AGENDA
CHASKA ECONOMIC DEVELOPMENT AUTHORITY
CHASKA CITY HALL - COUNCIL CHAMBERS & ZOOM
Monday, June 15, 2026
IMMEDIATELY FOLLOWING CITY COUNCIL MEETING

1. Call to Order
2. Roll Call
3. Adopt Agenda
4. Approve Previous Meeting Minutes
   - 4.A. Meeting Minutes 05-04-2026
5. Discussion Items
   - 5.A. Approve Purchase Agreement with American Legion for Property
   - 5.B. Adopt Resolution EDA 2026-58 Ratifying the Sale of Chaska EDA Series 2026A Bonds
6. Other Business
7. Adjourn

**- MINUTES -**
**CHASKA ECONOMIC DEVELOPMENT AUTHORITY**
**MAY 4, 2026**

1. Call to Order
The meeting was called to order by President Hubbard at 8:07 p.m.

2. Roll Call
Roll call was taken. Present: President Hubbard and Commissioners Benesh, Hatfield, Grau, and Sheveland.

Absent: None.

Also Present: Matt Podhradsky, Executive Director and Elise Durbin, Assistant Executive Director.

3. Adopt Agenda
Motion by Commissioner Hatfield, second by Commissioner Grau to adopt the agenda as presented.
Motion carried.

4. Approve Previous Meeting Minutes
4.A. Meeting Minutes 03/30/2026 and 04/20/2026
Motion by Commissioner Sheveland, second by Commissioner Benesh to approve the minutes from March 30, 2026, and April 20, 2026.
Motion carried.

5. Discussion Items
5.A. Adopt Resolution No. 2026-37 Authorizing Issuance and Sale of Bonds for Series 2026A
Executive Director Podhradsky presented this item to the Economic Development Authority.

Commissioner Sheveland added that they would be pressed this year with the Public Safety around Costco, and all the different things coming in. Executive Director Podhradsky stated that it is a huge indicator of economic success, along with the Industrial Park.

President Hubbard noted that it is exciting that this process is moving forward.

Motion by Commissioner Benesh, second by Commissioner Hatfield to adopt Resolution No. EDA 2026-37, Authorizing Issuance of lease revenue bonds, Series 2026A.
Motion carried.

5.B. Approve Downtown Building Improvement Program Loan Application from Keyport Properties LLC for 3115 Chaska Boulevard (Historic Chaska Depot)
Executive Director Podhradsky introduced Assistant Executive Director Elise Durbin to present this item to the Economic Development Authority. Ms. Durbin presented the item to the Economic Development Authority.

DRAFT

Commissioner Sheveland noted that it is exciting that new life is coming into such a prominent corner in downtown.

President Hubbard asked Mr. Keyport to come up and speak. Mr. Keyport noted that while it is tragic what happened to the building, the silver lining is that this is an opportunity to rejuvenate the entire building, and this loan program makes that a possibility.

President Hubbard stated she appreciates Mr. Keyport being a long-time business owner and the ongoing support of downtown Chaska. She noted that sometimes these projects can be very cost-prohibitive to business owners, and this program can really help offset those costs.

Motion by Commissioner Sheveland, second by Commissioner Grau to approve the Downtown Building Improvement Program Loan request for Keyport Properties LLC for work to be completed at 3115 Chaska Boulevard and authorize the Assistant Executive Director to execute the necessary loan documents.
Motion carried.

6. Other Business
7. Adjourn
Motion by Commissioner Sheveland, second by Commissioner Benesh to adjourn the meeting at 8:22 p.m.
Motion carried.

# REQUEST FOR ACTION
# CHASKA ECONOMIC DEVELOPMENT AUTHORITY
# 06/15/2026

**Subject:** **Purchase Agreement with American Legion for Property**

**Location:** PID 300501300 (American Legion)

**Prepared By**: Nate Kabat

**Staff Recommendation:**

Motion to authorizing President and Executive Director to execute Purchase Agreement with American Legion Post #57

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**CURRENT REQUEST**

As a part of the City Hall Plaza improvement project, city staff have worked closely with the American Legion to enhance the pedestrian corridor between the east wall of the Chaska History Center and fenced area behind the Legion primarily containing their HVAC mechanical equipment. The plaza improvements in this area will replace the walk, upgrade the fence to better screen the equipment visually and from noise, and install string lights above the path that will attach to the History Center building and the improved fencing.

The property to be improved is currently owned by the American Legion. An existing easement agreement between the City of Chaska and the American Legion establishes public access, maintenance responsibilities, and the ability for the Legion to provide patron seating in the space.

To align the ownership structure to the use of the space, city staff have worked on a purchase agreement with the American Legion that will transfer ownership of the pedestrian corridor to the Chaska EDA in exchange for implementing improvements to the Legion's fence. This property transfer will further clarify maintenance, liability, and financing for current and ongoing plaza capital improvements. The agreement establishes a new easement that permits the American Legion to continue providing patron seating in the area they currently use. The area proposed for acquisition by the Chaska EDA is detailed in Figure 1.

The Chaska City Council will consider a request for a lot split of PID 300180800 (American Legion) and consolidation with PID 300170400 (City Hall Plaza) to facilitate the transaction contemplated by the proposed purchase agreement.

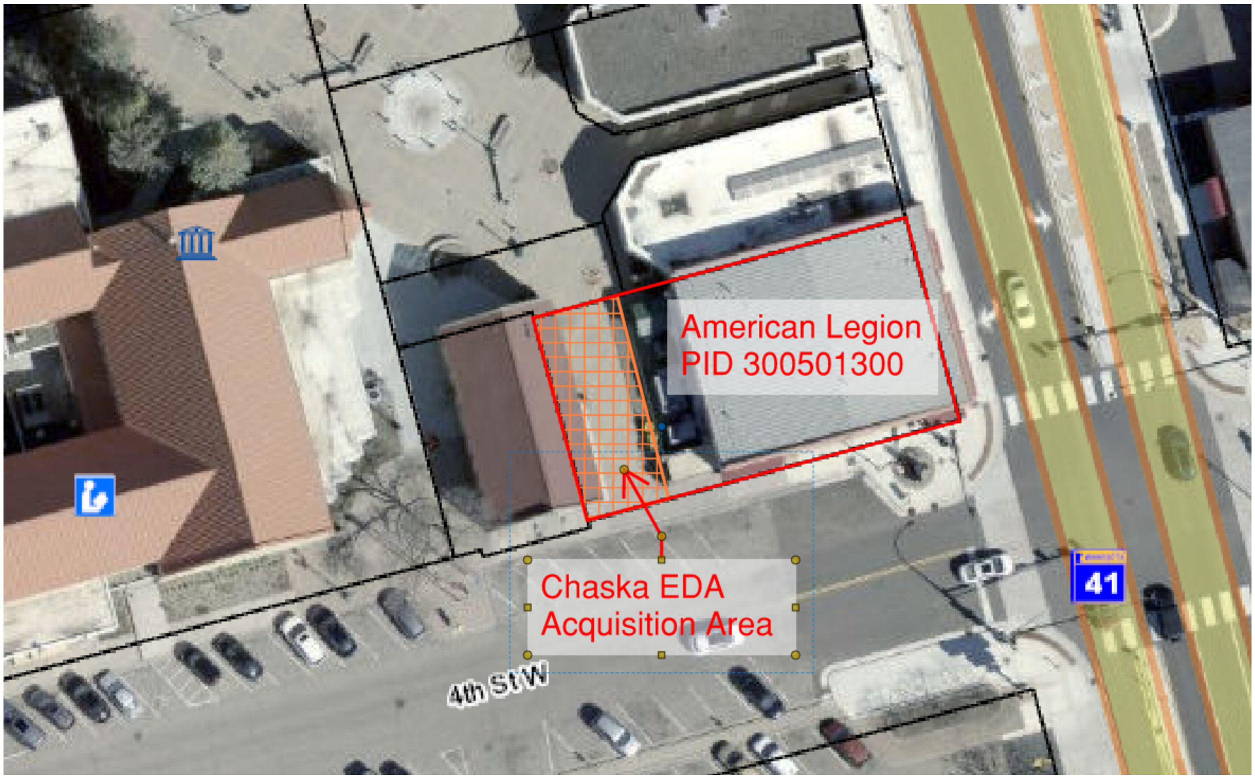


**Figure 1 – Area proposed for purchase by the Chaska EDA**

**Figure 2 - Chaska EDA and American Legion parcels, area of lot split and combination**

PID 300501251 is zoned P2 – Public Buildings and PID 300501300 is zoned C3 – Downtown Historic Commercial. Splitting and consolidating the lots will not render the parcels in violation of the zoning ordinance. The split and combination results in a rightsizing of property that is privately owned and operated (the Legion building) and property that his publicly owned and operated (City Hall Plaza).

**<u>CHASKA EDA ACTION REQUESTED</u>**

**Motion authorizing the President and Executive Director to sign a Purchase Agreement between the City of Chaska and the American Legion Post #57.**

# REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (this "**Agreement**") is made as of the ____ day of _________, 2026, by and between American Legion Post # 57, a Minnesota nonprofit corporation ("**Transferor**") and the Economic Development Authority of the City of Chaska, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota ("**Transferee**").

In consideration of this Agreement, Transferor and Transferee agree as follows:

ARTICLE 1

PROPERTY

1.1 Sale Property. Subject to the terms and conditions of this agreement, Transferor shall sell to Transferee and Transferee shall purchase from Transferor the following (collectively, the "**Sale Property**"):

1.1.1 The pedestrian walkway area on that certain piece of land located at 102 4TH ST W CHASKA MN 55318, Chaska, Carver County, Minnesota depicted as the hatched area on the attached Exhibit A, approximately 1,200 square feet (the "**Property**"); and

1.1.2 All easements and rights benefiting or appurtenant to the Property, including any right, title, or interest in the bed of any street, road, highway, or alley adjoining the Property.

1.2 Property Description. The Property is a portion of the real estate identified as Carver County PID 300501300 and the Property is legally described on the attached Exhibit B. The parties agree and acknowledge that the Commitment (as defined below) shall govern the final legal description of the Property.

1.3 Easement. Transferee will grant Transferor a non-exclusive easement over a portion of the Property for the purpose of using the area for accessory seating and programming (i.e. bean bag league, etc.) in the form of the attached Exhibit D.

ARTICLE 2

PURCHASE PRICE, ACCEPTANCE AND CHARITABLE CONTRIBUTION

2.1 Purchase Price. On the Closing Date (as defined below), Transferee shall pay Transferor the sum of $1.00 in immediately available fund as the total purchase price for the Sale Property (the "**Purchase Price**").

2.2 Earnest Money. Transferee has no obligation to pay or deposit earnest money.

2.3 Agreements to Make Improvements. In consideration of the land to be transferred by Transferor to Transferee, Transferee shall make the improvements to the HVAC enclosure fence on the balance of Transferor's property not acquired by the Transferee (PID 300501300) described on Exhibit E, and will connect the existing downspouts from the building on PID 300501300 to the City's stormwater drainage system.

## ARTICLE 3

## CLOSING

The closing of the conveyance of the Property (the "**Closing**") shall be conducted as follows:

3.1 Time and Place. The parties agree that they shall submit to Title Mark, LLC (the **"Title Insurer"**) on or before June 15, 2026, or such later date mutually agreed upon (the "**Closing Date**") such executed documents and instruments as are required by this Agreement (collectively, the "**Closing Documents**"), or executed counterpart signature pages to such Closing Documents, along with closing instructions consistent with this Agreement. The transaction shall be closed at such time as the Title Insurer is authorized by Transferee and Transferor to record/file or otherwise release the Closing Documents and it is prepared to issue its Title Policy in the manner required by this Agreement and the closing instructions received from the parties' counsel.

3.2 Transferor's Obligations. At the Closing, Transferor shall do the following:

(a) Quit Claim Deed, Title Affidavit. Execute, acknowledge, and deliver to Transferee for the benefit of Transferee and the Title Insurer, any customary affidavits and certificates reasonably necessary to enable the Title Insurer to delete from the policy of title insurance described in Article 6 the standard exceptions (including the survey exception provided a survey is obtained by Transferee), acknowledge and deliver to Transferee for its benefit a Quit Claim Deed (in the form of Exhibit C attached hereto) conveying the Property subject to the Permitted Exceptions.

(b) Closing Statement. Execute and deliver to Title Company a closing statement (the "**Closing Statement**") setting forth the Closing costs and all amounts paid at the Closing.

(c) FIRPTA Affidavit. Execute and deliver an affidavit of Transferor reciting Transferor's non-foreign status as required by the Internal Revenue Code of 1986, as amended.

(d) 1099-S. Execute and deliver a 1099-S or substitute 1099-S tax reporting certificate.

(e) Other Documents. Execute and deliver such other documents or instruments as the Title Insurer may reasonably require.

3.3 Transferee's Duties. At the Closing, Transferee shall do the following:

(a) Payment of Closing Costs. Transferee shall deliver to Title Insurer by wire transfer or other form of immediately available funds the amount of the cash payment to be paid by Transferee for closing costs pursuant to the Closing Statement.

(b) Purchase Price. Transferee shall deliver the Purchase Price to Title Insurer by wire transfer or other form of immediately available funds.

(c) Closing Statement. Execute and deliver to Title Insurer a counterpart of the Closing Statement.

(d) Other Documents. Execute and deliver such other documents or instruments as the Title Insurer may reasonably require.

## ARTICLE 4

## ADJUSTMENTS AND PRORATIONS

Expenses associated with the Property and the transactions contemplated hereby shall be borne by Transferee and Transferor as follows:

4.1 Property Taxes and Special Assessments. The real estate taxes (including any installments of special assessments, the "**Property Taxes**") due and payable in all years prior to Closing, shall be paid in full by Transferor as of the Closing Date. Real estate taxes payable in the years of Closing, shall be prorated and reimbursed to Transferor by Transferee. The Transferee shall be responsible for Property Taxes payable in subsequent years, if any.

4.2 Recording Fees, Closing Fees and Title Costs. Transferee shall pay all recording fees related to the Deed. Transferor shall be responsible for and pay all other recording and filing fees for removing encumbrances against the Property except any fees related to releasing a mortgage, which shall be the responsibility of Transferee. Transferee shall be responsible for any escrow or closing fees charged by the Title Insurer (as defined in Section 6.2). Transferee shall pay for the cost of the Title Commitment (as defined in Section 6.2) and Transferee shall pay the premium for any Title Policy (as defined in Section 6.2), including any cost for extended coverage and endorsements.

4.3 Transfer Taxes. Transferee shall be responsible for and pay all Minnesota real estate transfer taxes with regard to the transaction contemplated by this Agreement.

4.4 Operating Expenses. Operating expenses of the Property, if any, for all periods prior to the Closing Date shall be paid by Transferor at or prior to Closing.

4.5 Service Contracts. Service contracts, with respect to the Property, if any, shall be terminated by Transferor on or before the Closing Date. Transferor warrants and represents that Transferor is not in default under the terms and conditions of such service contracts, if any.

4.6 Errors. If any errors or omissions are made at Closing with regard to the preparation of the closing statement, the terms and conditions of other Closing documents or the failure to have executed and delivered a document or instrument called for by this Agreement, Transferor and Transferee shall make the appropriate corrections and payments due and owing to each other resulting therefrom, or execute and deliver such required documents or instruments, promptly after the discovery of any such error or omission.

4.7 No Liabilities Assumed. Except as expressly provided for in this Agreement, Transferee is not assuming, and shall not be liable for, any liabilities, obligations, responsibilities, claims, expenses, losses, or causes of action related to Transferor's ownership and operation of the Property first incurred or accrued prior to the Closing Date.

4.8 Tax Advising. Transferor has retained its own professional advisors to advise Transferor regarding the conveyance of the Property and the tax implications of the sale. Transferor has not relied on any statements or representations made by Transferee or its attorneys or consultants regarding such matters.

4.9 Cost of Consultants. Each party shall pay the cost of its own brokers, agents, consultants, or contractors retained in the course of negotiating and accomplishing this Agreement.

## ARTICLE 5

## REPRESENTATIONS, WARRANTIES AND COVENANTS

5.1 Transferor's Warranties and Representations. Transferor warrants and represents as follows (with such warranties and representations to be effective as of the date hereof and as of Closing):

(a) Legal Existence. Transferor is a nonprofit corporation duly organized and validly existing under the laws of the State of Minnesota.

(b) Authority. Transferor has complete power and authority to transfer and convey the Property to Transferee pursuant to this Agreement, and Transferor will have expressly authorized the person(s) signing below on behalf of Transferor to act on its behalf in the transfer and conveyance of the Property to Transferee.

(c) Good Title. Transferor has title to the Property as provided for in Section 7.1 and such title shall be subject only to the Permitted Exceptions (as hereinafter defined).

(d) Litigation. To Transferor's actual knowledge, there are no pending or threatened suits or proceedings against or affecting Transferor or any part of the Property which (i) do or could affect title to the Property or any part thereof, or (ii) do or could prohibit or make unlawful the consummation of the transaction contemplated by this Agreement, or render Transferor unable to consummate the same.

(e) No Violations. Transferor has received no written notice of any violation of, any law, regulation, ordinance, order or judgment affecting the Property.

(f) No Unrecorded Matters. Except as previously disclosed to Transferee, Transferor has no actual knowledge of any unrecorded easements, restrictions or encumbrances affecting all or any part of the Property, and there are no persons or entities occupying any portion of the Property other than pursuant to the Licenses.

(g) Work Paid For. Transferor has paid for any work performed or materials provided for the benefit of the Property in the last 120 days.

(h) Environmental Matters. The Transferor has not received any written notice that the Property is not in compliance with all Environmental Laws (defined below) or that any environmental condition exists which would require remediation. To Transferor's actual knowledge, there are no pending or threatened actions or proceedings against Transferor that would affect the Property or against the Property alleging a violation of Environmental Laws. Transferor has never disposed of any Hazardous Waste (defined below) on or about the Property; and Transferor has no actual knowledge of, any Hazardous Waste having ever been disposed of on or about the Property excepting in the ordinary course of operating the Property and in accordance with applicable Environmental Laws, except as follows:

NONE

The term "**Hazardous Substances**" shall have the following meaning when used herein: any toxic or hazardous waste or substances, including without limitation, asbestos, PCBs, PFAS, and substances defined as "hazardous substances" or "toxic substances" in the Environmental Laws. The term "**Environmental Laws**" shall have the following meaning when used herein: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9061 et. seq., the Minnesota Environmental Response and Liability Act, Minn. Stat. §115B.01 et seq., the Hazardous Materials Transportation Act, 49 U.S.C. §1802, the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et. seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et. seq. (as all of the foregoing have been be amended) and any other applicable federal, state or local environmental statutes, ordinances or laws.

(i) No Warranties. Except as otherwise expressly provided for herein (including matters concerning the status of title to the Property to be conveyed to Transferee at Closing), Transferor conveys the Property in **AS IS, WHERE IS AND WITH ALL FAULTS** condition without any warranty, express or implied, with regard to the physical condition of the Property or the fitness therefor for any particular use or purpose.

5.2 Interim Responsibilities of Transferor. Transferor hereby covenants and agrees that during the period from the date hereof through Closing, Transferor shall assume all risks of casualty or loss to the Property. Transferor shall keep all existing insurance policies affecting the Property or any portion thereof in full force and effect and the proceeds from any claims thereon shall be payable to the Transferee, provided that the Closing occurs. Transferor shall not enter into new licenses, leases, or any other obligations or agreements affecting the Property without the prior written consent of Transferee, except that consent shall be deemed given if Transferee is the recipient of the license or interest in question. Transferor shall not, without the prior written consent of Transferee, convey any interest in the Property, and Transferor will not subject the Property to any additional liens, encumbrances, covenants, conditions, easements, rights of way or similar matters, except that consent shall be deemed given with respect to any potential liens for work or materials provided, if such work is to be performed by or at the direction of Transferee under a license granted under Section 4.2(c).

5.3 Transferee's Warranties and Representations. Transferee warrants and represents as follows (with such warranties and representations to be effective as of the date hereof and as of Closing):

(a) Legal Existence. Transferee is a public body corporate and politic and a political subdivision under the laws of the State of Minnesota. Transferee has full power and lawful authority to enter into this Agreement and all agreements necessary to effectuate the transactions which are contemplated under this Agreement.

(b) Authority/No Violation. The execution, delivery and performance of this Agreement have each been duly authorized by all necessary action on the part of Transferee. This Agreement and the related agreements each constitutes the legal, valid and binding obligation of Transferee, enforceable in accordance with its terms. Transferee's execution, delivery and performance of this Agreement and the related agreements does not and will not (i) constitute a breach or violation of any law, rule, regulation, material agreement, to which Transferee is a party or by which Transferee is bound or affected, or (ii) constitute a violation of any order by which Transferee is bound or affected.

ARTICLE 6

DUE DILIGENCE ONGOING; OPTION TO CANCEL

6.1 Transferee represents that it has performed certain due diligence related to the property including physical and environmental inspections and engineering studies, and at present is satisfied that the Property is fit for Transferee's intended use. Transferor and Transferee agree and acknowledge that Transferee may continue to perform due diligence related to the Property including title examination and environmental, geotechnical and other testing. Transferee shall provide Transferor with reasonable notice of any on-site due diligence. Transferee shall repair any damage resulting from Transferee's inspection and testing activities and shall return the Property to substantially the same condition as existed prior to the inspection and testing. Between the date of this Agreement and the Date of Closing, Transferee may cancel this Agreement upon notice to Transferor as directed under Section 8.5, below. Transferor may cancel this agreement upon notice as directed under Section 8.5, below, if any of Transferee's warranties in section 5.3 become materially inaccurate before the Date of Closing.

ARTICLE 7

TITLE

7.1 Title Insurance. Transferee may at Transferee's expense commission and acquire an ALTA commitment for marketable title insurance on the Property (the "**Commitment**", including all documents referred to therein which must be attached to the Commitment) issued by Title Mark, LLC ("**Title Insurer**") committing the Title Insurer to issue title insurance (the "**Title Policy**") to the Property in the amount of the market value of the Property. Transferor shall reasonably cooperate with Transferee to clear any objections to title identified by Transferee easements, covenants, conditions, restrictions, liens and encumbrances excepting Permitted Exceptions (as herein defined). "**Permitted Exceptions**" shall include: (i) recorded easements for the distribution of utility and municipal services, municipal and zoning ordinances, recorded building and use restrictions and covenants (provided none of the foregoing limit or impair the current use of the Property); (ii) Property Taxes levied in years subsequent to Closing; (iii) all encroachments of buildings, fences, and other improvements by adjacent property owners, which are acknowledged by both Transferor and Transferee; and (iv) those matters set forth in the Commitment which Transferee does not object to. Transferor shall, at closing, deliver for the benefit of Transferee and the Title Insurer, a customary and typical owner's affidavit. Transferee reserves the right to cancel this Agreement if unacceptable conditions of title are identified by its title investigation.

