
TEN ENT --	Minors Act	Under Uniform Transfers to
		____________________________
JT TEN --	as joint tenants with right of survivorship and not as tenants in common	(State)

Other abbreviations may also be used.

____

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto
____
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:_________________

____
Please Insert Social Security Number
or Other Identifying Number of Assignee:

____
Notice: The signature to this assignment must correspond with the name as it appears on the face of this Bond in every particular, without alteration, enlargement or and change whatever.

____
SIGNATURE GUARANTEED:

____
Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or Participation in STAMP or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

EXHIBIT B

DESCRIPTION OF LAND

[LEGAL DESCRIPTION]

EXHIBIT C

DESCRIPTION OF IMPROVEMENTS

[TO COME]

EXHIBIT D

DRAW REQUEST NO. __________

LEASE REVENUE BONDS, SERIES 2024

The undersigned, a duly authorized City Representative pursuant to that certain Trust Indenture, dated as of July 1, 2024 (the "Indenture"), between the Economic Development Authority of the City of Chaska, Minnesota and U.S. Bank Trust Company, National Association (the "Trustee") hereby requests and directs the Trustee to make the disbursements to the persons and in the amounts set forth below from the Project Fund pursuant to and in accordance with the provisions of Section 4.04 of the Indenture:

Payee	Purpose or Work Performed	Amount	Percentage Attributable to Project Costs

The undersigned certifies to the Trustee that each obligation, item of cost or expense mentioned above has been properly incurred, is an item of Project Cost and is a proper charge against the Project Fund and has not been the basis of any previous withdrawal.

Dated: ________________

CITY OF CHASKA, MINNESOTA

By: ___________________________________
City Representative

EXHIBIT E

Costs of Issuance Expenses

Municipal Advisor
Bond Counsel
Paying Agent/Registrar
Rating Agency (Standard & Poor's)
POS/Official Statement
Miscellaneous

Total Issuance Expenses