## ARTICLE 8

## GENERAL PROVISIONS

8.1 Entire Agreement. This document contains the entire Agreement between Transferee and Transferor with respect to the sale of the Property and it shall inure to the benefit of and shall bind the parties hereto, their respective heirs, executors, successors or assigns.

8.2 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Minnesota, without regard to its conflict of law provisions.

8.3 Modifications; Electronic Signatures. This Agreement may be amended or modified only by written instrument duly executed by both of the parties hereto. Except for documents required by the Title Insurer to be delivered with original signatures, electronic signatures shall be deemed originals and transmittal by pdf/e-mail shall be deemed delivery with regard to all documents or instruments to be executed and delivered pursuant to this Agreement.

8.4 Severability of Provisions. In case any one or more of the provisions contained in this Agreement 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 provision hereof, and this Agreement shall be construed as if the invalid, illegal or unenforceable provision had never been contained herein.

8.5 Notices. Any notice required hereunder shall be given in writing, signed by the party giving notice, personally delivered, sent by facsimile to the numbers indicated, or mailed by certified or registered mail, return receipt requested, to the parties' respective addresses as set forth below:

To Transferee: City of Chaska
Attention: City Administrator
One City Hall Plaza
Chaska, MN 55318

With Copy to: Christophe L. Morschen
Melchert Hubert Sjodin, PLLP
121 West Main Street, Suite 200
Waconia, MN 55387
Email: cmorschen@mhslaw.com

To Transferor: American Legion Post No. 57
Attn:________
102 4TH ST W
CHASKA MN 55318

With Copy to:

Notices shall be deemed delivered (a) in the case of personal delivery, on the date when personally delivered; (b) in the case of overnight delivery, on the date of confirmed delivery to the recipient at the above-stated address; or (c) in the case of certified or registered mail, on the date when deposited in the United States mail with sufficient postage to effect such delivery.

Notwithstanding the foregoing, Transferee may waive or satisfy the contingencies or conditions associated with its obligations hereunder by United States mail, first class, proper postage affixed (deemed effective upon such mailing) or by facsimile or to the respective email address listed above (deemed effective upon transmittal provided there is confirmation of receipt). Notice delivered to above-listed legal counsel shall be effective as though given directly to Transferor or Transferee, respectively.

8.6 Time of Essence. Time is of the essence.

8.7 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

8.8 Litigation. In connection with any litigation arising out of this Agreement, the prevailing party shall be awarded all costs incurred in relation to such litigation, including reasonable attorneys' fees and expenses.

8.9 Headings. Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

8.10 Survival and Other Limitations. Subject to the following limitations, the terms and conditions of this Agreement, including all warranties and representations, shall survive the Closing. Notwithstanding the foregoing, any claim for breach of any warranty, representation or covenant made hereunder by either party must be made or asserted on or before December 31, 2026.

8.11 Indemnification. Whenever under this Agreement one party owes a duty of indemnification to the other party, such duty shall include indemnification for the indemnified party's reasonable attorneys' fees and expenses.

8.12 Intentionally Omitted.

8.13 Construction. Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise. The words "herein", "hereof", "hereunder", and other similar compounds of the word "here" when used in this Agreement shall refer to the entire Agreement and not to any particular provision or section. If the last day of any time period stated herein shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday. The term "business" days shall mean any day of the week other than Saturday, Sunday or a legal holiday.

8.14 Further Acts. In addition to the acts recited in this Agreement to be performed by Transferor and Transferee, Transferor and Transferee agree to perform or cause to be performed at the Closing or after the Closing any and all such further acts as may be reasonably necessary to consummate the transactions contemplated hereby.

**[SIGNATURE ON NEXT PAGE FOLLOWING]**

IN WITNESS WHEREOF, Transferor has made this Agreement as of the date first above written.

**TRANSFEROR**:
American Legion Post # 57, a Minnesota nonprofit corporation

By: _____________________________

Its: ______________________________

**[SIGNATURE PAGE FOLLOWING]**

IN WITNESS WHEREOF, Transferee has made this Agreement as of the date first above written.

**TRANSFEREE:**

Economic Development Authority of the City of Chaska

By: ________________________________________
Taylor Hubbard, President

By: ________________________________________
Matt Podhradsky, Executive Director

**EXHIBIT A**

**Depiction of the Property**

**[Insert Diagram of Property]**

## EXHIBIT B

### Legal Description of the Property

The Westerly 52 feet of Lot 5, Block 22, City of Chaska, Excepting therefrom the Westerly 32 feet thereof, all according to the map or plat thereof on file and of record in the office of the County Recorder, Carver County, Minnesota.

## EXHIBIT C

### Quitclaim Deed

(Top 3 inches reserved for recording data)

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**QUIT CLAIM DEED**
**Business Entity to Business Entity**

eCRV number: N/A
DEED TAX DUE: $_______________ DATE: ___________________, 2026

FOR VALUABLE CONSIDERATION, American Legion Post # 57, a Minnesota nonprofit corporation ("**Grantor**"), hereby conveys and quitclaims to the Economic Development Authority of the City of Chaska, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota ("**Grantee**"), real property in Carver County, Minnesota, legally described as follows:

> The Westerly 52 feet of Lot 5, Block 22, City of Chaska, Excepting therefrom the Westerly 32 feet thereof, all according to the map or plat thereof on file and of record in the office of the County Recorder, Carver County, Minnesota.

*Check here if all or part of the described real property is Registered (Torrens)* ☐

together with all hereditaments and appurtenances belonging thereto.

*Check applicable box:*

☒ The Grantor certifies that the Grantor does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: **[…]**.)
☐ I am familiar with the property described in this instrument and I certify that the status and number
of wells on the described real property have not changed
since the last previously filed well disclosure certificate.

[Signature Page Follows]

Signature Page

**GRANTOR:**

________________________________
(signature)

________________________________
(printed name)

________________________________
(Title)

STATE OF MINNESOTA )
) SS.
COUNTY OF _______ )

This instrument was acknowledged before me on _________, (date) by _____________________, the ___________ of American Legion Post # 57, a Minnesota nonprofit corporation, on behalf of the nonprofit corporation.

(Stamp)

________________________________
*(signature of notarial officer)*

Title (and Rank): Notary Public

My commission expires: _______
*(month/day/year)*

THIS INSTRUMENT WAS DRAFTED BY:
**MELCHERT HUBERT SJODIN, PLLP**
**ATTORNEYS AT LAW**
**121 WEST MAIN STREET, SUITE 200**
**WACONIA, MN 55387 (clm)**

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

**City of Chaska**
**Attn: Noel Graczyk**
**1 City Hall Plaza**
**Chaska, MN 55318**

**<u>EXHIBIT D</u>**
**EASEMENT**

**(Top 3 inches reserved for recording data)**

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**Easement**

DATE: ___________________, 2026

The Economic Development Authority of the City of Chaska, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota ("**Grantor**"), owns real property in Carver County, Minnesota, legally described as follows:

> The Westerly 52 feet of Lot 5, Block 22, City of Chaska, Excepting therefrom the Westerly 32 feet thereof, all according to the map or plat thereof on file and of record in the office of the County Recorder, Carver County, Minnesota.
>
> (the **"Property"**).

FOR VALUABLE CONSIDERATION, Grantor hereby grants to American Legion Post # 57, a Minnesota nonprofit corporation ("**Grantee**"), a non-exclusive, non-assignable easement in gross over the following described property:

> The Westerly ten (10) feet of the Property (the **"Seating Area"**)
>
> and
>
> The Southerly five (5) feet of the Property (the **"Walkway"**).

Grantee's easement includes the right to use the Seating Area for accessory seating for Grantee's adjacent property, including as outdoor area of premises for any liquor license held by Grantee, and for Grantee's programming (i.e. bean bag league, etc.). Grantee shall leave the parts of the Walkway outside of the Seating Area clear for pedestrian use. Nothing in this grant of easement shall abrogate any generally applicable requirements for Grantor's review of any license or other approval requested by Grantee from Grantor or from the City of Chaska or require Grantor or the City of Chaska to grant such an approval.

Grantee shall indemnify and hold Grantor harmless from any claims or damages arising from Grantee's use of the easement area including use by any patrons, guests, invitees of Grantee on the easement.

Grantee hereby acknowledges that Grantor intends to finance its costs of the acquisition of the Property through the issuance of bonds (the **"Bonds"**), the interest on which is intended to be exempt from gross income of the owners thereof for federal income tax purposes. Therefore, while any portion of the Bonds remain outstanding, Grantee may terminate or amend the terms of this Easement in such a manner as may be required by the Internal Revenue Code of 1986 to preserve the tax-exempt status of the Bonds.

This Easement shall terminate if Grantee transfers to any third party its real property interests in the property legally described as:

> Lot 5, Block 22, City of Chaska, Excepting therefrom the Westerly 52 feet thereof, all according to the map or plat thereof on file and of record in the office of the County Recorder, Carver County, Minnesota.

[Signature Page Follows]

Signature Page

**GRANTOR:**

______________________________
(signature)

______________________________
(printed name)

______________________________
(Title)

STATE OF MINNESOTA )
) SS.
COUNTY OF _______ )

This instrument was acknowledged before me on _________, (date) by _____________________, the ___________ of the Economic Development Authority of the City of Chaska, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota, on behalf of the body corporate and politic.

(Stamp)

______________________________
*(signature of notarial officer)*

Title (and Rank): Notary Public

My commission expires: _______
*(month/day/year)*

THIS INSTRUMENT WAS DRAFTED BY:
**MELCHERT HUBERT SJODIN, PLLP**
**ATTORNEYS AT LAW**
**121 WEST MAIN STREET, SUITE 200**
**WACONIA, MN 55387 (clm)**

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

**City of Chaska**
**Attn: Noel Graczyk**
**1 City Hall Plaza**
**Chaska, MN 55318**

## <u>Exhibit E</u>

Improvements to HVAC Fence

Replace existing metal fencing with a more decorative 8ft privacy fence.

Fence will have removable panels and/or gates to allow access to utilities.

Fence posts will also support overhead string lights across to the History building – with a 12ft clear height.

Replace existing fence/gate with a more decorative gate at the masonry trash enclosure.

Existing masonry walls/pillars will stay in place.

# REQUEST FOR ACTION
# CHASKA ECONOMIC DEVELOPMENT AUTHORITY
# 6/15/2026

**Subject:** **Adopt Resolution EDA 2026-58 Ratifying the Sale of Chaska EDA Series 2026A Bonds**

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

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**Overview**

On Wednesday, June 10, 2026, the Chaska EDA completed issuance and sale of Chaska EDA Lease Revenue Bonds, Series 2026A through a competitive bidding process. This series of bonds was issued on behalf of the City of Chaska and will be used to fund site acquisition and construction of a new Municipal Services Building as well as improvements to the City Hall Plaza. At this time, the Chaska EDA will need to adopt a resolution ratifying the completed bond sale.

**Background**

Authorization for issuance of bonds was previously requested and established by resolutions adopted on May 4, 2026, by both the City and the Economic Development Authority of the City of Chaska (Chaska EDA). These resolutions establish maximum parameters to permit issuance and completion for sale for bonds. Parameters as established were a PAR amount of less than $57,700,000 and a True Interest Cost (TIC) of less than 6%.

A total of six bids were received with Wells Fargo Bank, N.A. being the winning bidder with the lowest TIC at 4.3999%. This winning bid includes issuance premium which was then used to increase construction funding for the City Hall Plaza by $500,000 for a total project cost of $4.0 million and reduce the final total PAR amount of issuance. This $385,000 reduction in the PAR Amount reduces annual debt service costs over the thirty-year term of the bonds. Here is a summary of the issuance process and final sale results.

| Issuance Process | PAR Amount | TIC |
|---|---|---|
| Parameter Resolutions - Maximums | $57,700,000 | 6% |
| Preliminary Official Statement | $55,380,000 | n/a |
| Winning Bid | $55,380,000 | 4.3999% |
| Bid Range (Six Bids) | n/a | 4.3999 - 4.4853% |
| Cover Bid (Next Lowest TIC) | n/a | 4.4115 |
| Final Revised Agreement with Wells Fargo Bank, N.A. | $55,765,000 | 4.387130% |

The proposed resolution ratifying the sale of Chaska EDA Series 2026A bonds has been prepared by Dorsey and Whitney, LLP, Bond Counsel to both the City of Chaska and Chaska EDA. The proposed resolution also authorizes execution of documents to transfer ownership of various City of Chaska real-estate parcels to the Chaska EDA as pledged to secure the EDA Series 2026A bonds.  Included with the proposed resolution are the following documents related to issuance of EDA Series 2026A for review.

1. Lease Purchase Agreement by and between Chaska EDA and the City of Chaska.
2. Trust Indenture by and between Chaska EDA and U.S. Bank Trust Company, N.A.

As part of offering bonds for sale, the City and the Chaska EDA issued several documents as part of the primary disclosure process. The following documents are attached for review and ratification.

1. S&P Global Rating Report
    - This document assigns a "AA-", "Stable" rating to the bonds
    - It also affirms the "AA", "Stable" rating on outstanding City G.O. debt.
2. Preliminary Official Statement
    - Offering document for sale of bonds
    - Includes on the cover the "AA-", "Stable" rating from S&P Global
3. Bid Tabulation from a Competitive Sale
4. Final Agreement with Wells Fargo Bank, N.A.

**Recommendation by Staff**

The action before the Chaska EDA will be to adopt the proposed resolution ratifying the completed sale of Chaska EDA, Series 2026A. Staff recommends approval of the proposed resolution.

**Chaska EDA Action Requested**

Motion to adopt Resolution EDA 2026-58 Ratifying the Sale and Authorizing the Issuance of $55,765,000 Lease Revenue Bons, Series 206A, and Authorizing Execution of Related Documents.

CERTIFICATION OF MINUTES RELATING TO CITY OF CHASKA
ECONOMIC DEVELOPMENT AUTHORITY LEASE REVENUE BONDS, SERIES 2026A

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 June 15, 2026, at 7:30 p.m., at the City Hall.

Commissioners Present:

Commissioners Absent:

Documents Attached:
Minutes of said meeting, including:

RESOLUTION NO. EDA 2026-58

RESOLUTION RATIFYING THE SALE AND AUTHORIZING THE ISSUANCE OF $55,765,000 LEASE REVENUE BONDS, SERIES 2026A; AND AUTHORIZING EXECUTION OF 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 ___________________, 2026.

_______________________________________
Executive Director

4897-3660-5602\1

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

RESOLUTION NO. EDA 2026-58

RESOLUTION RATIFYING THE SALE AND AUTHORIZING THE ISSUANCE OF $55,765,000 LEASE REVENUE BONDS, SERIES 2026A; AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

BE IT RESOLVED by the Board of Commissioners (the "Board") of the Economic Development Authority (the "Authority") of the City of Chaska, Minnesota (the "City"), as follows:

SECTION 1. RATIFICATION OF SALE.

1.01. Authorization.

Acting pursuant to Minnesota Statutes, Section 469.012, subdivision 1(h), and Minnesota Statutes, Sections 469.033 and 469.034, and Chapter 475, this Board, by resolution adopted on May 4, 2026 (the "Authority Resolution"), and a concurring resolution adopted by the City Council of the City on May 4, 2026 (the "City Resolution," and, together with the Authority Resolution, the "Resolutions"), approved the issuance and authorized the sale of the Authority's Lease Revenue Bonds, Series 2026A (the "Bonds"), and further authorized the President and the Executive Director (or Board member designated by the President), to approve the sale of the Bonds and enter into a bond purchase agreement with a purchaser; provided the aggregate principal amount does not exceed $57,700,000 and the true interest costs for the Bonds does not exceed 6.0% per annum.

1.02. Ratification of Sale.

The Authority retained Baker Tilly Municipal Advisors LLC ("Baker Tilly"), municipal advisor, to assist the Authority in connection with the sale of the Bonds on a competitive basis. The Authority has received a proposal from Wells Fargo Bank, National Association, in Charlotte, North Carolina, to purchase the Bonds, and such proposal is within the parameters for sale established in the Authority Resolution. The Purchaser has agreed to purchase the Bonds in the principal amount of $55,765,000 and true interest cost of 4.3871305%, at a price of $56,958,080.92 plus accrued interest, if any, on all Bonds to the day of delivery and payment, on the further terms and conditions hereinafter set forth. The sale of the Bonds to the Purchaser and the execution of the bond purchase agreement by the Executive Director and President, are hereby ratified in all respects.

SECTION 2. BOND TERMS; EXECUTION AND DELIVERY.

2.01. Issuance of Bonds.

All acts, conditions and things which are required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen and to be performed precedent to and in the valid issuance of the Bonds having been done, now existing, having happened and having been performed, it is now necessary for the Board to establish the form and terms of the Bonds, to provide security therefor and to issue the Bonds forthwith.

2.02. Terms of the Bonds; Form of Bonds.

The Bonds are designated the "Lease Revenue Bonds, Series 2026A." 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 are set forth in the Indenture of Trust (the "Indenture") between the Authority and U.S. Bank Trust Company, National Association, as trustee (the "Trustee"). The Bonds shall be prepared in substantially the form found in the Indenture.

The Bonds are special, limited obligations of the Authority payable solely from rental payments (the "Rental Payments") to be received by the Authority from the City pursuant to an Lease Agreement between the Authority and the City dated July 1, 2026 (the "Lease Agreement"). The Bonds are issued pursuant to the Indenture and the Resolutions.

SECTION 3. EXECUTION OF DOCUMENTS

The Lease Agreement and the Indenture are hereby approved, and the President and the Executive Director of the Authority, or any one or more authorized designees, are hereby authorized to execute the Lease Agreement and the Indenture.

The President and Executive Director, or any one or more authorized designees, are hereby further authorized and directed to execute and deliver such other documents, instruments, certificates, and agreements as are required to accomplish the issuance of the Bonds in the name of and on behalf of the Authority, any real estate matters relating to the Land (as described in the Indenture), including any quit claim deeds relating thereto, and the transactions contemplated in connection with the issuance of the Bonds, with such variations, omissions, deletions and insertions as the President and Executive Director or the authorized designee(s) shall approve, which approval shall be conclusively presumed by the execution and delivery of the documents by the President and Executive Director or the authorized designee(s).

SECTION 4. 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 5. 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 6. 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 7. 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, 2025, 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 A – 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) Manner of Disclosure.

(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 8. TAX MATTERS.

8.01. 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.

8.02. 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.

8.03. Arbitrage Rebate. The Authority acknowledges that the Bonds are subject to the rebate requirements of Section 148(f) of the Code. The Authority 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.

8.04. 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 9. 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.

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.

**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, 2026

Relating to:

LEASE REVENUE BONDS, SERIES 2026A

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, 2026 (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:

# 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 2026A 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, (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; (v) 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming, or (vi) those permitted encumbrances listed in Exhibit A hereto.

*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.

*Series 2026A Bonds* means the $55,765,000 Lease Revenue Bonds, Series 2026A, 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 Land and Certain Permitted Encumbrances

*Exhibit B*. Description of Improvements

*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 40 years and the Project is essential for the carrying out of the governmental purposes of the City.

(k) The obligation created by this Lease ($55,765,000), 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 and the Trustee a Completion Certificate 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, 2054 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 proceeds of 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.

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

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. 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 this Lease or the Indenture. For the avoidance of doubt, the City and the Authority are expressly permitted to record any documents and take any other actions as may be necessary to consolidate all or any portion of the Land and the Project with other property of the Authority, and no such recordings or actions shall be construed or interpreted as violative of any provision, covenant or negative covenant contained herein. Further, the term "Permitted Encumbrances" shall include any encumbrance recorded in connection with any such consolidation. Further, the City and the Authority are expressly permitted to encumber or license no more than 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming.

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 )<br>
) ss.<br>
COUNTY OF CARVER )

This instrument was acknowledged before me on this _____ day of __________, 2026, 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 _______, 2026, 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 AND CERTAIN PERMITTED ENCUMBRANCES

DESCRIPTION OF LAND [TO BE UPDATED AFTER LOT COMBINATION]

City Hall Plaza PID 305460030

Tract C, REGISTERED LAND SURVEY NO. 114, files of Registrar of Titles.

EXCEPT that part of Tract C, of REGISTERED LAND SURVEY NO. 114, Carver County, Minnesota, as filed with the Registrar of Titles, described as follows:

Commencing at the northwest corner of Tract A of said REGISTERED LAND SURVEY NO. 114; thence on an assumed bearing of South 14 degrees 58 minutes 00 seconds East along the westerly line of said Tract A, a distance of 21.00 feet; thence South 59 degrees 58 minutes 00 seconds East along said westerly line, a distance of 0.86 feet to the point of beginning; thence South 14 degrees 35 minutes 15 seconds East, a distance of 2.99 feet; thence South 59 degrees 25 minutes 23 seconds East, a distance of 12.39 feet; thence North 75 degrees 29 minutes 07 seconds East, a distance of 3.20 feet to the westerly line of said Tract A; thence North 59 degrees 58 minutes 00 seconds West along said westerly line, a distance of 16.77 feet to the point of beginning.

(Torrens property – Certificate No. 27471A)

City Hall Plaza PID 300501290 [Pledging or not?]

The West 32 feet of Lot 5, and the West 32 feet of the South 1 foot and 9 inches of Lot 4, all in Block 22 of the City of Chaska, together with that portion of vacated Fourth Street, being a strip 2 feet in width, South of and adjacent to the Southerly line of above-described land, Carver County, Minnesota.

(Abstract)

City Hall Plaza PID 300501251

Lots 1, 2, 3, 4, 9 and 10, Block 22, City of Chaska, excepting therefrom the following SIX tracts of land:

Tract 1. That part of Lot 2, Block 22, Townsite (now City) of Chaska, described as follows, to-wit: Commencing at the southeast corner of said Lot 2; thence west along the south line of said Lot 2, 50 feet 4 inches to a point; thence north, parallel with the east line of said Lot 2 a distance of 16 feet 2 inches to the actual point of beginning; thence south along the last described line, 16 feet 2 inches to the south line of said Lot 2; thence east along the south line of said Lot 2, 50 feet

4 inches to the southeast corner of said Lot 2; thence north, along the east line of said Lot 2, 36 feet; thence west parallel to the south line of said Lot 2, 30 feet 6 inches to a point; thence southwesterly in a straight line to the point of beginning.

Tract 2. The Northerly 42 feet of Lot 3, Block 22, City of Chaska, Carver County, Minnesota except that part of Lot 3, Block 22, City of Chaska, Carver County, Minnesota described as follows: The Westerly 70.50 feet of said Lot 3 (as measured along the Northerly and Southerly lines of Lot 3) of the Northerly 42 feet of said Lot 3 (as measured along the Easterly and Westerly lines of said Lot 3).

Tract 3. Registered Land Survey No. 114, Files of the Registrar of Titles, Carver County, Minnesota

Tract 4. That part of Lot 4, Block 22, Town of Chaska, Carver County, Minnesota, described as follows: Beginning at the southeast corner of said Lot 4; thence South 75 degrees 02 minutes 00 seconds West (assumed bearing) 84.00 feet along the south line of said Lot 4; thence North 14 degrees 58 minutes 00 seconds West 21.02 feet to the southwest corner of Tract B, Registered Land Survey No. 1114; thence North 74 degrees 43 minutes 59 second East 84.07 feet along the south line of said Tract B to the east line of said Lot 4; thence South 14 degrees 47 minutes 38 seconds East 21.46 feet along said east line of Lot 4 to the point of beginning.

Tract 5. The West 32 feet of the South 1 foot 9 inches of Lot 4, Block 22, City of Chaska, Carver County, Minnesota.

Tract 6. Registered Land Survey No. 119, Files of the Registrar of Titles, Carver County, Minnesota

(Abstract)

City Hall Plaza PID 300501300 [Newly Acquired (Formerly Legion) Property]

[TO COME]

Municipal Services Building PID 306920010

Lot 1, Block 1, CHASKA CLUB WEST INDUSTRIAL, Carver County, Minnesota.

CERTAIN PERMITTED ENCUMBRANCES

Encumbrances currently of record.

**EXHIBIT B**

DESCRIPTION OF IMPROVEMENTS

The construction and equipping of a new approximately 148,000 square foot municipal services building and improvements to City Hall Plaza. Renderings included below.

Municipal Services Building


City Hall Plaza

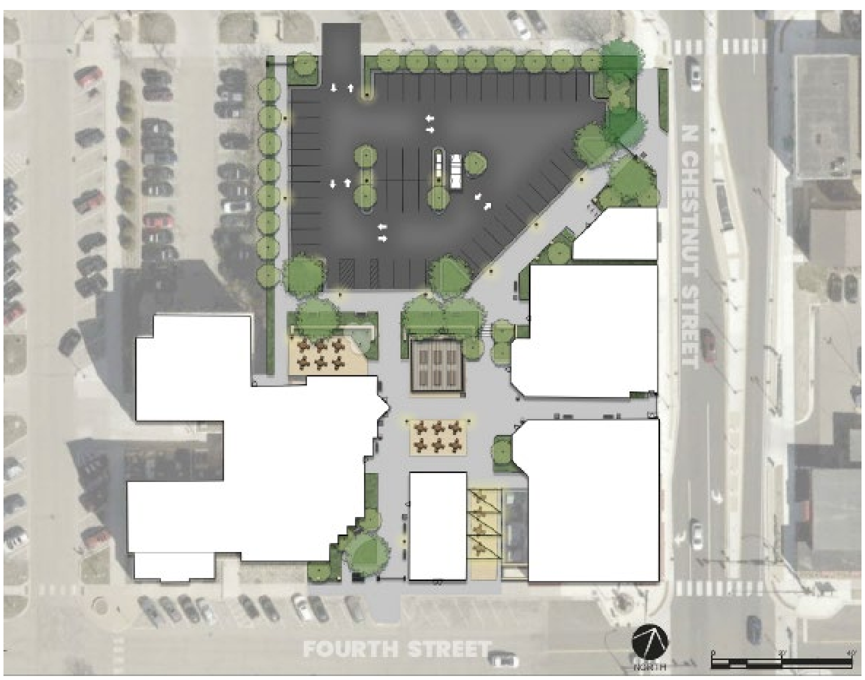

EXHIBIT C

COMPLETION CERTIFICATE

The undersigned, being a duly appointed City Representative under the Lease-Purchase Agreement, dated as of July 1, 2026 (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, 2026

Relating to:

LEASE REVENUE BONDS, SERIES 2026A

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, 2026 (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 of a portion of the Land (as hereinafter defined) and the acquisition and construction of the Improvements (as hereinafter defined) to the Land 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 2026A, in the aggregate principal amount of $55,765,000 (the "Series 2026A Bonds" and together with any Additional Bonds, the "Bonds"), which Series 2026A Bonds shall be fully registered bonds as hereinafter provided;

WHEREAS, the proceeds of the Series 2026A 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 2026A 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 2026A 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 4, 2026 and June 15, 2026 (collectively, 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 2026A 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, and (ii) 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 resolutions of the Authority adopted by the Board of Commissioners of the Authority on May 4, 2026, and June 15, 2026 respectively, authorizing the issuance and sale of the Series 2026A 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 2026A 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.

*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.

*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.

*Improvements* means the improvements to the Land, which improvements are described on Exhibit C.

*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, 2026, between the Authority, as lessor, and the City, as lessee, relating to the Series 2026A 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 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, and includes, for the avoidance of doubt, the acquisition of a portion of the Land via the refinancing of that certain Lease-Purchase Agreement between Security Bank & Trust Co, as lessor, and the City, as lessee, dated as of January 16, 2025.

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

*Project Fund* 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.

*Responsible Officer* means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Indenture.

*Series 2026A Bonds* means the $55,765,000 Lease Revenue Bonds, Series 2026A, 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 2026A Bonds.

The Series 2026A Bonds to be issued and secured under this Indenture shall each be designated “Lease Revenue Bonds, Series 2026A.” The Series 2026A 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 2026A 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 2026A Bonds shall bear a date of original issue as of July 9, 2026. No Series 2026A Bond shall represent principal payable or maturing in different years. The Series 2026A Bonds shall bear interest payable semiannually on February 1 and August 1 of each year, commencing February 1, 2027, 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 2026A 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 2026A 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 2026A 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 2026A Bonds, and shall give all notices with respect to the Series 2026A 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 2026A 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 2026A Bonds shall be issued in the aggregate principal amount of $55,765,000, 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:

| Year | Amount ($) | Rate (%) | Year | Amount ($) | Rate (%) |
|---|---|---|---|---|---|
| 2028 | 1,055,000 | 5.000 | 2043 | 1,795,000 | 4.000 |
| 2029 | 1,110,000 | 5.000 | 2044 | 1,865,000 | 4.000 |
| 2030 | 1,160,000 | 5.000 | 2045 | 1,940,000 | 4.125 |
| 2031 | 1,220,000 | 5.000 | 2046 | 2,020,000 | 4.250 |
| 2032 | 1,280,000 | 5.000 | 2047 | 2,105,000 | 4.250 |
| 2033 | 1,345,000 | 5.000 | 2048 | 2,195,000 | 4.375 |
| 2034 | 1,410,000 | 5.000 | 2049 | 2,290,000 | 4.500 |
| 2035 | 1,485,000 | 5.000 | 2050 | 2,395,000 | 4.500 |
| 2036 | 1,555,000 | 5.000 | 2051 | 2,505,000 | 4.500 |
| 2037 | 1,635,000 | 5.000 | 2052 | 2,615,000 | 4.500 |
| 2038 | 1,710,000 | 5.000 | 2054 | 5,585,000 | 4.500 |
| 2039 | 1,800,000 | 5.000 | 2056 | 6,100,000 | 4.625 |
| 2040 | 1,890,000 | 5.000 | | | |
| 2041 | 1,990,000 | 5.000 | | | |
| 2042 | 1,710,000 | 5.000 | | | |

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 2026A 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) 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;

(v) If the Additional Bonds are issued for an advance refunding described in clause (3) 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

(vi) If the Additional Bonds are issued for the purpose described in clause (3) 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 February 1 and August 1, and Principal Payment Dates of February 1.

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 2026A Bonds maturing in 2037 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 on or after February 1, 2036, at a redemption price equal to the principal amount thereof plus accrued interest to the redemption date.

Series 2026A Bonds maturing on February 1, 2054 and February 1, 2056 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 2026A Bonds Maturing in February 1, 2054

| Year | Amount |
|---|---|
| 2053 | $2,730,000 |
| 2054* | 2,855,000 |

*stated maturity

Series 2026A Bonds Maturing in February 1, 2056

| Year | Amount |
|---|---|
| 2055 | $2,980,000 |
| 2056* | 3,120,000 |

*stated maturity

The Series 2026A 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 2026A 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 2026A Bonds to deposit with the Trustee, all of the net proceeds of the sale of the Series 2026A 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 Project Fund the amount of $54,889,269.95;

(ii) Pay the costs of issuance of the Series 2026A Bonds, as set forth in Exhibit E, in the amount of $208,860.00; and

(iii) Deposit to the credit of the Bond Fund the balance of such net proceeds in the amount of $1,359,950.97 to pay capitalized interest.

Section 4.02 Establishment of Project Fund. The Authority hereby establishes a fund with the Trustee entitled the “Series 2026A 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 2026A 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 2026A 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 2026A 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. Notwithstanding the foregoing, the amount of $3,645,000 may be paid from the Project Fund without a draw request to accomplish the refinancing of that certain Lease-Purchase Agreement between Security Bank & Trust Co, as lessor, and the City, as lessee, dated as of January 16, 2025; the Trustee shall be directed to make such payment pursuant to a closing memorandum or closing flow of funds prepared by Baker Tilly Municipal Advisors, LLC and executed by any officer or employee of the City or the Authority.

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 2026A 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 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 2026A Bonds shall be invested or used in such manner that any of the Series 2026A 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 2026A Bonds are outstanding, a Series 2026A 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 2026A Bonds.

Section 5.02 Reserved.

Section 5.03 Investment of Funds in Bond Fund. Any money held as a part of the Bond Fund shall be invested or reinvested by the Trustee upon the request and direction of a City Representative in any Qualified Investment. 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 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.

In the absence of written directions delivered to the Trustee from the City, the Trustee shall leave funds uninvested. 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 Bond Fund, 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 Bond Fund. Any interest accruing on and any profit realized from such investment shall be credited to the Bond Fund.

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. 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 2026A 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. For the avoidance of doubt, the City and the Authority are expressly permitted to record any documents and take any other actions as may be necessary to consolidate all or any portion of the Land and the Project with other property of the Authority, and no such recordings or actions shall be construed or interpreted as violative of any provision, covenant or negative covenant contained herein. Further, the term "Permitted Encumbrances" (as defined in the Lease) shall include any encumbrance recorded in connection with any such consolidation. Further, the City and the Authority are expressly permitted to encumber or license no more than 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming.

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 in Section 7.01(i) or (ii), 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.

Section 8.03 Trustee Not Responsible for Indenture Statements, Validity. 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.

Section 8.04 Limits on Duties and Liabilities of Trustee. 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.

Section 8.05 Money Held in Trust. 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.

Section 8.06 Obligation of Trustee. 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 2026A 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 Authority 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 Authority 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 2026A 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 2026A 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 2026A 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 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 2026A 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<br>111 Fillmore Avenue E<br>St. Paul, Minnesota 55107<br>Attn: Corporate Trust Services |
| To the Authority: | Economic Development Authority of the City of Chaska, Minnesota<br>One City Hall Plaza<br>Chaska, Minnesota 55318<br>Attn: Executive Director |
| To the City: | City of Chaska<br>One City Hall Plaza<br>Chaska, Minnesota 55318<br>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 _____________, 2026, 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 _________________, 2026, by _____________________________, the ______________________ of U.S. Bank Trust Company, National Association, a national trust company and banking association, as trustee.

________________________________________
Notary Public

**EXHIBIT A**

FORM OF SERIES 2026A 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 2026A

| Rate | Maturity | Date of Original Issue | CUSIP |
|---|---|---|---|
| | February 1, 20__ | July 1, 2026 | |

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, 2027, 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 $55,765,000 (the "Series 2026A 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 land and 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, 2026, between the Authority, as lessor, and the City, as lessee, relating to the Series 2026A Bonds (the "Lease"). The Bonds of this series are issued pursuant to a bond resolution of the Authority duly adopted May 4, 2026, and June 15, 2026 (collectively, the "Bond Resolution"), and a Trust Indenture, dated as of July 1, 2026 (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 2026A Bonds maturing in 2037 and later years are subject to redemption at the option of the Authority, on February 1, 2036 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 2026A 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 2026A Bonds maturing on February 1, 2054 and February 1, 2056 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 2026A 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 2026A 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 2026A Bonds called and accrued interest thereon. Upon the happening of the above conditions, Series 2026A 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 2026A 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 2026A Bonds are exchangeable for a like aggregate principal amount of Series 2026A 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 2026A 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

[To be copied from Lease after finalization.]

**EXHIBIT C**

DESCRIPTION OF IMPROVEMENTS

[To be copied from Lease after finalization.]

## EXHIBIT D

DRAW REQUEST NO. __________

LEASE REVENUE BONDS, SERIES 2026A

The undersigned, a duly authorized City Representative pursuant to that certain Trust Indenture, dated as of July 1, 2026 (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

**COSTS OF ISSUANCE DETAIL**

| | |
|---|---|
| Municipal Advisor (Baker Tilly Municipal Advisors) | $93,750.00 |
| Bond Counsel (Dorsey & Whitney) | 60,000.00 |
| Trustee and Trustee Counsel (U.S. Bank) | 8,500.00 |
| Rating Agency Fee (S&P) | 45,360.00 |
| Contingency | 500.00 |
| MuniPlatform | 750.00 |
| **TOTAL** | **$208,860.00** |

S&P Global Ratings

130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312-233-7000
reference no.: 1915431

May 27, 2026

City of Chaska
One City Hall Plaza
Chaska, MN 55318
Attention: Noel Graczyk, Administrative Services Director

Re: ***US$55,380,000 Chaska Economic Development Authority, Minnesota, Lease Revenue Bonds, (Chaska), Series 2026A, dated: Date of Delivery, due: February 1, 2056***

Dear Noel Graczyk

Pursuant to your request for an S&P Global Ratings rating on the above-referenced obligations, S&P Global Ratings has assigned a rating of "AA-". S&P Global Ratings views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

This letter constitutes S&P Global Ratings' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. However, permission for such dissemination (other than to professional advisors bound by appropriate confidentiality arrangements or to allow the Issuer to comply with its regulatory obligations) will become effective only after we have released the ratings on standardandpoors.com. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. Any such dissemination shall not be done in a manner that would serve as a substitute for any products and services containing S&P Global Ratings' intellectual property for which a fee is charged.

To maintain the rating, S&P Global Ratings must receive all relevant financial and other information, including notice of material changes to financial and other information provided to us and in relevant documents, as soon as such information is available. Relevant financial and other information includes, but is not limited to, information about direct bank loans and debt and debt-like instruments issued to, or entered into with, financial institutions, insurance companies and/or other entities, whether or not disclosure of such information would be required under S.E.C. Rule 15c2-12. You understand that S&P Global Ratings relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: pubfin_statelocalgovt@spglobal.com. If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website,

Please send hard copies to:
S&P Global Ratings
Public Finance Department
55 Water Street
New York, NY 10041-0003

The rating is subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the rating. In the absence of such Engagement Letter and Terms and Conditions, the rating is subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

ka
enclosures

cc: ***Christine Hogan***
***Matt Podhradsky***

S&P Global Ratings

**S&P Global Ratings**
**Terms and Conditions Applicable To Public Finance Credit Ratings**

General. The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice. Unless otherwise indicated, the term "issuer" means both the issuer and the obligor if the obligor is not the issuer.

All Credit Rating Actions in S&P Global Ratings' Sole Discretion. S&P Global Ratings may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in S&P Global Ratings' sole discretion. S&P Global Ratings may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of a credit rating engagement. S&P Global Ratings will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

Publication. S&P Global Ratings reserves the right to use, publish, disseminate, or license others to use, publish or disseminate a credit rating and any related analytical reports, including the rationale for the credit rating, unless the issuer specifically requests in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of S&P Global Ratings or its affiliates, S&P Global Ratings reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by S&P Global Ratings are not issued by or on behalf of the issuer or at the issuer's request. S&P Global Ratings reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. S&P Global Ratings may publish explanations of S&P Global Ratings' credit ratings criteria from time to time and S&P Global Ratings may modify or refine its credit ratings criteria at any time as S&P Global Ratings deems appropriate.

Reliance on Information. S&P Global Ratings relies on issuers and their agents and advisors for the accuracy and completeness of the information submitted in connection with credit ratings and the surveillance of credit ratings including, without limitation, information on material changes to information previously provided by issuers, their agents or advisors. Credit ratings, and the maintenance of credit ratings, may be affected by S&P Global Ratings' opinion of the information received from issuers, their agents or advisors.

Confidential Information. S&P Global Ratings has established policies and procedures to maintain the confidentiality of certain non-public information received from issuers, their agents or advisors. For these purposes, "Confidential Information" shall mean verbal or written information that the issuer or its agents or advisors have provided to S&P Global Ratings and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Confidential."

S&P Global Ratings Not an Expert, Underwriter or Seller under Securities Laws. S&P Global Ratings has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. S&P Global Ratings has not performed and will not perform the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with a credit rating engagement.

Disclaimer of Liability. S&P Global Ratings does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. S&P GLOBAL RATINGS GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. S&P Global Ratings, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to any person for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to a credit rating or the related analytic services even if advised of the possibility of such damages or other amounts.

No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.

Research Update:

# Chaska Economic Development Authority, MN Lease Revenue Bonds Rated 'AA-'; Chaska Water Utility Revenue Bonds Rated 'AA'

**May 27, 2026**

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## Overview

- S&P Global Ratings assigned its 'AA-' long-term rating to the **Economic Development Authority of the City of Chaska**, Minnesota's anticipated $55.4 million series 2026A lease revenue bonds, subject to appropriation, and its 'AA' long-term rating to the City of **Chaska**'s $24.7 million series 2026B general obligation (GO) water utility revenue bonds.
- At the same time, S&P Global Ratings affirmed its 'AA' long-term rating on the city's previously issued GO debt and on the authority's installment purchase revenue bonds, and its 'AA-' long-term rating on the authority's lease revenue debt, subject to appropriation.
- The outlook is stable.

## Rationale

### Security

The series 2026A lease revenue bonds are special, limited obligations rated one notch below the Chaska GO rating to account for appropriation risk. The lease terms are considered standard, and the rating reflects our view of the city's strong capacity to meet these payments. Proceeds will fund construction of a municipal services building and improvements to the city hall plaza, in addition to refinancing previously issued short-term debt for land acquisition costs.

The city's full faith and credit and unlimited taxing power secures the Series 2026B bonds; while the city also pledges water utility revenue, the rating is based on the GO pledge. Proceeds will support water utility and treatment plant improvements.

Lease revenue bonds outstanding are rated one notch below the GO rating given appropriation risk, whereas installment purchase revenue bonds outstanding are absolute, unconditional obligations not subject to appropriation. While various GO debt outstanding is supported by additional revenue streams--such as special assessments and utility revenue--all is rated based on the city's GO pledge.

### Credit highlights

The rating reflects our view of the city's robust economy and growing tax base, bolstered by its strategic location southwest of the Twin Cities and by ample developable land. While debt is rising, we expect the city's plan to integrate lease payments into the operating budget through new tax revenue--combined with the city's unlimited taxing flexibility--to mitigate pressure on financial performance and reserves. Furthermore, management's commitment to increasing reserves while managing substantial new debt issuances demonstrates proactive fiscal management, which we anticipate will support credit stability.

Since 2024, Chaska has implemented a major building improvement program consisting of four key projects: a new public safety facility ($50 million in 2024), a new municipal services building and city hall plaza improvements ($55 million in 2026), a new library (estimated at $20 million in 2028), and city hall renovations (estimated at $9 million in 2030). To fund these through lease revenue bonds--thereby avoiding the need for voter-approved GO debt--the city has increased its annual property tax levy by $1.1 million since 2024. These increases are expected to generate $4.5 million in annual recurring revenue by 2027, covering the majority of lease payments; the remainder will be funded through net utility revenue.

Chaska maintains considerable revenue flexibility; the fiscal 2026 general fund budget is break-even and includes a 14.06% levy increase. Although reserves have historically trailed those of peers, Chaska has increased its general fund balance following five consecutive years of operating surpluses and has budgeted annual additions of $300,000 to its committed balance. Management reports that the city can sustain reserves below the state auditor's 35% minimum recommendation given the liquidity provided by the electric fund, which generates about $1 million in monthly cash flow. The electric fund also transfers surplus revenue to the general fund, a transfer totaling nearly $5 million in fiscal 2024, with revenue expected to grow alongside local industrial and potential data center expansion.

While the city may issue approximately $70 million in new debt through 2030 for street, electric, park, and library projects, the amortization of over $50 million in debt outstanding over that same period should offset the net impact on the total debt load. Ultimately, we expect the city's unlimited statutory taxing flexibility and expanding tax base to support operational balance despite rising debt over the two-year outlook period.

The rating further reflects our assessment of the following factors:

- Carver County's gross county product is 77.7% of the U.S. average, though Chaska's per capita income is 120.7% of the U.S. average, reflecting its strategic location southwest of the Twin Cities and access to the broader metropolitan labor market. Chaska's high per capita market value of $192,000 is another key economic strength, providing a stable tax base for a municipality that relies primarily on property taxes.
- The operating budget is predictable, supported by unlimited statutory taxing flexibility and strong development trends that fuel consistent local revenue growth. The fiscal 2026 budget includes a $300,000 surplus, consistent with the city's practice of augmenting the committed general fund balance annually.
- As of fiscal 2024, the committed general fund balance includes $2.5 million for compensated absences and budget stabilization, which the city considers available for operations in an emergency. Total available reserves, including the committed fund balance, exceed $6.7 million, representing approximately 27% of general fund revenue. While several funds carry negative balances that have required advances from other funds, these have not yet affected the general fund balance sheet. The city's privately placed debt agreements feature terms that we view as standard.

- Financial management is characterized by realistic budgeting informed by historical trends, a five-year operating forecast, and a rolling five-year capital improvement plan. The city maintains an informal target fund balance of 35% of expenditures and does not expect to reach this level for several years, but it continues to work toward this goal through annual budgeted additions to the committed fund balance. Cyber risk mitigation measures are consistent with the city's overall credit fundamentals.
- Chaska frequently issues debt to fund growth initiatives, resulting in high net direct debt of approximately $200 million. However, the city maintains limited exposure to pension and other postemployment benefit (OPEB) liabilities, with low per capita net pension liabilities and retirement benefit costs that remain a minimal portion of the overall budget.
- For more information on our institutional framework assessment for Minnesota municipalities, see "Institutional Framework Assessment: Minnesota Local Governments," Sept. 10, 2024.

## Environmental, social, and governance

We assess environmental, social, and governance factors as neutral in our credit analysis. While the city is adjacent to the Minnesota River, its established flood mitigation infrastructure has historically limited the impact of flooding as designed, reducing the risk of material credit effects from environmental events.

# Outlook

The stable outlook reflects our expectation that Chaska's revenue flexibility and expanding tax base will continue to support budgetary balance and growing reserves. We further anticipate that the city's strong economic base, combined with proactive levy increases, will enable it to manage planned debt issuances and meet lease revenue obligations without creating material credit pressure.

## Downside scenario

We could lower the rating if financial performance weakens, available reserves decline, or negative balances in non-general-fund accounts pressure overall liquidity. In addition, a lower rating is possible if Chaska's debt burden increases materially more than projected, placing undue pressure on budget operations.

## Upside scenario

A positive rating action could follow sustained improvement in available reserves coupled with a significant moderation in overall debt.

### Chaska, Minnesota--credit summary

| | |
|---|---|
| Institutional framework (IF) | 1 |
| Individual credit profile (ICP) | 2.31 |
| Economy | 2.5 |
| Financial performance | 2 |
| Reserves and liquidity | 1 |
| Management | 2.30 |
| Debt and liabilities | 3.75 |

## Chaska, Minnesota--key credit metrics

| | Most recent | 2024 | 2023 | 2022 |
|---|---|---|---|---|
| **Economy** | | | | |
| Real GCP per capita as % of U.S. | 78 | 78 | 78 | 81 |
| County PCPI a s% of U.S. | 131 | 131 | 132 | 133 |
| Market value ($000s) | 5,495,670 | 4,925,953 | 4,526,746 | 4,077,915 |
| Market value per capita ($) | 191,828 | 171,942 | 159,079 | 144,285 |
| Top 10 taxpayers as % of taxable value | 9.8 | 8.8 | 7.4 | -- |
| County unemployment rate (%) | 3.2 | 2.6 | 2.4 | 2.1 |
| Local median household EBI as % of U.S. | 122 | 122 | 122 | 125 |
| Local per capita EBI as % of U.S. | 121 | 121 | 119 | 122 |
| Local population | 28,649 | 28,649 | 28,456 | 28,263 |
| **Financial performance** | | | | |
| Operating fund revenue ($000s) | -- | 25,040 | 22,524 | 18,782 |
| Operating fund expenditures ($000s) | -- | 25,677 | 23,545 | 22,283 |
| Net transfers and other adjustments ($000s) | -- | 2,065 | 2,887 | 4,124 |
| Operating result ($000s) | -- | 1,428 | 1,866 | 623 |
| Operating result as % of revenue | -- | 5.7 | 8.3 | 3.3 |
| Operating result three-year average % | -- | 5.8 | 6.0 | 3.3 |
| **Reserves and liquidity** | | | | |
| Available reserves as % of operating revenue | -- | 16.9 | 18.5 | 12.0 |
| Available reserves ($000s) | -- | 4,239 | 4,156 | 2,256 |
| **Debt and liabilities** | | | | |
| Debt service cost as % of revenue | -- | 19.1 | 10.2 | 12.9 |
| Net direct debt per capita ($) | 6,944 | 4,555 | 2,917 | 2,609 |
| Net direct debt ($000s) | 198,938 | 130,491 | 83,006 | 73,728 |
| Direct debt 10-year amortization (%) | 38 | 48 | -- | -- |
| Pension and OPEB cost as % of revenue | -- | 5 | 4 | 4 |
| NPLs per capita ($) | -- | 410 | 567 | 957 |
| Combined NPLs ($000s) | -- | 11,741 | 16,145 | 27,034 |

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

| Ratings List | |
|---|---|
| **New Issue Ratings** | |
| US$24,710,000 Chaska, Minnesota, General Obligation Water Utility Revenue Bonds, Series 2026B, dated: Date of Delivery, due: February 1, 2052 | |
| Long Term Rating | AA/Stable |
| US$55,380,000 Chaska Economic Development Authority, Minnesota, Lease Revenue Bonds, (Chaska), Series 2026A, dated: Date of Delivery, due: February 1, 2056 | |
| Long Term Rating | AA-/Stable |

| Ratings List | |
|---|---|
| **New Rating** | |
| **Local Government** | |
| Chaska, MN Unlimited Tax General Obligation and Water System | AA/Stable |
| **Ratings Affirmed** | |
| **Local Government** | |
| Chaska Econ Dev Auth, MN HRA Limited Property Tax and Chaska, MN Appropriation Contract | AA-/Stable |
| Chaska, MN Lease Appropriation | AA-/Stable |
| Chaska, MN Non-Appropriation Lease | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation and Special Assessments | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation and Water, Sewer, and Storm Water System | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation, Special Assessments, and Tax Abatement Revenues | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation, Water and Sewer System, and Special Assessments | AA/Stable |
| Chaska, MN Unlimited Tax General Obligation, Water, Sewer, and Storm Water System, and Special Assessments | AA/Stable |
| **Multiple Revenue Stream** | |
| Chaska, MN Unlimited Tax General Obligation and Road Fund State Aid | AA/Stable |

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

**NEW ISSUE**
**NOT BANK QUALIFIED**
**BOOK ENTRY ONLY**

**S&P RATING: AA-**

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"), (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Series 2026A Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions. See "TAX CONSIDERATIONS" herein.

# ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA
## $55,380,000* Lease Revenue Bonds, Series 2026A (City of Chaska, Minnesota Lease Obligation) (the "Series 2026A Bonds")

| | |
|---|---|
| **Dated Date** | Date of Delivery (anticipated to be July 9, 2026) |
| **Sale Date** | Wednesday, June 10, 2026 until 10:30 A.M., Central Time |
| **Consideration of Award** | By a Pricing Committee subsequent to Proposal Opening. |
| **Security** | The Series 2026A Bonds will be special, limited obligations of the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") payable solely from rental payments (the "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, 2026 (the "Lease"). The Series 2026A Bonds are issued pursuant to a Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, St. Paul, Minnesota, (the "Trustee") dated July 1, 2026 (the "Indenture"); resolutions of the Authority and City dated May 4, 2026; and to be adopted by the Authority and City on or around June 15, 2026. The Series 2026A 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, as further discussed herein. |
| **Authorization** | The Series 2026A Bonds are being issued pursuant to Minesota Statutes, Sections 465.71, 471.64, 469.012 subdivision 1(h), Sections 469.033 and 469.034, and Chapter 475. See "Authority and Security" herein. |
| **Purpose** | The proceeds of the Series 2026A Bonds, along with available Authority funds, will be used to finance (i) the construction and equipping of a new municipal service building located in the City; (ii) repayment of the City's Lease-Purchase Agreement dated January 16, 2025, between Security Bank & Trust Co. and the City; (iii) improvements to City Hall Plaza (together with items (i) and (ii), the "Project"); (iv) capitalized interest to pay a portion of the February 1, 2027 interest payment; and (v) costs of issuance of the Series 2026A Bonds. |
| **Principal and Interest Payments** | Principal will be paid annually on February 1, beginning February 1, 2028. Interest will be payable semiannually on February 1 and August 1, beginning February 1, 2027. A portion of the February 1, 2027 interest payment will be paid from Series 2026A Bond proceeds. |

Further information may be obtained from Baker Tilly Municipal Advisors, LLC 30 East Seventh Street, Suite 3025, Saint Paul, MN 55101 (651) 223-3000 or bids@bakertilly.com.

*Preliminary, subject to change.

| | |
|---|---|
| **Redemption Provisions** | **Optional Redemption.** The Authority may elect on February 1, 2036 and on any day thereafter, to redeem Series 2026A Bonds due on or after February 1, 2037 at a price of par plus accrued interest.<br><br>**Special Optional Redemption.** The Series 2026A 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 the Series 2026A Bonds maturing on the same date, in the event that all or any part of the Project (as further detailed herein) 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.<br><br>**Mandatory Redemption**. The Series 2026A Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption. |
| **Book Entry** | The Series 2026A Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See Appendix B for "Book Entry". |
| **Denominations** | The Series 2026A Bonds are being issued in the denomination of $5,000 or integral multiple thereof. |
| **Trustee** | U.S. Bank Trust Company, National Association, located in St. Paul, Minnesota (the "Trustee") The Trustee will serve as registrar (the "Registrar") for the Series 2026A Bonds. |
| **Bidding Information** | Interested bidders should review the Terms of Proposal for additional instructions. See Appendix H herein. |

*Preliminary, subject to change.

MATURITY SCHEDULE
(Base CUSIP(1) __________)

| Maturity (February 1) | Principal(2) | Interest Rate | Yield | Price | CUSIP(1) |
|---|---|---|---|---|---|
| 2028 | $1,010,000 | | | | |
| 2029 | $1,060,000 | | | | |
| 2030 | $1,115,000 | | | | |
| 2031 | $1,170,000 | | | | |
| 2032 | $1,230,000 | | | | |
| 2033 | $1,290,000 | | | | |
| 2034 | $1,350,000 | | | | |
| 2035 | $1,425,000 | | | | |
| 2036 | $1,495,000 | | | | |
| 2037 | $1,570,000 | | | | |
| 2038 | $1,645,000 | | | | |
| 2039 | $1,730,000 | | | | |
| 2040 | $1,815,000 | | | | |
| 2041 | $1,910,000 | | | | |
| 2042 | $1,660,000 | | | | |
| 2043 | $1,745,000 | | | | |
| 2044 | $1,830,000 | | | | |
| 2045 | $1,920,000 | | | | |
| 2046 | $2,020,000 | | | | |
| 2047 | $2,110,000 | | | | |
| 2048 | $2,215,000 | | | | |
| 2049 | $2,320,000 | | | | |
| 2050 | $2,430,000 | | | | |
| 2051 | $2,545,000 | | | | |
| 2052 | $2,675,000 | | | | |
| 2053 | $2,805,000 | | | | |
| 2054 | $2,945,000 | | | | |
| 2055 | $3,095,000 | | | | |
| 2056 | $3,250,000 | | | | |

(1) CUSIP® is a registered trademark of the American Bankers Association ("ABA"). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services ("CGS"), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the Authority, the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026A Bonds.

(2) Preliminary subject to change. The Authority reserves the right to adjust individual maturity amounts to achieve its financial objectives.

The Series 2026A Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Dorsey and Whitney LLP, Minneapolis, Minnesota, Bond Counsel. The Series 2026A Bonds are expected to be available for delivery to DTC, in New York, New York on or about July 9, 2026.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Series 2026A Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the Authority to give any information or to make any representations with respect to the Series 2026A Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the Authority and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the Authority since the respective date thereof. However, upon delivery of the securities, the Authority will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Series 2026A Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Series 2026A Bonds, the issuer and the merits and risks of the investment opportunity.

**FORWARD-LOOKING STATEMENTS**

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

**CITY CONTACT INFORMATION**

Additional information regarding the City may be obtained by contacting Mr. Noel Graczyk, Administrative Services Director, City of Chaska, One City Hall Plaza, Chaska, Minnesota 55318-1962, phone (952) 448-9200, email ngraczyk@chaskamn.gov. Additional information regarding the Authority may be obtained by contacting Mr. Matt Podhradsky, Executive Director, Economic Development Authority of the City of Chaska, One City Hall Plaza, Chaska, Minnesota 55318-1962, phone (952) 448-9200, email mpodhradsky@chaskamn.gov.

## ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

### BOARD OF COMMISSIONERS

| | |
|---|---|
| Taylor Hubbard | President/Mayor |
| Josh Benesh | Commissioner/Council Member |
| Jon Grau | Commissioner/Council Member |
| McKayla Hatfield | Commissioner/Council Member |
| Leah Sheveland | Commissioner/Council Member |

* The Authority is governed by a five-member Board of Commissioners, with the members of the City Council serving on the Board.

### AUTHORITY EXECUTIVE DIRECTOR

Matthew Podhradsky

### AUTHORITY ASSISTANT EXECUTIVE DIRECTOR

Elise Durbin

### CITY OF CHASKA, MINNESOTA

### CITY ADMINISTRATOR

Matthew Podhradsky

### ADMINISTRATIVE SERVICES DIRECTOR

Noel Graczyk

### MUNICIPAL ADVISOR

Baker Tilly Municipal Advisors, LLC
Minneapolis, Minnesota

### BOND COUNSEL

Dorsey and Whitney, LLP
Minneapolis, Minnesota

### TRUSTEE

U.S. Bank Trust Company, National Association
Saint Paul, Minnesota

### UNDERWRITER

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## OFFICIAL STATEMENT

## ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

## $55,380,000* LEASE REVENUE BONDS, SERIES 2026A
## (CITY OF CHASKA, MINNESOTA LEASE OBLIGATION)

## THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

The Authority is a public body politic and corporate and a political subdivision of the State of Minnesota (the "State") duly organized and existing under the laws of the State. The Authority was established on March 30, 1987 and is governed by a five-member Board of Commissioners, with the City Council members serving on the Board. The current Board members are as follows:

| | | Expiration of Term |
|---|---|---|
| Taylor Hubbard | President/Mayor | December 31, 2026 |
| Josh Benesh | Commissioner | December 31, 2028 |
| Jon Grau | Commissioner | December 31, 2026 |
| McKayla Hatfield | Commissioner | December 31, 2026 |
| Leah Sheveland | Commissioner | December 31, 2028 |

Mr. Matthew Podhradsky, the Executive Director of the Authority, also serves as City Administrator for the City. Ms. Elise Durbin, the Assistant Executive Director of the Authority, also serves as the Assistant City Administrator for the City.

## PURPOSE OF THE ISSUE AND USE OF FUNDS

### PURPOSE OF THE SERIES 2026A BONDS

The proceeds of the Series 2026A Bonds, along with available Authority funds, will be used to finance (i) the construction and equipping of a new municipal service building located in the City; (ii) repayment of the City's Lease-Purchase Agreement dated January 16, 2025, between Security Bank & Trust Co. and the City (the "2025 Lease-Purchase Agreement"); (iii) improvements to City Hall Plaza (together with items (i) and (ii), the "Project"); (iv) capitalized interest to pay a portion of the February 1, 2027 interest payment; and (v) costs of issuance of the Series 2026A Bonds.

### REFINANCING OF THE LEASE PURCHASE AGREEMENT

The 2025 Lease-Purchase Agreement was originally issued in the principal the amount of $3,972,000 and was used to finance and reimburse the City for the costs of acquiring approximately 12.96 acres of land for the City's future Municipal Services Building (site 2). A portion of the Series 2026A Bonds will be used to pay the outstanding principal due on August 1, 2026 of the 2025 Lease-Purchase Agreement with Security Bank & Trust Co. and provide long-term financing.

*Preliminary; subject to change.

#### SOURCES AND USES OF FUNDS

The composition of the Series 2026A Bonds is as follows:

| | |
|---|---|
| Sources of Funds: | |
| Principal Amount | $_______ |
| [Net] Reoffering [Premium][Discount] | _______ |
| Available Authority Funds | _______ |
| Total Sources of Funds | $_______ |
| | |
| Uses of Funds: | |
| Deposit to Project Fund | $_______ |
| Deposit to Current Refunding Fund | |
| Capitalized Interest | _______ |
| Costs of Issuance(1) | _______ |
| Underwriter's Compensation | _______ |
| | |
| Total Uses of Funds | $_______ |

(1) Includes fees for bond counsel, municipal advisor, registrar, rating, and other miscellaneous expenses.

#### INVESTMENT OF FUNDS

The proceeds of this issue are to be invested in accordance with the laws of the State relating to the depositing, holding, securing, or investing of public funds. The Authority shall direct the investment of Series 2026A Bond proceeds.

## DESCRIPTION OF THE SERIES 2026A BONDS

#### INTEREST CALCULATION

Interest on the Series 2026A Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months.

#### REGISTRATION AND EXCHANGE FEATURES

Each registered Series 2026A Bond shall be transferable or exchangeable only on such record at the designated corporate trust office of the "Registrar" and "Paying Agent," U.S. Bank Trust Company, National Association, Saint Paul, Minnesota at the written request of the registered owner thereof or the owner's attorney duly authorized in writing upon surrender thereof, together with a written instrument of transfer satisfactory to the Registrar duly executed by the registered owner or his duly authorized attorney.

#### BOOK ENTRY

When issued, the Series 2026A Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Series 2026A Bonds will be made in book entry only form. See Appendix B: Book Entry.

#### PROVISIONS FOR PAYMENT

The principal on the Series 2026A Bonds shall be payable at the designated corporate trust office of the Registrar and Paying Agent, or by wire transfer to DTC or any successor depository. All payments of interest on the Series 2026A Bonds shall be paid to the registered owners as the names appear as of the Record Date and at the addresses as they appear on the registration books kept by the Registrar or at such other address as is provided to the Registrar or by wire transfer to DTC or any successor depository. If payment of principal or interest is made to DTC or any successor depository, payment shall be made by wire transfer on the payment date in same-day funds. If the payment date occurs on a date when financial institutions are not open for business, the wire transfer shall be made on the next succeeding business day. The Paying Agent shall be instructed to wire transfer payments by 1:00 p.m. (New York City time) so such payments are received at the depository by 2:30 p.m. (New York City time). Payments on the Series 2026A Bonds shall be made in lawful money of the United States of America which, on the date of such payment, shall be legal tender.

So long as DTC or its nominee is the registered owner of the Series 2026A Bonds, principal and interest on the Series 2026A Bonds will be paid directly to DTC by the Paying Agent. (The final disbursement of such payments to the Beneficial Owners of the Series 2026A Bonds will be the responsibility of the DTC Participants and Indirect Participants.

### NOTICE OF REDEMPTION

If the Series 2026A Bonds are to be redeemed pursuant to the Indenture, and written notice of an election to exercise an option to redeem Series 2026A Bonds under the Indenture 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 Series 2026A 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 Series 2026A 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 the Series 2026A 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.

### OPTIONAL REDEMPTION

The Authority may elect on February 1, 2036, and on any day thereafter, to redeem Series 2026A Bonds due on or after February 1, 2037. 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 of the Series 2026A Bonds of a particular maturity at the time outstanding are to be called for prior redemption, the particular Series 2026A 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 Series 2026A Bonds or portions thereof as will, as nearly as practicable, exhaust the money available therefor. Particular Series 2026A Bonds or portions thereof shall be redeemed only in integral multiples of principal amount of $5,000.

So long as the Series 2026A 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 Series 2026A 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.

### SPECIAL OPTIONAL REDEMPTION

The Series 2026A 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 the Series 2026A 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.

[**MANDATORY REDEMPTION**

The Series 2026A Term Bonds maturing on ______ [and __________] (the "Series 2026A Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

[ ] Series 2026A Term Bonds

| Year | Amount |
|---|---|
| [first year] | $_____ |
| [second/last year]* | $_____ |

[ ]Series 2026A Term Bonds

| Year | Amount |
|---|---|
| [first year] | $_____ |
| [second/last year]* | $_____ |

[ ]Series 2026A Term Bonds

| Year | Amount |
|---|---|
| [first year] | $_____ |
| [second/last year]* | $_____ |

* *Final Maturity.*

The principal amount of the Series 2026A Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Series 2026A Term Bonds credited against future mandatory redemption requirements for such Series 2026A Term Bonds in such order as the Authority shall determine.]

## AUTHORITY AND SECURITY

### AUTHORITY

The Series 2026A Bonds are being issued pursuant to Minesota Statutes, Sections 465.71, 471.64, 469.012 subdivision 1(h), Sections 469.033 and 469.034, and Chapter 475. The Series 2026A Bonds are further issued pursuant to a Lease Agreement between the Authority and the City dated July 1, 2026 (the "Lease"); a Trust Indenture between the Authority and U.S. Bank Trust Company, National Association, St. Paul, Minnesota, (the "Trustee") dated July 1, 2026 (the "Indenture"); resolutions of the Authority and the City dated May 4, 2026 (the "Authorizing Resolutions"); and resolutions to be adopted by the Authority and the City on or around June 15, 2026 (the "Ratifying Resolutions").

### SECURITY AND SOURCES OF PAYMENT

The Series 2026A 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.

Capitalized interest has been included in the par amount of the Series 2026A Bonds to make a portion of the interest payment due on the Series 2026A Bonds through February 1, 2027. Thereafter, each year's collection of Lease payments, if collected in full, will be sufficient to pay debt service due on the Series 2026A Bonds in each year.

The Authority covenants and agrees, under the Indenture, that so long as the Series 2026A Bonds shall be outstanding it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture and in the Authority Resolutions and in each and every Series 2026A Bond executed, authenticated and delivered. The Authority further covenants that it will pay, or cause to be paid, the principal of and interest on the Series 2026A Bonds, from Rental Payments made by the City and other amounts received in respect to the Lease or available under the Indenture. The Authority covenants that it will cause such amounts received to be deposited with the Trustee prior to the due date of each payment of principal and interest and prior to the maturity of any Series 2026A Bond in amounts sufficient to pay such payment; 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 Series 2026A Bond any right to have the Authority levy any taxes, or appropriate any funds to the payment of debt service on the Series 2026A Bonds. Such payment is to be made solely and only out of the moneys received pursuant to the Lease and, the funds and accounts established and maintained with the Trustee pursuant to the Indenture and appropriated to the payment of the Series 2026A Bonds by the Indenture.

Payment of the Series 2026A Bonds is intended to be made from Rental Payments paid by the City under the Lease held in trust by the Trustee in accordance with the Indenture. The City covenants and agrees, pursuant to the Lease, to pay the Rental Payments at the times and in the amounts as set forth in the Lease. The Rental Payments shall be payable directly to the Trustee on behalf of the Authority at least five days prior to each February 1 and August 1 payment date for the Series 2026A Bonds. Other moneys received by the Trustee from the City which are on deposit in the Bond Fund at least five days prior to each February 1 and August 1 payment date may be credited against the Rental Payments otherwise due on such date if the City so directs.

Except in the case of the City Council's failure to make an annual appropriation, the obligation of the City to make the Rental Payments under the Lease, or any other payments required thereunder, shall be absolute and unconditional. The City shall make all Rental Payments required under the Lease when due and its Rental obligation under the Lease. The City is not permitted to suspend or discontinue any Rental Payments provided for in the Lease and is not permitted to terminate the Lease for any cause, except in the event that the City Council fails to appropriate money sufficient for the continued performance of the Lease by the City. The City will not terminate the Lease term for causes including the destruction of or damage to the Facility, any change in State or federal laws or rulings, or any failure of the Authority to perform and observe any agreement, duty, liability or obligation arising out of or connected with the Lease or the Indenture.

The City shall have the right to cancel and terminate the 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 the Lease, 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 LEASE DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, OR THE STATE OF MINNESOTA AND THE SERIES 2026A BONDS ARE NOT SECURED BY THE FULL FAITH AND CREDIT OR TAXING POWER OF THE AUTHORITY, THE CITY OR THE STATE.**

Upon termination of the Lease in the event of nonappropriation, 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 the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the 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 the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may 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 the Indenture.

## RATING

S&P Global Ratings ("S&P"), 55 Water Street, New York, New York have assigned a rating of "AA-" to the Series 2026A Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Series 2026A Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Series 2026A Bonds.

The Authority has not applied to any other rating service for a rating on the Series 2026A Bonds.

## RISK FACTORS AND INVESTOR CONSIDERATIONS

Prospective purchasers of the Series 2026A Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the Authority to meet the debt service requirements of the Series 2026A Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

### LIMITED OBLIGATIONS

Payment of the Series 2026A Bonds is a special, limited obligation of the Authority, payable solely from Rental Payments to be received from the City pursuant to the Lease. The Series 2026A Bonds are not a general obligation of the Authority or the City, and neither the Authority's nor the City's full faith and credit is pledged to the payment of the Series 2026A Bonds.

### NO RESERVE FUND OR CREDIT ENHANCEMENT

No debt service reserve fund, financial guaranty insurance policy, letter of credit or other credit enhancement will be issued to insure principal and interest payments due with respect to the Series 2026A Bonds. Accordingly, any potential investor of the Series 2026A Bonds should consider the financial ability of the City to make Rental Payments under the Lease.

### NO MORTGAGE

Bondholders will not receive a mortgage or similar security instrument with respect to the Series 2026A Bonds. Accordingly, the Series 2026A Bondholders will not have any right to foreclose on any real property of the Authority as a result of an event of default under the Indenture.

### CREDIT RISK

Since the investor in a Series 2026A Bond is without recourse to the Trustee, the investor assumes the entire risk if the City does not meet its obligations under the Lease is insufficient to pay principal of and interest on the Series 2026A Bonds. The City's ability to perform said obligations and its willingness to appropriate monies for the Lease could be affected by the financial condition of the City and economic conditions generally, among other things. See "RISK FACTORS – Non-Appropriation". Upon termination of the Lease in the event of nonappropriation, 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 the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the 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 the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may 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 the Indenture.

### REMEDIES OF DEFAULT: ENFORCEABILITY RISK AND CANCELLATION

Investors should understand that in an event of default by the Authority under the Lease, the remedies provided by the Lease may be unenforceable due to the application of principles of equity or State and federal laws relating to bankruptcy, moratoriums, reorganizations and creditors' rights, or may require the expenditure of money and considerable time to enforce. Further, investors should understand that in an event of default by the Authority under the Lease and the termination of the Lease by the Trustee, the Trustee may be unable to sell or lease its fee title interest in the Project, or to sell such interest at a price which will provide to the investors net proceeds equal to the amount of remaining principal under the Lease.

### NON-APPROPRIATION

Rental Payments will be payable from the City funds which are annually budgeted and appropriated by the governing body of the City and which may be reduced or terminated by action of such governing body. There is no assurance that the City will appropriate funds for the Rental Payments. The governing body of the City is under no obligation to provide City funds for such payments. Accordingly, any factors which may potentially influence the budgeting process of the City should be considered by a prospective purchaser of the Series 2026A Bonds. In the event the governing body of the City fails to appropriate funds necessary for Rental Payments or defaults under the Lease, the Lease will be terminated, and, in such event, the Series 2026A Bonds will be payable from any moneys held by the Trustee under the Indenture. Upon termination of the Lease in the event of nonappropriation, 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 the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the 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 the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may 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 the Indenture.

### INSURANCE RISK

In case of any damage to or destruction of the Project or any part thereof by any casualty, the Authority shall, whether or not any insurance proceeds are available or adequate for such purpose and regardless of the dollar amount of such damage or loss, with reasonable diligence commence and complete restoration of the Project at its own expense. No destruction of or damage to the Project, or any part thereof, shall entitle or permit the Authority to quit or surrender the Project or shall relieve the Authority from its liability to pay in full the Rental Payments other payments cited in the Lease, or from any of its other obligations under the Lease. The Authority shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for damages to or taking of its own property or for damages on account of the taking of or interference with the Authority's right to possession, use of or occupancy of the Project.

### DETERMINATION OF TAXABILITY RISK

If the interest on the Series 2026A Bonds were to become subject to taxation, no provision has been made for redemption of the Series 2026A Bonds and investors holding the Series 2026A Bonds would not be entitled to any additional interest exceeding the rate printed on the Series 2026A Bonds. The Series 2026A Bondholder would subsequently then be holding a security with a substantially lower interest rate return than that of a comparable taxable security.

### MAINTENANCE OF RATING

The Series 2026A Bonds have been rated as to their creditworthiness by S&P. While the Authority does not anticipate any material changes in the future, no assurance can be given that the Series 2026A Bonds will maintain their original rating. If the rating on the Series 2026A Bonds decreases or is withdrawn, the Series 2026A Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

### SECONDARY MARKET

While the purchaser of the Series 2026A Bonds may expect, insofar as possible, to maintain a secondary market in the Series 2026A Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Series 2026A Bonds should therefore be prepared, if necessary, to hold their Series 2026A Bonds to maturity or prior redemption, if any.

### FUTURE CHANGES IN LAW

Future legislative proposals, if enacted into law, clarification of the Code (defined herein) or court decisions may cause interest on the Series 2026A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Series 2026A Bonds. Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations, or litigation, as to which Bond Counsel expresses no opinion.

Legislation affecting municipal bonds is considered from time to time by the United States Congress and the Executive Branch. Bond Counsel's opinion is based upon the law in existence on the date of issuance of the Series 2026A Bonds. It is possible that legislation enacted after the date of issuance of the Series 2026A Bonds or proposed for consideration will have an adverse effect on the excludability of all or a part of the interest on the Series 2026A Bonds from gross income, the manner in which such interest is subject to federal income taxation or the market price of the Series 2026A Bonds.

Legislation affecting municipal bonds is considered from time to time by the Minnesota legislature and Executive Branch. It is possible that legislation enacted after the date of the Series 2026A Bonds or proposed for consideration will have an adverse effect on payment or timing of payment or other matters impacting the Series 2026A Bonds.

The Authority cannot predict the outcome of any such federal or state proposals as to passage, ultimate content or impact if passed, or timing of consideration or passage. Purchasers of the Series 2026A Bonds should reach their own conclusions regarding the impact of any such federal or state proposals.

There can be no assurance that there will not be any change in, interpretation of, or addition to the applicable laws and provisions which would have a material effect, directly or indirectly, on the affairs of the Authority.

### POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS

The Authority's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The Authority cannot predict future impacts of epidemics or pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the Authority, including but not limited to the payment of debt service on any of its outstanding debt obligations.

### CYBERSECURITY

The Authority relies on computer networks, data storage, collection, and transmission to conduct the operations of the Authority and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the Authority, its information technology, data stored by the Authority and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The Authority acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the Authority could have a material impact on the Authority. Further, as cybersecurity threats evolve, the Authority will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

### OTHER FACTORS

An investment in the Series 2026A Bonds involves an element of risk. To identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the Appendices hereto) to make a judgment as to whether the Series 2026A Bonds are an appropriate investment.

## PURCHASER/UNDERWRITING

The Series 2026A Bonds are being purchased by __________ (the "Series 2026A Underwriter") [and its syndicate] at a purchase price of $_______, which is the par amount of the Series 2026A Bonds of $__________, less the Underwriter's discount of $__________, plus the [net] original issue premium/discount of $__________, plus accrued interest $__________.

The Series 2026A Underwriter intends to offer the Series 2026A Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Series 2026A Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Series 2026A Bonds.

## CONTINUING DISCLOSURE

In order to permit bidders for the Series 2026A Bonds and other participating underwriters in the primary offering of the Series 2026A Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the Authority will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Series 2026A Bonds, in the Authority resolution ratifying the sale of the Series 2026A Bonds, to provide annual reports of specified information and notice of the occurrence of certain events as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given and a summary of other provisions of the Disclosure Covenants, including termination and amendment, are set forth in Appendix D to this Official Statement.

The Authority believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule.

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule. However, certain reportable events were not filed on a timely basis, including: a financial obligation notice.

The Authority has adopted specific disclosure policies and procedures to further ensure ongoing compliance with its continuing disclosure obligations. A failure by the Authority to comply with the Disclosure Covenants will not constitute an event of default on the Series 2026A Bonds (although holders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026A Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026A Bonds and their market price.

## CONCURRENT AND FUTURE FINANCING

As of the date of this Official Statement, the City, while not the issuer of the Series 2026A Bonds described herein, by means of separate Official Statement anticipated to be dated July 9, 2026, is offering for sale on July 22, 2026 its $24,710,000* General Obligation Water Utility Revenue Bonds, Series 2026B (the "Series 2026B or the "Concurrent Financing"). Settlement of the Series 2026B Bonds is expected to take place on or about August 20, 2026.

As of the date of the Official Statement, the Authority and the City do not anticipate issuing additional debt in the next 12 months.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

* Preliminary; subject to change.

## LITIGATION

To the knowledge of the officers for the City and the Authority, there is no litigation pending, or threatened, against the City or the Authority, which in any way questions or affects the validity of the Series 2026A Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

The City is entering into arbitration with the Mueller Company for non-compliance of the City's Advanced Metering Infrastructure Contract. The City is seeking damages for the failure of the system. The City does not anticipate this arbitration will affect the validity of the Series 2026A Bonds or the City's or the Authority's ability to meet their financial obligations.

The officers for the Authority will certify at the time of delivery of the Series 2026A Bonds that there is no litigation pending or in any way threatened questioning the validity of the Series 2026A Bonds.

## LEGAL MATTERS

The Series 2026A Bonds are subject to approval as to certain matters by Dorsey & Whitney LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify any of the financial or statistical statements or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix C herein will be delivered at closing.

## TAX MATTERS

### TAX CONSIDERATIONS

The following is a summary of certain U.S. federal and Minnesota income tax considerations relating to the purchase, ownership, and disposition of the Series 2026A Bonds. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS"), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below, including the tax exemption of interest on the Series 2026A Bonds. The City has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

**Prospective purchasers of the Series 2026A Bonds should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Series 2026A Bonds based on their own particular circumstances.**

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the purchase, ownership, and disposition of the Series 2026A Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences except with respect to Minnesota income tax to the extent expressly specified herein. This summary is limited to consequences to U.S. holders that purchase the Series 2026A Bonds for cash at original issue and hold the Series 2026A Bonds as "capital assets" (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Series 2026A Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Series 2026A Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, the “issue price” of a maturity of Series 2026A Bonds is the first price at which a substantial amount of Series 2026A Bonds of that maturity is sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents, or wholesalers.

**Tax-Exempt Interest**

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on existing law and assuming the accuracy of certain representations and compliance with certain covenants, interest on the Series 2026A Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Code, (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code, (iii) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, and (iv) is not an item of tax preference for Minnesota alternative minimum tax purposes. Interest on the Series 2026A Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income for purposes of the Minnesota franchise tax imposed on corporations and financial institutions.

The Code establishes certain requirements that must be met after the issuance of the Series 2026A Bonds in order that interest on the Series 2026A Bonds be excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts. These requirements include, but are not limited to, provisions regarding the use of Series 2026A Bond proceeds and the facilities financed or refinanced with such proceeds and restrictions on the investment of Series 2026A Bond proceeds and other amounts. The City has made certain representations and has covenanted to comply with certain restrictions, conditions, and requirements designed to ensure interest on the Series 2026A Bonds will not be included in federal gross income. Inaccuracy of these representations or noncompliance with these covenants may cause interest on the Series 2026A Bonds to be included in federal gross income or in Minnesota taxable net income retroactively to their date of issue. Bond Counsel has not independently verified the accuracy of these representations and will not verify the continuing compliance with these covenants. No provision has been made for redemption of or for an increase in the interest rate on the Series 2026A Bonds in the event that interest on the Series 2026A Bonds is included in federal gross income or in Minnesota taxable net income.

**Original Issue Discount**

Series 2026A Bonds may be issued with original issue discount (“OID”). A Series 2026A Bond will be treated as issued with OID (a “Discount Bond”) if its “stated redemption price at maturity” (*i.e.*, the sum of all amounts payable on the Series 2026A Bond other than payments of qualified stated interest) exceeds its issue price. OID that accrues to a holder of a Discount Bond is excluded from federal gross income and from Minnesota taxable net income of individuals, estates, and trusts to the same extent that stated interest on such Discount Bond would be so excluded. The amount of OID that accrues on a Discount Bond is added to the holder’s federal and Minnesota tax bases. OID is taxable under the Minnesota franchise tax on corporations and financial institutions.

OID on a Discount Bond generally accrues pursuant to a constant-yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of OID that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For this purpose, the adjusted issue price is determined by adding to the issue price for such Discount Bonds the OID that is treated as having accrued during all prior accrual periods. If a Discount Bond is sold or otherwise disposed of between compounding dates, then the OID that would have accrued for that accrual period for federal income tax purposes is allocated ratably to the days in that accrual period.

If a Discount Bond is purchased for a cost that exceeds the sum of the issue price plus accrued interest and accrued OID, the amount of OID that is deemed to accrue thereafter to the purchaser is reduced by an amount that reflects amortization of such excess over the remaining term of the Discount Bond. If the excess is greater than the amount of remaining OID, the basis reduction rules for amortizable bond premium may result in taxable gain upon sale or other disposition of the Series 2026A Bonds, even if the Series 2026A Bonds are sold, redeemed, or retired for an amount equal to or less than their cost.

It is possible under certain state and local income tax laws that OID on a Discount Bond may be taxable in the year of accrual and may be deemed to accrue differently than under federal law.

**Market Discount**

If a Series 2026A Bond is purchased for a cost that is less than the Series 2026A Bond's issue price (plus accrued OID , if any), the purchaser may be treated as having purchased the Series 2026A Bond with market discount (unless a statutory *de minimis* rule applies). Market discount is treated as ordinary income and generally is recognized on the maturity or earlier disposition of the Series 2026A Bond (to the extent that the gain realized does not exceed the accrued market discount on the Series 2026A Bond).

**Bond Premium**

A holder that acquires a Series 2026A Bond for an amount in excess of its stated redemption price at maturity generally must, from time to time, reduce the holder's federal and Minnesota tax bases for the Series 2026A Bond. Premium generally is amortized for federal income tax purposes and Minnesota income and franchise tax purposes on the basis of a bondholder's constant yield to maturity or to certain call dates with semiannual compounding. Accordingly, holders who acquire Series 2026A Bonds at a premium might recognize taxable gain upon sale of the Series 2026A Bonds, even if such Series 2026A Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes or for purposes of the Minnesota income tax applicable to individuals, estates, and trusts.

**Related Tax Considerations**

Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Series 2026A Bonds into account in determining the taxability of such benefits.

Section 265(a) of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Series 2026A Bonds, and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates, and trusts. In the case of a financial institution, generally, no deduction is allowed under section 265(b) the Code for that portion of the holder's interest expense that is allocable to interest on tax-exempt obligations, such as the Series 2026A Bonds, unless the obligations are "qualified tax-exempt obligations." Indebtedness may be allocated to the Series 2026A Bonds for this purpose even though not directly traceable to the purchase of the Series 2026A Bonds. The Series 2026A Bonds are not "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.

Income or loss on the Series 2026A Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations.

The ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Series 2026A Bonds may affect a holder's federal, state, or local tax liability in some additional circumstances. The nature and extent of these other tax consequences depends upon the particular tax status of the holder and the holder's other items of income or deduction.

**Sale or Other Disposition**

A holder will generally recognize gain or loss on the sale, exchange, redemption, retirement, or other disposition of a Series 2026A Bond equal to the difference between (i) the amount realized less amounts attributable to any accrued but unpaid stated interest and (ii) the holder's adjusted tax basis in the Series 2026A Bond. The amount realized includes the cash and the fair market value of any property received by the holder in exchange for the Series 2026A Bond. A holder's adjusted tax basis in a Series 2026A Bond generally will be equal to the amount that the holder paid for the Series 2026A Bond, increased by any accrued OID with respect to the Series 2026A Bond and reduced by the amount of any amortized bond premium on the Series 2026A Bond. Except to the extent attributable to market discount (which will be taxable as ordinary income to the extent not previously included in income), any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the holder held the Series 2026A Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

**Information Reporting and Backup Withholding**

Payments of interest on the Series 2026A Bonds (including any allocable bond premium or accrued OID) and proceeds from the sale or other disposition of the Series 2026A Bonds are expected to be reported to the IRS as required under applicable Treasury Regulations. Backup withholding will apply to these payments if the holder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

## MUNICIPAL ADVISOR

The Authority and the City have retained Baker Tilly Municipal Advisors, LLC (the "Municipal Advisor" or "BTMA") as municipal advisor in connection with certain aspects of the issuance of the Series 2026A Bonds. BTMA is a municipal advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. BTMA is a subsidiary of Baker Tilly Advisory Group, LP ("BTAG") which is indirectly owned by (a) H&F Waterloo Holdings, L.P., an affiliate of Hellman & Friedman LLC ("H&F"), an investment adviser registered with the Securities and Exchange Commission (the "SEC"), (b) Valeas Capital Partners Fund I Waterloo Aggregator LP, an affiliate of Valeas Capital Partners Management LP ("Valeas"), an investment adviser registered with the SEC, and (c) individuals who are principals of BTAG. None of these parties own a majority interest in BTAG, or indirectly, BTMA. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International, Ltd. Baker Tilly US, LLP ("BTUS") is a licensed CPA firm providing assurance services to its clients. BTAG and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

BTMA has been retained by the Authority and the City to provide certain municipal advisory services to the Authority and the City and, in that capacity, has assisted the Authority and the City in preparing this Official Statement. The information contained in the Official Statement has been compiled from the sources stated or, if not otherwise sourced, from records and other materials provided by the Authority and the City. The Municipal Advisor makes no representation, warranty or guarantee regarding the accuracy or completeness of the information in this Official Statement, and its assistance in preparing this Official Statement should not be construed as a representation that it has independently verified such information.

The Municipal Advisor's duties, responsibilities and fees arise solely as Municipal Advisor to the Authority and the City, and it has no secondary obligations or other responsibility. The Municipal Advisor's fees are expected to be paid from proceeds of the Series 2026A Bonds. BTMA provides certain specific municipal advisory services to the Authority and the City but is neither a placement agent to the Authority and the City nor a broker/dealer.

*Other Financial Industry Activities and Affiliations:*

Baker Tilly Wealth Management, LLC ("BTWM"), an SEC registered investment adviser, Moss Adams Wealth Advisors, LLC, an SEC registered investment adviser and Baker Tilly Capital, LLC ("BTC"), a broker/dealer registered with the SEC and member of the Financial Industry Regulatory Authority ("FINRA"), are controlled subsidiaries of BTAG. Both H&F and Valeas, are registered with the SEC as investment advisers and serve as managers of, or advisers to, certain private investment funds, some of which indirectly own BTAG.

BTWM and other subsidiaries of BTAG may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its municipal advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

## THE TRUSTEE

The Authority has appointed U.S. Bank Trust Company, National Association, Saint Paul, Minnesota, a national banking association organized under the laws of the United States of America, to serve as Trustee for the Series 2026A Bonds. The Trustee is a national banking association organized and existing under the laws of the United States of America, having all of the powers of a bank, including fiduciary powers, and is a member of the Federal Deposit Insurance Corporation and the Federal Reserve System. The Trustee is only responsible to carry out those specific duties assigned to it under the Indenture. Except for the contents of this section, the Trustee has not reviewed or participated in the preparation of this Official Statement and assumes no responsibility for the nature, contents, accuracy, fairness or completeness of the information set forth in this Official Statement or for the recitals contained in the Indenture, or the Series 2026A Bonds, or for the validity, sufficiency, or legal effect of any of such documents.

## MISCELLANEOUS

The information contained in this Official Statement has been compiled from the Authority and the City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2026A Bonds, the security for the payment of the Series 2026A Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Series 2026A Bonds.

## CERTIFICATION

The Authority and the City have authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Series 2026A Bonds and a Final Official Statement following award of the Series 2026A Bonds. The Authority and the City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the Authority and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

## GENERAL INFORMATION OF THE CITY

## CITY PROPERTY VALUES

**Trend of Values**(1)

| Assessment/ Collection Year | Assessor's Estimated Market Value | Sales Ratio(2) | Economic Market Value(2) | Market Value Homestead Exclusion | Taxable Market Value | Adjusted Taxable Net Tax Capacity |
|---|---|---|---|---|---|---|
| 2025/26 | $5,281,101,600 | N/A | N/A | $69,466,585 | $5,147,489,915 | $57,984,574 |
| 2024/25 | 4,917,985,300 | 92.30% | $5,293,845,057 | 77,372,200 | 4,760,552,300 | 53,939,606 |
| 2023/24 | 4,603,098,400 | 93.60 | 4,925,953,094 | 39,482,000 | 4,481,794,100 | 50,564,554 |
| 2022/23 | 4,319,497,500 | 95.40 | 4,526,746,397 | 41,852,700 | 4,211,936,000 | 48,098,965 |
| 2021/22 | 3,536,714,700 | 86.70 | 4,077,914,727 | 64,033,600 | 3,413,565,400 | 39,734,514 |

(1) For a description of the Minnesota property tax system, see Appendix E.
(2) Sales Ratio Study and Economic market values for the year of assessment as posted by the Minnesota Department of Revenue, https://www.revenue.state.mn.us/economic-market-values-reports.

Source: Carver County, Minnesota, March 2026, except as otherwise noted.

**2025/26 Adjusted Taxable Net Tax Capacity: $57,984,574(1)**

| | | |
|---|---|---|
| Real Estate: | | |
| Residential Homestead | $34,001,879 | 55.6% |
| Commercial/Industrial and Public Utility | 14,798,665 | 24.2 |
| Residential Non-Homestead | 11,031,298 | 18.0 |
| Agricultural, Commercial & Residential, and Seasonal/Recreational | 680,999 | 1.1 |
| Personal Property | 635,663 | 1.1 |
| 2025/26 Net Tax Capacity | $61,148,504 | 100.0% |
| Less: Captured Tax Increment | (3,011,173) | |
| Less: Contribution to Fiscal Disparities | (5,604,313) | |
| Plus: Distribution from Fiscal Disparities | 5,451,556 | |
| 2025/26 Adjusted Taxable Net Tax Capacity | $57,984,574 | |

(1) Excludes mobile home valuation of $179,543.

**Ten of the Largest Taxpayers in the City**

| Taxpayer | Type of Property | 2025/26 Net Tax Capacity |
|---|---|---|
| Aurora Investments LLC | Commercial/Agricultural | $ 892,433 |
| Continental 589 Fund LLC | Rental/Residential | 739,314 |
| United Healthcare Services, Inc. | Commercial | 693,012 |
| Chaska Industrial Owner 1 LLC | Commercial | 662,600 |
| Beckman Coulter | Commercial | 585,396 |
| Centerpoint Energy | Utility | 490,159 |
| Gallery of Chaska LLC | Rental/Residential | 449,269 |
| Flexential LLC | Commercial | 412,000 |
| Costco Wholesale Corporation | Commercial | 383,230 |
| Chaska Heights Senior Living LLC | Rental/Residential | 358,251 |
| Total | | $5,665,664(1) |

(1) Represents 9.8% of the City's 2025/26 adjusted taxable net tax capacity.

## CITY INDEBTEDNESS

**Legal Debt Limit and Debt Margin**(1)

| | |
|---|---|
| Legal Debt Limit (3% of 2025/26 Estimated Market Value | $ 158,433,048 |
| Less: Outstanding Debt Subject to Limit | (136,519,000) |
| Legal Debt Margin as of August 20, 2026 | $ 21,914,048 |

(1) The legal debt margin is referred to statutorily as the "Net Debt Limit" and may be increased by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year.

NOTE: Certain types of debt are not subject to the legal debt limit. See Appendix E – Debt Limitations.

**General Obligation Debt Supported Solely by Taxes**(1)

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 11-29-17 | $1,960,000 | Equipment Certificates | 2-1-2027 | $ 265,000 |
| 11-06-19 | 1,240,000 | Equipment Certificates | 2-1-2029 | 480,000 |
| 12-28-23 | 8,815,000 | Equipment Certificates | 2-1-2043 | 8,255,000 |
| Total | | | | $9,000,000 |

(1) These issues are subject to the legal debt limit.

**General Obligation Special Assessment Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 08-15-12 | $2,430,000 | Improvements | 2-1-2028 | $ 355,000 |
| 08-15-12 | 3,295,000 | Improvement Refunding | 2-1-2027 | 225,000 |
| 12-30-14 | 3,080,000 | Improvements | 2-1-2030 | 925,000 |
| 08-19-15 | 5,940,000 | Improvements | 2-1-2031 | 2,450,000 |
| 11-29-17 | 6,875,000 | Improvements | 2-1-2038 | 4,620,000 |
| 11-29-17 | 1,790,000 | Taxable Improvements | 2-1-2033 | 725,000 |
| 12-27-17 | 995,000 | Improvements Refunding | 2-1-2029 | 325,000 |
| 11-06-19 | 4,440,000 | Improvements | 2-1-2039 | 3,045,000 |
| 12-04-19 | 1,250,000 | Taxable Improvements | 2-1-2035 | 770,000 |
| 12-04-19 | 1,740,000 | Improvements Refunding | 2-1-2033 | 785,000 |
| 09-02-20 | 1,725,000 | Improvements | 2-1-2037 | 1,330,000 |
| 09-02-20 | 2,205,000 | Taxable Improvements Refunding | 12-1-2034 | 1,230,000 |
| 12-28-23 | 1,250,000 | Improvements | 2-1-2038 | 1,105,000 |
| 12-19-24 | 2,490,000 | Improvements | 2-1-2040 | 2,390,000 |
| Total | | | | $20,280,000 |

**General Obligation Tax Increment Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 12-27-17 | $ 460,000 | Taxable Tax Increment Refunding | 2-1-2031 | $ 205,000 |
| 12-04-19 | 2,600,000 | Taxable Tax Increment | 2-1-2040 | 2,315,000 |
| Total | | | | $2,520,000 |

**General Obligation Tax Abatement Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 11-29-17 | $245,000 | Taxable Tax Abatement | 2-1-2039 | $175,000 |
| 09-02-20 | 375,000 | Taxable Tax Abatement Refunding | 12-1-2023 | 245,000 |
| Total | | | | $420,000 |

**General Obligation State-Aid Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 01-14-21 | $4,940,000 | State Aid Street | 4-1-2041 | $ 3,970,000 |
| 12-19-24 | 8,810,000 | State Aid | 2-1-2045 | 8,585,000 |
| | | | | $12,555,000 |

**General Obligation Housing Revenue Debt (1)**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 08-15-10 | $2,850,000 | Governmental Refunding (Brickyard) | 1-1-2040 | $1,685,000 |

(1) Issued by the Carver County Community Development Agency and secured by the general obligation of the City. Rental revenue and other related sources are used to pay this debt.

**General Obligation Utility Revenue Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 08-15-12 | $ 1,380,000 | Water/Sewer Revenue Refunding | 2-1-2027 | $ 90,000 |
| 12-30-15 | 5,170,000 | Utility Revenue | 2-1-2036 | 2,935,000 |
| 11-29-17 | 735,000 | Utility Revenue | 2-1-2038 | 520,000 |
| 11-06-19 | 2,135,000 | Utility Revenue | 2-1-2035 | 1,365,000 |
| 12-04-19 | 780,000 | Taxable Utility Revenue | 2-1-2030 | 340,000 |
| 09-02-20 | 1,215,000 | Utility Revenue | 2-1-2031 | 690,000 |
| 09-02-20 | 7,845,000 | Taxable Utility Revenue Refunding | 12-1-2032 | 5,215,000 |
| 08-20-26 | 24,710,000 | Utility Revenue (the Series 2026B Bonds) | 2-1-2052 | 24,710,000 |
| Total | | | | $35,865,000 |

**Lease Obligations**(1)

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 04-15-15 | $12,855,000 | Taxable Lease Revenue | 2-1-2035 | $ 4,910,000 |
| 12-30-15 | 3,410,000 | Taxable Lease Revenue | 2-1-2031 | 1,350,000 |
| 12-27-17 | 1,880,000 | Senior Center Addition Refunding | 12-1-2027 | 435,000 |
| 09-02-20 | 2,310,000 | Lease Revenue Refunding | 12-1-2033 | 1,585,000 |
| 12-31-21 | 3,560,000 | Lease Purchase | 12-1-2041 | 3,024,000 |
| 07-17-24 | 49,650,000 | Lease Revenue | 2-1-2054 | 48,815,000 |
| 01-30-25 | 6,080,000 | Lease Revenue Refunding | 2-1-2034 | 5,570,000 |
| 07-09-26 | 55,380,000 | Lease Revenue (the Series 2026A Bonds) | 2-1-2056 | 55,380,000 |
| Total | | | | $121,069,000 |

(1) Issued by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") and payable from annual appropriation lease payments made by the City to the Authority. These issues are subject to the legal debt limit.

**Installment Purchase Revenue Debt**(1)

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 03-9-20 | $6,285,000 | Taxable Full-Term Installment Purchase Revenue | 12-1-2040 | $5,175,000 |
| 07-8-20 | 1,530,000 | Taxable Full-Term Installment Purchase Revenue | 12-1-2040 | 1,275,000 |
| Total | | | | $6,450,000 |

(1) Issued by the Authority and payable from annual installment payments made by the City to the Authority. These issues are subject to the legal debt limit.

**Electric Revenue Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 09-06-17 | $7,220,000 | Electric Revenue | 10-1-2037 | $4,925,000 |
| 12-29-20 | 1,830,000 | Electric Revenue Refunding | 10-1-2031 | 1,095,000 |
| Total | | | | $6,020,000 |

**MMPA Revenue Debt**

| Date of Issue | Original Amount | Purpose | Final Maturity | Est. Principal Outstanding As of 8-20-26 |
|---|---|---|---|---|
| 10-01-15 | $21,760,000 | Electric Revenue Refunding (MMPA) | 10-1-2030 | $8,985,000 |

(1) Issued by the City but payable from payments made by the Minnesota Municipal Power Agency to the City pursuant to an agency contract and not from the operation of the electric system of the City (i.e., not secured on a parity with the City's outstanding electric revenue debt).

**Estimated Calendar Year Debt Service Payments**

| | G.O. Debt Supported Solely by Taxes | | G.O. Special Assessment Debt | |
|---|---|---|---|---|
| Year | Principal | Principal & Interest | Principal | Principal & Interest |
| 2026 (at 8-20) | (Paid) | (Paid) | $ 255,000 | $ 261,610 |
| 2027 | $ 735,000 | $ 1,130,313 | 2,895,000 | 3,541,915 |
| 2028 | 500,000 | 864,438 | 2,770,000 | 3,312,229 |
| 2029 | 525,000 | 864,663 | 2,685,000 | 3,135,040 |
| 2030 | 375,000 | 693,013 | 2,380,000 | 2,743,588 |
| 2031 | 390,000 | 688,888 | 2,170,000 | 2,448,428 |
| 2032 | 410,000 | 688,888 | 1,610,000 | 1,823,243 |
| 2033 | 430,000 | 687,888 | 1,660,000 | 1,824,128 |
| 2034 | 455,000 | 690,763 | 960,000 | 1,083,969 |
| 2035 | 475,000 | 687,513 | 800,000 | 895,694 |
| 2036 | 500,000 | 688,138 | 560,000 | 631,966 |
| 2037 | 525,000 | 687,513 | 580,000 | 630,397 |
| 2038 | 550,000 | 685,638 | 465,000 | 494,144 |
| 2039 | 580,000 | 690,288 | 265,000 | 278,963 |
| 2040 | 600,000 | 686,688 | 225,000 | 229,500 |
| 2041 | 625,000 | 687,188 | | |
| 2042 | 650,000 | 687,500 | | |
| 2043 | 675,000 | 687,656 | | |
| Total | $9,000,000(1) | $12,496,976 | $20,280,000(2) | $23,334,814 |

(1) 53.3% of this debt will be retired within ten years.
(2) 89.7% of this debt will be retired within ten years.

**Estimated Calendar Year Debt Service Payments (Continued)**

| | G.O. Tax Increment Debt | | G.O. Tax Abatement Debt | |
|---|---|---|---|---|
| Year | Principal | Principal & Interest | Principal | Principal & Interest |
| 2026 (at 8-20) | (Paid) | (Paid) | $ 30,000 | $ 31,458 |
| 2027 | $ 125,000 | $ 198,283 | 40,000 | 48,343 |
| 2028 | 135,000 | 204,195 | 45,000 | 52,773 |
| 2029 | 145,000 | 210,008 | 45,000 | 52,093 |
| 2030 | 150,000 | 210,843 | 45,000 | 51,368 |
| 2031 | 155,000 | 211,550 | 55,000 | 60,514 |
| 2032 | 125,000 | 177,610 | 55,000 | 59,466 |
| 2033 | 130,000 | 179,040 | 15,000 | 18,364 |
| 2034 | 130,000 | 175,270 | 15,000 | 17,846 |
| 2035 | 140,000 | 181,220 | 15,000 | 17,329 |
| 2036 | 145,000 | 181,945 | 15,000 | 16,811 |
| 2037 | 155,000 | 187,406 | 15,000 | 16,294 |
| 2038 | 165,000 | 192,526 | 15,000 | 15,776 |
| 2039 | 175,000 | 197,341 | 15,000 | 15,259 |
| 2040 | 645,000 | 654,836 | | |
| Total | $2,520,000(1) | $3,162,073 | $420,000(2) | $473,694 |

(1) 54.8% of this debt will be retired within ten years.
(2) 85.7% of this debt will be retired within ten years.

**Estimated Calendar Year Debt Service Payments (Continued)**

| | G.O. State Aid Debt | | G.O. Utility Revenue Debt | |
|---|---|---|---|---|
| Year | Principal | Principal & Interest | Principal | Principal & Interest |
| 2026 (at 8-20) | (Paid) | $ 39,343 | $ 695,000 | $ 725,674 |
| 2027 | $ 505,000 | 960,960 | 1,435,000 | 2,869,743 |
| 2028 | 530,000 | 962,335 | 1,910,000 | 3,230,466 |
| 2029 | 555,000 | 962,560 | 2,000,000 | 3,260,988 |
| 2030 | 580,000 | 961,635 | 2,065,000 | 3,264,731 |
| 2031 | 605,000 | 963,460 | 2,040,000 | 3,177,714 |
| 2032 | 620,000 | 958,235 | 1,960,000 | 3,038,391 |
| 2033 | 650,000 | 966,985 | 1,205,000 | 2,223,975 |
| 2034 | 670,000 | 964,415 | 1,250,000 | 2,219,297 |
| 2035 | 690,000 | 960,675 | 1,210,000 | 2,128,284 |
| 2036 | 720,000 | 965,505 | 1,175,000 | 2,041,769 |
| 2037 | 745,000 | 963,870 | 880,000 | 1,699,325 |
| 2038 | 770,000 | 960,795 | 920,000 | 1,695,294 |
| 2039 | 795,000 | 958,825 | 915,000 | 1,644,888 |
| 2040 | 825,000 | 963,180 | 960,000 | 1,647,813 |
| 2041 | 850,000 | 961,408 | 1,000,000 | 1,648,613 |
| 2042 | 575,000 | 661,300 | 1,040,000 | 1,647,163 |
| 2043 | 600,000 | 662,800 | 1,080,000 | 1,642,763 |
| 2044 | 625,000 | 663,300 | 1,125,000 | 1,640,906 |
| 2045 | 645,000 | 657,900 | 1,175,000 | 1,641,297 |
| 2046 | | | 1,225,000 | 1,638,797 |
| 2047 | | | 1,280,000 | 1,638,200 |
| 2048 | | | 1,340,000 | 1,639,250 |
| 2049 | | | 1,400,000 | 1,637,600 |
| 2050 | | | 1,460,000 | 1,633,250 |
| 2051 | | | 1,525,000 | 1,631,088 |
| 2052 | | | 1,595,000 | 1,630,888 |
| Total | $12,555,000(1) | $17,119,486 | $35,865,000(2) | $54,538,167 |

(1) 48.8% of this debt will be retired within ten years.
(2) 44.0% of this debt will be retired within ten years.

**Estimated Calendar Year Debt Service Payments (Continued)**

| | G.O. Housing Revenue Debt | | Lease Obligations | |
|---|---|---|---|---|
| Year | Principal | Principal & Interest | Principal | Principal & Interest |
| 2026 (at 8-20) | (Paid) | (Paid) | $ 530,000 | $ 620,691 |
| 2027 | $ 110,000 | $ 138,640 | 2,720,000 | 8,434,221 |
| 2028 | 110,000 | 136,440 | 3,625,000 | 9,022,953 |
| 2029 | 110,000 | 134,240 | 3,785,000 | 9,008,931 |
| 2030 | 115,000 | 137,450 | 3,966,000 | 9,007,429 |
| 2031 | 115,000 | 136,070 | 4,156,000 | 9,005,155 |
| 2032 | 115,000 | 134,690 | 4,047,000 | 8,700,975 |
| 2033 | 120,000 | 138,100 | 4,244,000 | 8,699,907 |
| 2034 | 120,000 | 136,300 | 4,205,000 | 8,452,797 |
| 2035 | 120,000 | 134,200 | 3,551,000 | 7,611,719 |
| 2036 | 125,000 | 136,750 | 3,053,000 | 6,953,713 |
| 2037 | 125,000 | 134,250 | 3,205,000 | 6,952,544 |
| 2038 | 130,000 | 136,700 | 3,358,000 | 6,944,882 |
| 2039 | 135,000 | 139,050 | 3,525,000 | 6,943,317 |
| 2040 | 135,000 | 136,350 | 3,698,000 | 6,939,384 |
| 2041 | | | 3,881,000 | 6,945,324 |
| 2042 | | | 3,460,000 | 6,356,112 |
| 2043 | | | 3,615,000 | 6,352,587 |
| 2044 | | | 3,775,000 | 6,346,912 |
| 2045 | | | 3,945,000 | 6,343,762 |
| 2046 | | | 4,125,000 | 6,345,671 |
| 2047 | | | 4,300,000 | 6,337,169 |
| 2048 | | | 4,490,000 | 6,335,150 |
| 2049 | | | 4,690,000 | 6,333,964 |
| 2050 | | | 4,895,000 | 6,326,116 |
| 2051 | | | 5,110,000 | 6,316,092 |
| 2052 | | | 5,345,000 | 6,314,561 |
| 2053 | | | 5,585,000 | 6,305,824 |
| 2054 | | | 5,840,000 | 6,299,291 |
| 2055 | | | 3,095,000 | 3,341,298 |
| 2056 | | | 3,250,000 | 3,333,688 |
| Total | $1,685,000(1) | $1,909,230 | $121,069,000(2) | $209,232,139 |

(1) 68.8% of this debt will be retired within ten years.
(2) 28.8% of this debt will be retired within ten years.

**Estimated Calendar Year Debt Service Payments (Continued)**

| Year | Installment Purchase Revenue Debt | | Electric Revenue Debt | |
|---|---|---|---|---|
| | Principal | Principal & Interest | Principal | Principal & Interest |
| 2026 (at 8-20) | $ 355,000 | $ 444,814 | $ 505,000 | $ 602,888 |
| 2027 | 365,000 | 537,220 | 525,000 | 700,575 |
| 2028 | 370,000 | 534,294 | 550,000 | 704,575 |
| 2029 | 380,000 | 535,933 | 565,000 | 704,050 |
| 2030 | 395,000 | 542,133 | 585,000 | 705,250 |
| 2031 | 400,000 | 537,338 | 610,000 | 710,750 |
| 2032 | 410,000 | 536,050 | 415,000 | 495,400 |
| 2033 | 425,000 | 539,485 | 425,000 | 492,950 |
| 2034 | 435,000 | 537,492 | 440,000 | 495,200 |
| 2035 | 450,000 | 540,221 | 455,000 | 497,000 |
| 2036 | 465,000 | 542,522 | 465,000 | 493,350 |
| 2037 | 480,000 | 542,896 | 480,000 | 494,400 |
| 2038 | 495,000 | 542,792 | | |
| 2039 | 505,000 | 537,226 | | |
| 2040 | 520,000 | 536,352 | | |
| Total | $6,450,000(1) | $7,986,767 | $6,020,000(2) | $7,096,388 |

(1) 61.8% of this debt will be retired within ten years.
(2) 84.3% of this debt will be retired within ten years.

| Year | MMPA Revenue Debt | |
|---|---|---|
| | Principal | Principal & Interest |
| 2026 (at 8-20) | $1,625,000 | $ 1,849,625 |
| 2027 | 1,715,000 | 2,083,000 |
| 2028 | 1,795,000 | 2,077,250 |
| 2029 | 1,885,000 | 2,077,500 |
| 2030 | 1,965,000 | 2,063,250 |
| Total | $8,985,000 | $10,150,625 |

**Other Debt Obligations**

Leases

The City has entered into various capital leases for Fitness Equipment. Information can be found in the City’s Annual Comprehensive Financial Report for the fiscal year ended December 31, 2024 for additional information. (The City’s Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025 is not yet available.)

Conduit Debt

From time to time, the City has issued Industrial Revenue Bonds (IRBs) and Housing Revenue Bonds (HRBs) (collectively the “Revenue Bonds”) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and housing facilities deemed to be in the public interest. The Revenue Bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the Revenue Bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issuance. Neither the City, nor the State of Minnesota, nor any political subdivision thereof is obligated in any manner for repayment of the Revenue Bonds. Accordingly, the Revenue Bonds are not reported as liabilities in the accompanying financial statements.

**Overlapping Debt**

| Taxing Unit(1) | 2025/26 Adjusted Taxable Net Tax Capacity | Est. G.O. Debt As of 8-20-26(2) | Debt Applicable to Tax Capacity in City Percent | Amount |
|---|---|---|---|---|
| Carver County | $ 258,611,202 | $ 22,445,000 | 22.4% | $ 5,027,680 |
| I.S.D. No. 112 (Eastern Carver County) | 153,549,860 | 145,371,000 | 37.8 | 54,950,238 |
| Metropolitan Council | 6,330,160,330(3) | 18,095,000(4) | 0.9 | 162,855 |
| Total | | | | $60,140,773 |

(1) Only those units with outstanding general obligation debt are shown here.
(2) Excludes general obligation tax and aid anticipation certificates and revenue-supported debt.
(3) 2024/25 values; most recent available.
(4) Excludes general obligation debt supported by wastewater revenues and housing rental payments. Includes certificates of participation.

**Debt Ratios**(1)

| | G.O. Direct Debt | G.O. Direct & Overlapping Debt |
|---|---|---|
| 2025/26 Estimated Market Value ($5,281,101,600) | 3.02% | 4.16% |
| Per Capita (30,167 – 2024 U.S. Census Estimate) | $5,295 | $7,289 |

(1) Excludes general obligation state aid debt, general obligation utility revenue debt, general obligation housing revenue debt, electric revenue debt, MMPA revenue debt, and other debt obligations. Includes lease obligations and installment purchase revenue debt.

## CITY TAX RATES, LEVIES AND COLLECTIONS

**Tax Capacity Rates for a Resident in the City of Chaska**

| | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 Total | 2025/26 For Debt Only |
|---|---|---|---|---|---|---|
| Carver County | 34.170% | 29.267% | 30.106% | 30.934% | 31.299% | 1.605% |
| City of Chaska | 31.625 | 31.185 | 35.947 | 38.885 | 41.167 | 0.000 |
| I.S.D. No. 112 (Eastern Carver County)(1) | 31.220 | 27.747 | 28.659 | 27.551 | 27.255 | 12.384 |
| Special Districts(2) | 4.846 | 4.688 | 4.626 | 4.511 | 4.789 | 1.176 |
| Total | 101.861% | 92.887% | 99.338% | 101.881% | 104.51% | 15.165% |

(1) In addition, Independent School District No. 112 (Eastern Carver County) has a 2025/26 market value tax rate of 0.21407% spread across the market value of property in support of an excess operating levy.
(2) Special districts include Metropolitan Council, Metropolitan Transit, Metropolitan Mosquito Control, Lower Minnesota River Watershed District #1, Carver County Rail Authority, Carver County Community Development Agency, and Chaska Economic Development Authority.

NOTE: This table includes only net tax capacity-based rates. Certain other tax rates are based on market value. See Appendix E.

**Tax Levies and Collections**

| Levy/Collect | Net Levy(1) | Collected During Collection Year Amount | Percent | Collected and/or Abated as of December 31, 2025 Amount | Percent |
|---|---|---|---|---|---|
| 2025/26 | $23,743,958 | (In Process of Collection) | | | |
| 2024/25 | 20,827,388 | $20,672,656 | 99.3% | $20,672,655 | 99.3% |
| 2023/24 | 17,946,808 | 17,865,716 | 99.5 | 17,897,863 | 99.7 |
| 2022/23 | 14,995,915 | 14,954,034 | 99.7 | 14,988,773 | 100.0 |
| 2021/22 | 12,499,979 | 12,476,239 | 99.8 | 12,497,793 | 100.0 |

(1) The net levy excludes state aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix E.

## FUNDS ON HAND
## As of December 31, 2025

| | |
|---|---|
| General Fund | $ 9,362,946 |
| Special Revenue Funds | 1,464,104 |
| Debt Service Funds | 10,193,611 |
| Capital Project Funds | 29,295,231 |
| Enterprise Fund | 18,908,353 |
| Internal Service Funds | 3,744,635 |
| Total Cash and Investments | $72,968,880 |

## INVESTMENTS

The City may invest funds as authorized by Minnesota Statutes, as follows:

- Direct obligations or obligations guaranteed by the United States or its agencies.
- Shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of thirteen months or less.
- General obligations rated “A” or better.
- Revenue obligations rated “AA” or better.
- General obligations of the Minnesota Housing Finance Agency rated “A” or better.
- Banker's acceptances of United States banks eligible for purchase by the Federal Reserve System.
- Commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less.
- Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, with a credit quality in one of the top two highest categories.

- Repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding $10,000,000, that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York, or certain Minnesota securities broker-dealers.

The City’s investments are managed to attain a market rate of return while protecting capital. The City has the following mix of investment types as of December 31, 2025: 19.5% in First American Treasury Obligations, 5.6% in mutual funds and 68.7% in money markets, 3.6% in U.S. Government Agencies, 1.5% in State and Local Bonds, and $737,408 in Negotiable CDs. The Administrative Services Director (Treasurer) and City Administrator are charged with the responsibility of conducting investment transactions.

## GENERAL INFORMATION CONCERNING THE CITY

The City is the county seat of Carver County, and is located approximately 18 miles southwest of Minneapolis and is part of the Minneapolis-Saint Paul metropolitan area. The City encompasses an area of approximately 18 square miles (11,520 acres).

### Population

The City’s population trend is shown below.

| | Population | Percent Change |
|---|---|---|
| 2024 U.S. Census Estimate | 30,167 | 8.5% |
| 2020 U.S. Census | 27,810 | 17.0 |
| 2010 U.S. Census | 23,770 | 36.2 |
| 2000 U.S. Census | 17,449 | 53.9 |
| 1990 U.S. Census | 11,339 | - |

Sources: United States Census Bureau, http://www.census.gov/.

The City’s estimated population by age group for the past five years is as follows:

| Data Year/ Report Year | 0-17 | 18-34 | 35-64 | 65 and Over |
|---|---|---|---|---|
| 2025/26 | 6,892 | 5,981 | 12,040 | 4,510 |
| 2024/25 | 6,626 | 5,995 | 11,567 | 4,181 |
| 2023/24 | 7,227 | 5,858 | 11,595 | 3,969 |
| 2022/23 | 7,331 | 5,654 | 11,903 | 3,568 |
| 2021/22 | 7,555 | 5,416 | 11,932 | 3,360 |

Source: Claritas, LLC.

### Transportation

Major transportation routes serving the City include U.S. Highways 212 and 169 and State Highway 41. In addition, Interstate 494 is approximately 10 miles northeast of the City. Twin Cities and Western Railroad provides rail service to the City. Air transportation by major airlines is available at the Minneapolis-St. Paul International Airport, less than a half-hour drive from the City, and at the Flying Cloud Airport, approximately 10 miles east of the City.

## AREA ECONOMY

### Major Employers

| Employer | Product/Service | Approximate Number of Employees |
|---|---|---|
| Independent School District No. 112 (Eastern Carver County) | Public education | 1,388(1) |
| Entegris Inc. | Semiconductor processing | 507 |
| Lake Region Manufacturing Co., Inc. | Catheter components | 740 |
| Carver County | County government | 700 |
| Beckman-Coulter, Inc. | Diagnostic reagents | 521 |
| Apex International, MFG | Home-care product manufacturer | 400 |
| Old National Bank | Banking services | 400 |
| Import Specialties, Inc. | Automotive services | 250 |
| TEL-FSI, Inc | Semi-centrifugal products | 241 |
| City of Chaska | City government | 181(2) |

(1) Per public information available on https://emma.msrb.org/. Includes 642 non-licensed employees and 746 licensed employees.
(2) Full-time employees, per the City.

Source: Information obtained from D&B Hoovers, https://app.dnbhoovers.com/. This does not purport to be a comprehensive list.

### Labor Force Data

| | Annual Average | | | | January |
|---|---|---|---|---|---|
| | 2022 | 2023 | 2024 | 2025 | 2026 |
| Labor Force: | | | | | |
| Carver County | 61,753 | 62,716 | 63,472 | 64,241 | 63,350 |
| Minneapolis – St. Paul - Bloomington MSA | 2,036,157 | 2,061,709 | 2,075,093 | 2,099,384 | 2,075,289 |
| State of Minnesota | 3,070,397 | 3,137,559 | 3,137,559 | 3,171,537 | 3,133,348 |
| Unemployment Rate (%): | | | | | |
| Carver County | 1.9% | 2.3% | 2.7% | 3.4% | 4.3% |
| Minneapolis – St. Paul - Bloomington MSA | 2.3 | 2.6 | 3.0 | 3.7 | 4.8 |
| State of Minnesota | 2.5 | 2.8 | 3.1 | 3.9 | 5.3 |

Source: Minnesota Department of Employment and Economic Development, https://apps.deed.state.mn.us/lmi/laus. 2026 data are preliminary.

### Retail Sales and Effective Buying Income (EBI)

City of Chaska

| Data Year/ Report Year | Total Retail Sales ($000) | Total EBI ($000) | Median Household EBI |
|---|---|---|---|
| 2025/26 | $472,195 | $1,593,787 | $104,808 |
| 2024/25 | 385,277 | 1,311,518 | 90,105 |
| 2023/24 | 337,393 | 1,232,618 | 82,337 |
| 2022/23 | 343,613 | 1,158,627 | 79,386 |
| 2021/22 | 291,283 | 1,152,443 | 80,163 |

Carver County

| Data Year/ Report Year | Total Retail Sales ($000) | Total EBI ($000) | Median Household EBI |
|---|---|---|---|
| 2025/26 | $1,811,603 | $6,528,812 | $112,250 |
| 2024/25 | 1,757,398 | 5,622,944 | 100,368 |
| 2023/24 | 1,331,138 | 5,009,240 | 90,953 |
| 2022/23 | 1,414,686 | 5,063,203 | 91,382 |
| 2021/22 | 1,245,104 | 5,095,911 | 91,347 |

The 2025/26 Median Household EBI for the State of Minnesota was $80,810. The 2025/26 Median Household EBI for the United States was $75,389.

Source: Claritas, LLC.

**Permits Issued by the City**

| | New Single Family Residential | | New Commercial/Industrial | | Total Value(1) |
|---|---|---|---|---|---|
| | Number | Value | Number | Value | (All Permits) |
| 2025 | 107 | $46,100,825 | 159 | $79,789,835 | $149,810,527 |
| 2024 | 177 | 66,972,311 | 92 | 57,770,338 | 136,551,261 |
| 2023 | 211 | 75,389,667 | 99 | 139,897,098 | 225,276,101 |
| 2022 | 180 | 57,411,144 | 67 | 85,702,856 | 164,120,361 |
| 2021 | 214 | 71,543,619 | 43 | 13,041,285 | 120,301,623 |
| 2020 | 113 | 28,362,364 | 38 | 8,370,259 | 51,398,828 |
| 2019 | 122 | 32,288,490 | 34 | 7,237,100 | 46,553,957 |
| 2018 | 79 | 36,288,936 | 49 | 14,207,139 | 57,621,735 |
| 2017 | 103 | 24,339,375 | 43 | 69,145,998 | 105,409,067 |

(1) In addition to building permits, the total value includes all other permits issued by the City (i.e. heating, lighting, plumbing, roof replacement, etc.).

Source: City of Chaska.

**Recent Development**

As per the Metropolitan Council Community Profile of the City, in 2024 (2025 data not yet available) there were approximately 7,580 single-family homes, 739 single-family attached townhomes, 44 multi-family homes (consisting of two, three, and four units), 2,858 multi-family homes (consisting of five or more units), and 693 manufactured homes located within the City. In 2025, over 12 months, there were 0 single-family townhomes, and 103 new detached single-family homes constructed. The average value of a new home has increase/decreased by 3.35%, from $418,400 in 2024 to $432,400 as of December 31, 2025.

The status of single-family lot availability as of March 31, 2026 is as follows:

| Subdivision Name | Available Lots | Total Lots | Permits Issued to Date |
|---|---|---|---|
| *Single Family* | | | |
| Klein Brickyard Thirteenth Addition | 0 | 20 | 20 |
| Club West Seventh Addition | 1 | 42 | 41 |
| Club West Eighth Addition | 0 | 43 | 43 |
| Club West Ninth Addition | 1 | 13 | 12 |
| Club West Tenth Addition | 2 | 4 | 2 |
| Club West Eleventh Addition | 0 | 19 | 19 |
| Savanna Estates Second Addition | 2 | 11 | 9 |
| Savanna Estates Third Addition | 3 | 26 | 23 |
| Chaska Bluffs 2nd | 4 | 17 | 13 |
| Clover Field 7th | 1 | 11 | 10 |
| Ensconced Woods | 11 | 29 | 18 |
| Harvest West | 0 | 72 | 72 |
| Harvest West 2nd | 1 | 56 | 55 |
| Harvest West 3rd | 5 | 94 | 89 |
| Del Webb at Chaska 1st | 2 | 92 | 90 |
| Del Webb at Chaska 2nd | 3 | 179 | 176 |
| Kusske Estates | 0 | 2 | 2 |
| Reserve at Autumn Woods 1st | 0 | 86 | 86 |
| Oak Creek | 10 | 57 | 47 |
| Oak Creek 2nd | 26 | 45 | 19 |
| Rivertown Heights | 0 | 44 | 44 |
| Rivertown Heights 2nd | 26 | 46 | 20 |
| Hidden Maples | 2 | 4 | 2 |
| Chaska Yards | 0 | 3 | 3 |
| Carlson Bluffs | 3 | 4 | 1 |
| Carlson Bluffs | 5 | 10 | 5 |
| **Single Family Subtotal** | **108** | **1,029** | **921** |
| *Multiple Family* | | | |
| Pioneer Vista | 0 | 54 | 54 |
| **Grand Total** | **108** | **1,083** | **975** |

**Commercial and Industrial Development**

The City continues its multi-year program to reconstruct streets in the historic downtown core as a part of its Downtown Master Plan. This reconstruction has reinvigorated the coordination and planning efforts for the transformation of another downtown block, which will be called City Square West. The City envisions a gathering space that attracts citizens to come downtown to enjoy new and readily accessible services, and it is anticipated that construction will begin in 2026.

Other development activities include:

• *Creek Road*. To support access to the southwest Chaska area, the City began working on Creek Road. Creek Road is a major development in Chaska that began in 2017, with substantial completion in 2026. This $14.2 million dollar project is anticipated to provide access to 5,000 new jobs over the next 5 years for the metro area

• *Capital Asset Maintenance*. Another major initiative for the City is the continuing capital asset maintenance plan. Key to this plan is $1 million of levy annually dedicated to reinvesting in parks, streets, and trails.

• *Public Service Buildings*. The City also views its building program as a major initiative. In 2023, the City started increasing the tax levy by $1,125,000 to fund renovation of four City Facilities. The first is a Public Safety facility where the Police and Fire departments will be located. Construction of this building began in 2024 and was completed early 2026. The City received 1,575,000 in federal funding for the construction of the emergency operations center in the public safety facility building. The next building is the Municipal Service Building where Public works, Electric, Water, and Sewer personnel and services are located. This project begins in 2026 with substantial completion estimated for 2028. After that, the Library will be relocated from City Hall to a new building in 2029. The last building to be renovated will be City Hall with an estimated start date in 2030.

• *Data Center*. A proposed developer has a purchase agreement for a 150,000 square foot Data Center. This Data Center would be within the City's electric service territory. This data center is anticipated to use 190 MW and would be a direct sale from the power supplier.

Industrial Parks

There are two industrial parks located within the City with a combined capacity of 679 acres. Currently, there are over 100 enterprises occupying the parks, the larger of which include Lake Region Manufacturing, TEL-FSI, Inc., Beckman Coultier, Bailiwick, and Lifecore Biomedical. There are only two remaining sites in this industrial park, one with approximately 17 acres and one with approximately five acres. The five-acre site would be marketed for approximately $3 million, while the 17-acre site would be marketed for approximately $7 million. The City recently worked with three existing companies in the industrial parks on expansions totaling an additional 100,000 square feet.

The City has approximately 390 acres of corporate/industrial land planned for development since the opening of the new Highway 212. There is room for 5.5 million square feet of office/industrial space that will be marketed toward bioscience and high-tech companies. This is expected to add between $300 million and $500 million of taxable market value as well as 4,000 to 6,000 quality jobs when completed. With the opening of the Highway 212 Interchange, discussions with property owners are ongoing to develop this industrial park.

**Education**

Public Education

The following district serves the residents of the City:

| School | Location | Grades | 2025/26 Enrollment |
|---|---|---|---|
| I.S.D. No. 112 (Eastern Carver County) | City of Chaska | K-12 | 9,195 |

Source: Minnesota Department of Education, www.education.state.mn.us

Non-Public Education

City residents are also served by the following private schools:

| School | Location | Grades | 2025/26 Enrollment |
|---|---|---|---|
| Jonathan Montessori | City of Chaska | PreK | 3 |
| St. John's Lutheran School | City of Chaska | K-8 | 207 |
| Southwest Christian High School | City of Chaska | 9-12 | 581 |

Source: Minnesota Department of Education, www.education.state.mn.us

Post-Secondary Education

City residents have access to various colleges and universities located throughout the Minneapolis/Saint Paul metropolitan area.

## GOVERNMENTAL ORGANIZATION AND SERVICES

The City was organized as a municipality in 1891 and became a statutory city in 1975. The City's governing body is the City Council, comprised of the Mayor and four Council members. The Mayor serves a two-year term of office; Council members are elected by ward to serve overlapping four-year terms.

The following individuals comprise the current City Council:

| | | Expiration of Term |
|---|---|---|
| Taylor Hubbard | Mayor | December 31, 2026 |
| Jon Grau | Council Member, First Ward | December 31, 2026 |
| Josh Benesh | Council Member, Second Ward | December 31, 2028 |
| McKayla Hatfield | Council Member, Third Ward | December 31, 2026 |
| Leah Sheveland | Council Member, Fourth Ward | December 31, 2028 |

The daily management and administration of the City is under the direction of the City Administrator, Mr. Matthew Podhradsky. Mr. Podhradsky has served in this capacity since August 4, 2008. Mr. Podhradsky also serves as the City Clerk.

Mr. Noel Graczyk serves as Administrative Services Director and has been in this position since 1988. The Administrative Services Director also serves as City Treasurer and, with direction from the City Council, and shares responsibility for financial management with the City Administrator.

The City has 181 regular full-time employees, 328 part-time employees, and 49 paid on-call volunteer firefighters.

### Municipal Services

The Water Utility System has approximately 8,432 municipal and 30 private connections served by four elevated water storage facilities and a ground storage tank with a combined capacity of 4.5 million gallons, as of December 2025. In addition, there are six wells that have the capacity to pump 8,360 gallons per minute or approximately 13,400,000 gallons per day. In 2025, average demand was 3,563,942 gallons per day while peak demand reached 6,343,000 gallons per day. Total tap water hardness is 29 parts per million gallons of water. The water treatment plant has the capacity to treat 12.6 million gallons per day for iron and manganese removal to only trace levels.

The 2024 operating revenues of the water utility system were $5,074,005 with an average annual charge per household and commercial connection at approximately $623. In 2010, the City began billing water usage based on a rate structure with inclining steps. Rates for 2026 range from $3.34 to $6.70 per thousand gallons.

The Sewer Utility System has approximately 8,129 municipal and 27 private connections. Average demand in 2025 was 2,600,950 gallons per day while peak demand reached 5,000,000 gallons per day. All sewage treatment services are operated through Metropolitan Council Environmental Services.

The 2024 operating revenues of the sewer utility system were $7,822,847 with an average annual charge per household and commercial connection at approximately $960. The 2026 sewage use charge is $7.45 per thousand gallons. The established rates and charges for both the water and sewer systems produce revenues sufficient to operate the systems and pay debt service on those general obligation bonds that are payable from these revenues.

The Electric Utility System has approximately 12,376 connections. The electric utility's mission is to provide reliable electric service to its customers at competitive rates while making a profit that will be used to reduce community property taxes. The City owns and operates its own electric distribution system, purchasing electricity from the Minnesota Municipal Power Agency. The 2024 operating revenues of the electric utility system were $57,182,709.The Agency is a joint venture on the part of the City with eleven other cities that have entered into agreements to purchase wholesale electric power. See "The Electric Utility" herein.

Storm Water Utility System. All property within the City is charged a rate for storm water utility services based on land use. The 2025 operating revenues of the storm water utility system were $2,243,432. The Resistance Equivalency Rate (RER) is $13.29 in 2026.

Fire and Rescue Department. The City currently has a 49-member volunteer fire and rescue department, with a full-time Fire Chief. The City has a fully-equipped fire station with one pumper, seven various size tankers, a 100-foot aerial truck/pumper, eight fire trucks equipped with motorized pumps, an emergency/rescue vehicle, and other miscellaneous firefighting and rescue equipment.

Police Department. The City operates its own police department with 26 licensed police officers, including a chief of police and one full-time community service officer. Dispatching and jail facilities are coordinated through the Carver County Sheriff's Department.

Park and Recreational Facilities. The City's municipal park system encompasses approximately 992 acres of land consisting of 29 active recreation areas connected by a greenway system running from the Minnesota River to the Minnesota Landscape Arboretum. Virtually every home in Chaska is located no more than a quarter mile from the park system and most are connected by internal greenways within subdivisions. The 29 recreational areas offer a variety of facilities and activities to City residents including picnic areas with tables and electricity, cooking grills, drinking water, restrooms and shelter buildings, swimming, fishing, general playground equipment, baseball/softball fields, tennis courts, volleyball and basketball courts, hockey/skating rinks and horseshoe courts. The parks vary in size from two acres to 100 acres.

Community Center. The City operates an approximately 200,000 square-foot community center consisting of two ice arenas, gymnasiums, indoor running track, exercise machines, aquatic pools, racquetball courts, community rooms, offices, stage and auditorium, fitness center and the Lodge for Active Older Adults. The Center had operating revenues of $3,291,001 in 2024.

Curling Arena and Event Center. The City operates a curling center with six lanes for curling and a restaurant, and an event center that seats 350 people is adjacent the arena. The Curling Arena and Event Center had operating revenues of $1,133,427 in 2024.

Municipal Golf Courses. The City operates two golf courses: The Loop at Chaska Golf Course, a nine-hole executive course; and the Chaska Town Course, an 18-hole course. The golf courses had operating revenues of $396,264 and $3,330,839, respectively. The Loop at Chaska Golf Course is just opened for business after undergoing a large reconstruction project in 2024.

## Labor Contracts

The status of labor contracts in the City is as follows:

| Bargaining Unit | No. of Employees | Expiration Date of Current Contract |
|---|---|---|
| Teamsters No. 320 | 56 | December 31, 2027 |
| LELS (Patrol) | 23 | December 31, 2027 |
| Police Supervisors | 3 | December 31, 2026 |
| Total all labor contracts | 82 | |
| Non-unionized employees | 427 | |
| Total full-time employees | 181 | |
| Total part-time employees | 328 | |
| Volunteer Fire Department paid on-call employees | 49 | |
| Total employees | 514 | |

## Employee Pensions

All full-time employees and certain part-time employees of the City are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF), the Public Employees Police and Fire Fund (PEPFF) and the Public Employees Correctional Fund (PECF),which are cost-sharing multiple-employer retirement plans. In addition, the City participates in the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by PERA.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Comprehensive Financial Reports. See Appendix F.

## Other Postemployment Benefits

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the Annual Comprehensive Financial Reports. See Appendix F.

Sources: City's Annual Comprehensive Financial Reports.

## Major General Fund Revenue Sources(1)

| Revenue | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| Property Taxes | $7,715,569 | $8,430,302 | $9,238,259 | $11,349,298 | $14,031,254 |
| Charges for Services | 4,891,208 | 5,329,623 | 6,021,951 | 6,396,998 | 6,931,711 |
| Transfers In | 4,481,486 | 4,395,954 | 4,622,856 | 4,870,595 | 5,178,505 |
| Licenses and Permits | 943,410 | 1,836,260 | 2,284,612 | 3,171,358 | 2,244,981 |
| Intergovernmental | 639,162 | 969,470 | 737,306 | 939,684 | 1,088,320 |
| Other Revenue | 309,109 | 344,451 | 429,036 | 377,233 | 366,279 |
| Fines and Forfeitures | 33,400 | 37,649 | 40,684 | 50,100 | 53,621 |

(1) Represents the top seven general fund revenues.

Sources: City's Annual Comprehensive Financial Reports. Most recent information available.

**General Fund Budget Summary**

| | 2025 Budget | 2025 Actual | 2026 Budget |
|---|---|---|---|
| Revenues: | | | |
| Taxes | $16,577,690 | $16,349,593 | $19,665,272 |
| Licenses and Permits | 1,605,016 | 2,328,552 | 2,085,474 |
| Intergovernmental | 1,326,386 | 1,152,897 | 956,032 |
| Charges for Services | 7,204,340 | 7,404,254 | 7,672,751 |
| Fines and Forfeits | 43,000 | 61,752 | 43,860 |
| Investment Earnings | 25,000 | 160,341 | 25,000 |
| Miscellaneous | 200,499 | 312,525 | 310,661 |
| Total Revenues | $26,981,931 | $27,769,914 | $30,759,050 |
| Expenditures: | | | |
| General Government | $ 8,772,514 | $ 8,088,822 | $ 8,986,181 |
| Public Safety | 11,417,794 | 12,052,453 | 12,947,963 |
| Public Works | 3,592,089 | 3,484,288 | 4,566,010 |
| Parks, Recreation and Arts | 3,626,399 | 3,899,865 | 3,958,896 |
| Unallocated | 0 | 32 | 385,000 |
| Debt Service | 250,205 | 367,242 | 0 |
| Total Expenditures | $27,659,001 | $27,892,702 | $30,844,050 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | $ (677,070) | $ (122,788) | $ (85,000) |
| Other Financing Sources (Uses): | | | |
| Transfers In | $ 5,227,000 | $ 5,279,679 | $ 5,806,000 |
| Transfers Out | (4,547,446) | (4,547,446) | (5,421,000) |
| Total Other Financing Sources (Uses) | $ 679,554 | $ 732,233 | $ 385,000 |
| Net Change in Fund Balance | $ 2,484 | $ 609,445 | $ 300,000 |
| Beginning Fund Balance - January 1 | $ 5,202,137 | $ 6,629,412 | $ 7,238,857 |
| Ending Fund Balance - December 31 | $ 5,204,621 | $ 7,238,857 | $ 7,538,857 |

Sources: City's Annual Comprehensive Financial Reports and 2026 Budget.

## BOOK ENTRY

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2026A Bonds. The Series 2026A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Series 2026A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2026A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2026A Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Series 2026A Bonds, except in the event that use of the book-entry system for the Series 2026A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2026A Bond documents. For example, Beneficial Owners of the Series 2026A Bonds may wish to ascertain that the nominee holding the Series 2026A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2026A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2026A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026A Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026A Bonds at any time by giving reasonable notice to Authority or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

## FORM OF BOND COUNSEL OPINION

Economic Development Authority
of the City of Chaska, Minnesota

[Purchaser]
[City, State]

Re: $[PAR] Lease Revenue Bonds, Series 2026A
Economic Development Authority of the City of Chaska, Minnesota

Ladies and Gentlemen:

We have acted as bond counsel in connection with the authorization, issuance and sale by Economic Development Authority of the City of Chaska, Minnesota (the "Issuer"), of its $[PAR] Lease Revenue Bonds, Series 2026A, dated, as originally issued, as of July [__], 2026 (the "Bonds"). For the purpose of rendering this opinion, we have examined: (1) a Lease-Purchase Agreement, dated as of July 1, 2026 (the "Lease"), between the Issuer and the City of Chaska, Minnesota (the "City"); (2) a Trust Indenture, dated as of July 1, 2026 (the "Indenture"), between the Issuer and U.S. Bank Trust Company, National Association, as Trustee; (3) certified copies of the resolutions of the governing bodies of the Issuer and the City approving and authorizing the execution and delivery of the Bonds, the Lease, the Indenture and other documents, as the case may be; and (4) such other documents, certificates and opinions as we consider necessary in order to render this opinion. As to questions of fact material to our opinion, we have assumed the authenticity of and relied upon the proceedings, affidavits, certificates and other documents furnished to us without undertaking to verify the same by independent investigation.

From such examination and on the basis of existing law, it is our opinion that:

1. The Issuer is authorized by the Constitution and laws of the State of Minnesota to issue the Bonds, to apply the proceeds of the Bonds to the financing of the Project (as defined in the Lease), to pledge the rental payments to be received pursuant to, and its interests in, the Lease as security for the payment of the principal of and interest on the Bonds.

2. The Lease has been duly authorized, executed and delivered by the Issuer and the City and is a valid instrument binding on the Issuer and the City and enforceable in accordance with its terms. The Indenture has been duly and validly authorized, executed and delivered by the Issuer and, assuming the due and valid authorization, execution and delivery thereof by the Trustee, is a valid instrument binding on the Issuer and enforceable in accordance with its terms.

3. The Bonds are valid and binding special obligations of the Issuer, enforceable in accordance with their terms and the terms of the Indenture, payable as to principal and interest from and secured by a valid and enforceable pledge of revenues derived from the Lease and from certain other revenues described in the Lease and the Indenture. Under the Lease, the Issuer is leasing the Project to the City, and the City agrees to pay to the Issuer rental payments, payable at times and in amounts sufficient to pay the principal of and interest on the Bonds when due. The rental payments are payable solely from moneys to be legally appropriated and provided for that purpose by the City. If the City Council fails to appropriate money for the payment of the rental payments coming due under the Lease for any fiscal year of the City, the City may terminate the Lease in the manner provided therein as of the end of the preceding fiscal year, without penalty or liability on the part of the City to pay any rental payments coming due after the end of such fiscal year.

4. Interest on the Bonds (a) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (b) is not an item of tax

preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code.

5. Interest on the Bonds (a) is excluded from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes and (b) is not an item of tax preference for purposes of the Minnesota alternative minimum tax imposed on individuals, trusts, and estates.

The opinions expressed in paragraphs 1, 2, and 3 above are subject, as to enforceability, to the effect of any state or federal laws relating to bankruptcy, insolvency, reorganization, moratorium or creditors' rights and the application of equitable principles, whether considered at law or in equity.

The opinions expressed in paragraphs 4 and 5 above are subject to the compliance by the Issuer with certain requirements of the Code that must be satisfied subsequent to the issuance of the Bonds. Noncompliance with these requirements could result in the inclusion of interest on the Bonds in gross income for federal income tax purposes and taxable net income of individuals, estates, and trusts for Minnesota income tax purposes, retroactive to the date of issuance of the Bonds.

Except as stated herein, we express no opinion regarding federal, state, or other tax consequences to the owner of the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code) and is included in net income of corporations and financial institutions for purposes of the Minnesota franchise tax.

In providing this opinion, we have relied upon representations of the Issuer and the City and their respective officers as to (i) the intended application of the proceeds of the Bonds, (ii) the nature, use, cost, and economic life of the facilities and equipment financed by the Bonds, and (iii) other matters relating to the exemption of the interest on the Bonds from federal income taxation.

We have not been asked, and have not undertaken, to review the accuracy, completeness or sufficiency of any offering materials relating to the Bonds, and, accordingly, we express no opinion with respect thereto.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may occur after the date hereof and which may be retroactive.

Dated this [__]th day of July, 2026.

Very truly yours,

## FORM OF CONTINUING DISCLOSURE COVENANTS

(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, 2025, 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 A – 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) Manner of Disclosure.

(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.

# SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND MINNESOTA REAL PROPERTY VALUATION

Following is a summary of certain statutory provisions relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

## PROPERTY VALUATIONS (CHAPTER 273, MINNESOTA STATUTES)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value." The 2013 Minnesota Legislature established the Estimated Market Value as the value used to calculate a municipality's legal debt limit.

Economic Market Value. The Economic Market Value is the value of locally assessed real property (Assessor's Estimated Market Value) divided by the sales ratio as provided by the State of Minnesota Department of Revenue plus the estimated market value of personal property, utilities, railroad, and minerals.

Taxable Market Value. The Taxable Market Value is the value that Net Tax Capacity is based on, after all reductions, limitations, exemptions and deferrals.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature. Property taxes are the sum of the amounts determined by (i) multiplying the Net Tax Capacity by the tax capacity rate, and (ii) multiplying the referendum market value by the market value rate.

Market Value Homestead Exclusion. In 2011, the Market Value Homestead Exclusion Program (MVHE) was implemented to offset the elimination of the Market Value Homestead Credit Program that provided relief to certain homesteads. The MVHE reduces the taxable market value of a homestead with an Assessor's Estimated Market Value up to $517,200 in an attempt to result in a property tax similar to the effective property tax prior to the elimination of the homestead credit. The MVHE applies to property classified as Class 1a or 1b and Class 2a, and causes a decrease in the City's aggregate Taxable Market Value, even if the Assessor's Estimated Market Value on the same properties did not decline.

## PROPERTY TAX PAYMENTS AND DELINQUENCIES (CHAPTERS 275, 276, 277, 279-282 AND 549, MINNESOTA STATUTES)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder of Real property taxes is due on or before October 15 and Agricultural property is due on or before November 15. Real property taxes not paid by their due date are assessed a penalty on homestead property of 2% until May 31 and increased to 4% on June 1. The penalty on nonhomestead property is assessed at a rate of 4% until May 31 and increased to 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, a penalty of 2% on homestead property and 4% on nonhomestead property is assessed. The penalty for homestead property increases to 4% on November 1 and again to 5% on December 1. The penalty for nonhomestead property increases to 8% on November 1 and again to 9% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have three years (3) to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

**PROPERTY TAX CREDITS (CHAPTER 273, MINNESOTA STATUTES)**

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the homestead credit refund and the renter’s property tax refund, which relate property taxes to income and provide relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The homestead credit refund, the renter’s property tax refund, and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

**DEBT LIMITATIONS**

All Minnesota municipalities (counties, cities, towns, and school districts) are subject to statutory “net debt” limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Bonds issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.

2. Warrants or orders having no definite or fixed maturity.

3. Bonds payable wholly from the income from revenue producing conveniences.

4. Bonds issued to create or maintain a permanent improvement revolving fund.

5. Bonds issued for the acquisition, and betterment of public waterworks systems, and public lighting, heating or power systems, and of any combination thereof or for any other public convenience from which a revenue is or may be derived.

6. Debt service loans and capital loans made to a school district under the provisions of Minnesota Statutes, Sections 126C.68 and 126C.69.

7. Amount of all money and the face value of all securities held as a debt service fund for the extinguishment of obligations other than those deductible under this subdivision.

8. Bonds to repay loans made under Minnesota Statutes, Section 216C.37.

9. Bonds to repay loans made from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations.

10. Bonds issued to pay pension fund or other postemployment benefit liabilities under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

11. Bonds issued to pay judgments against the municipality under Minnesota Statutes, Section 475.52, subdivision 6, or any charter authority.

12. All other obligations which under the provisions of law authorizing their issuance are not to be included in computing the net debt of the municipality.

**LEVIES FOR GENERAL OBLIGATION DEBT**
**(SECTIONS 475.61 AND 475.74, MINNESOTA STATUTES)**

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

**METROPOLITAN REVENUE DISTRIBUTION (CHAPTER 473F, MINNESOTA STATUTES)**
**"FISCAL DISPARITIES LAW"**

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/Saint Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

## STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS

| Property Type | Local Tax Payable 2022-2023 | Local Tax Payable 2024 | Local Tax Payable 2025-2026 |
|---|---|---|---|
| **Residential Homestead (1a)** | | | |
| Up to $500,000 | 1.00% | 1.00% | 1.00% |
| Over $500,000 | 1.25% | 1.25% | 1.25% |
| **Residential Non-homestead** | | | |
| Single Unit (4bb) | | | |
| Up to $500,000 | 1.00% | 1.00% | 1.00% |
| Over $500,000 | 1.25% | 1.25% | 1.25% |
| 2-3 unit and undeveloped land (4b1) | 1.25% | 1.25% | 1.25% |
| **Market Rate Apartments** | | | |
| Regular (4a) | 1.25% | 1.25% | 1.25% |
| Low-Income (4d) | | | |
| Up to $162,000 | 0.75% | 0.75% | |
| Over $162,000 | 0.25% | 0.25% | |
| Low-Income (4d1) | | | 0.25% |
| Low-Income (4d2) | | | 0.75% |
| **Commercial/Industrial/Public Utility** (3a) | | | |
| Up to $150,000 | 1.50%(1) | 1.50%(1) | 1.50%(1) |
| Over $150,000 | 2.00%(1) | 2.00%(1) | 2.00%(1) |
| Electric Generation Machinery | 2.00% | 2.00% | 2.00% |
| **Commercial Seasonal Residential** | | | |
| Homestead Resorts (1c) | | | |
| Up to $600,000 | 0.50% | 0.50% | 0.50% |
| $600,001 - $2,300,000 | 1.00% | 1.00% | 1.00% |
| Over $2,300,000 | 1.25%(1) | 1.25%(1) | 1.25%(1) |
| Seasonal Resorts (4c1) | | | |
| Up to $500,000 | 1.00%(1) | 1.00%(1) | 1.00%(1) |
| Over $500,000 | 1.25%(1) | 1.25%(1) | 1.25%(1) |
| **Non-Commercial** (4c12) | | | |
| Up to $500,000 | 1.00%(1)(2) | 1.00%(1)(2) | 1.00%(1)(2) |
| Over $500,000 | 1.25%(1)(2) | 1.25%(1)(2) | 1.25%(1)(2) |
| **Disabled Homestead** (1b) | | | |
| Up to $50,000 | 0.45% | 0.45% | 0.45% |
| $50,001 - $500,000 | | 1.00% | 1.00% |
| Over $500,000 | | 1.25% | 1.25% |
| **Agricultural Land & Buildings** | | | |
| Homestead (2a) | | | |
| Up to $500,000 | 1.00% | 1.00% | 1.00% |
| Over $500,000 | 1.25% | 1.25% | 1.25% |
| Remainder of Farm | | | |
| Up to $3,800,000(3) | 0.50%(2) | 0.50%(2) | 0.50%(2) |
| Over $3,800,000(3) | 1.00%(2) | 0.50%(2) | 0.50%(2) |
| Non-homestead (2b) | 1.00%(2) | 1.00%(2) | 1.00%(2) |

(1) State tax is applicable to these classifications.
(2) Exempt from referendum market value-based taxes.
(3) Legislative increases, payable 2026. Historical valuations are: Payable 2025 - $3,500,000; Payable 2024 - $3,500,000; Payable 2023 - $1,890,000; and Payable 2022 - $1,890,000.

NOTE: For purposes of the State general property tax only, the net tax capacity of non-commercial class 4c(12) seasonal residential recreational property has the following class rate structure: First $76,000 – 0.40%; $76,001 to $500,000 – 1.00%; and over $500,000 – 1.25%. In addition to the State tax base exemptions referenced by property classification, airport property exempt from city and school district property taxes under M.S. 473.625 is exempt from the State general property tax (MSP International Airport and Holman Field in Saint Paul are exempt under this provision).

**SUMMARY OF FINANCING DOCUMENTS**

**The following summaries do not purport to be comprehensive or definitive and all references to the documents summarized below are qualified in their entirety by reference to the forms thereof and the information with respect thereto included in the following documents. Copies of these documents are available for inspection during the period of the offering at the offices of the Municipal Advisor, and thereafter at the principal office of the Trustee. REFERENCE IS MADE TO EACH DOCUMENT IN ITS ENTIRETY FOR A COMPLETE AND ACCURATE UNDERSTANDING OF THE FINANCING DOCUMENTS**

## DEFINITIONS

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

*Bond Resolution* means the resolutions of the Authority adopted by the Board of Commissioners of the Authority on May 4, 2026 and June 15, 2026, respectively, authorizing the issuance and sale of the Series 2026A 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 2026A 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.

*Certificat*e means a certification in writing required or permitted by the provisions of the Lease or the 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.

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

*Event of Default* means an Event of Default described in the Indenture 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.

*Improvements* means the improvements on the Land.

*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 in the Indenture, which real property is to be improved pursuant to the Lease.

*Lease* means the Lease-Purchase Agreement, dated as of July 1, 2026, between the Authority, as lessor, and the City, as lessee, relating to the Series 2026A 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 or appointed by the Trustee.

*Outstanding* means, when used as of any particular time with reference to Bonds (subject to the provisions 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 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 the Indenture 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 the Indenture.

*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 of the Lease, permit to remain unpaid; (ii) the 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, (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; (v) 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming, or (vi) those permitted encumbrances listed in Exhibit A to the Lease.

*Pledged Land* means the real property described in the Lease, which real property is a portion of the Land.

*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 the Indenture, and for purposes of this definition, any Bond authenticated and delivered under the Indenture 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 the Lease and the Indenture.

*Project Costs* means the costs defined in the Indenture.

*Project Fund* means the fund so named and created under the 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.

*Responsible Officer* means, when used with respect to the Trustee, any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of the Indenture.

*Series 2026A Bonds* means the $6,125,000 Lease Revenue Refunding Bonds, Series 2026AA, authorized by the Indenture and the Bond Resolution and described in the Indenture.

*Trust Estate* means the interest of the Authority in the Lease assigned under Granting Clause I of the 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 the Indenture; and additional property held by the Trustee pursuant to Granting Clause III of the Indenture.

*Trustee* means the trustee at the time serving as such under the Indenture

## THE LEASE

**The following is a summary of certain provisions of the Lease. The summary is qualified in its entirety by reference to the full text of that Lease.**

**Lease.** Upon the terms and conditions set forth in the Lease, the Authority leases the Project to the City, and the City leases the Project from the Authority.

**Possession and Enjoyment.** During the Lease Term, the Authority covenants to provide the City with the quiet use and enjoyment of the Project; and the City will peaceably and quietly have and hold and enjoy the Project without suit, trouble or hindrance from the Authority, except as expressly set forth in the Lease.

**City to Act as Agent; Acquisition and Construction of Project; Authority Access to Project.**

The Authority 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 and any Authority Representative have the right at all reasonable times to examine and inspect the Project and such rights of access to the Project as reasonably necessary to properly maintain the Project.

**Lease Term; Termination.** The Lease will 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. The Lease Term will terminate prior to February 1, 2054 upon the occurrence of the first of the following events: (a) termination of the Lease in the event of non-appropriation; (b) a default by the City and the Authority's election to terminate the Lease; or (c) the payment by the City of all Rental Payments due hereunder or the payment of the Purchase Price, together with any fees and expenses due the Authority or the Trustee under the Lease or the Indenture.

**Rental Payments.** The City will, 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 will 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) above, there will be applied any proceeds of 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 will 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 will 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.

The Rental Payments will 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.

Except as provided in the Lease, the obligation of the City to make Rental Payments due with respect to the Project or any other payments required thereunder will be absolute and unconditional in all events.

The obligations of the City under the Lease, including its obligation to pay the Rental Payments due with respect to the Project in any Fiscal Year for which the Lease is in effect, will constitute a current expense of the City for such Fiscal Year and will not constitute an indebtedness of the City within the meaning of the Constitution and laws of the State (except to the extent any amount of the Lease 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 in the Lease will constitute a pledge by the City of any taxes or other moneys, other than moneys 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 under the Lease.

**Liens.** The City can 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 provided in the Lease and Permitted Encumbrances. Except as expressly provided in the Lease, the City will 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 is required to reimburse the Authority for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim. 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 the Indenture. For the avoidance of doubt, the City and the Authority are expressly permitted to record any documents and take any other actions as may be necessary to consolidate all or any portion of the Land and the Project with other property of the Authority, and no such recordings or actions shall be construed or interpreted as violative of any provision, covenant or negative covenant contained herein. Further, the term "Permitted Encumbrances" shall include any encumbrance recorded in connection with any such consolidation. Further, the City and the Authority are expressly permitted to encumber or license no more than 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming.

**Termination of the Lease; Non-appropriation.** The City shall have the right to cancel and terminate the 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 the Lease, 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 the Lease, the City shall deliver possession of the Project to the Authority, and release its interest in the same Project granted under the Lease within ten (10) days after the termination of the Lease.

**Intent to Continue Lease-Purchase Payments; Appropriations**

The City presently intends to continue the 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 the Lease, that it will include in each annual budget an appropriation sufficient therefor.

**Effect of Termination** Upon termination of the Lease in the event of nonappropriation, 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 the terms of the Lease and conveyed to the Authority or released its interest in the Project granted under the 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 the Lease upon nonappropriation, the Trustee, on behalf of the Authority, may 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 the Indenture.

**Events of Default Defined** The following are Events of Default under the Lease and the terms "events of default" and "default" mean, whenever they are used in the 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) above, 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.

**Remedies on Default** Whenever any event of default 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 the 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 the 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 the Indenture.

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

**Surrender of Project** Upon the termination of the Lease, the City will surrender possession of the Project to the Authority in the condition, repair, appearance and working order required under the Lease.

**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 the Lease. Upon termination of the 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.

**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 the Lease, 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.

**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, the 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.

## INDENTURE

**The following is a summary of certain provisions of the Indenture between the Authority and the Trustee. The summary is qualified in its entirety by reference to the full text of the Indenture.**

**Authorization of Additional Bonds.** The Authority may, 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 the Indenture and applicable law, refund or advance refund any Bonds then Outstanding. 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 the Indenture and the Trust Estate on a parity with the Bonds then Outstanding under the 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 certain conditions described in the Indenture are met.

**Project Fund.** Pursuant to the Indenture, the Authority is required to establish an account with the Trustee entitled the "Series 2026A Project Fund" (the "Project Fund"). There will be deposited with the Trustee to the credit of the Project Fund the amounts specified in the Indenture from proceeds of the Series 2026A Bonds. As provided in the Indenture, income and profit from the investment of money in the Project Fund shall be credited to the Project Fund.

The moneys in the Project Fund will be held by the Trustee and applied to the payment of the Project Costs in accordance with the Indenture, and pending such application will be subject to a lien and charge in favor of the Holders of the Bonds issued and Outstanding under the Indenture and held for the further security of such Holders until paid out as provided in the Indenture. In the event the moneys in the Bond Fund is insufficient on any Interest Payment Date to pay principal of, premium (if any) or interest on the Bonds due on such date, the Trustee will use any moneys then on deposit to the credit of the Project Fund, 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.

**Bond Fund.** Pursuant to the Indenture, the Authority is required to establish and maintain a separate account to be designated the "Bond Fund," into which the Authority and Trustee will deposit: (i) the amount specified in the Indenture upon issuance of a series of Bonds; (ii) all Rental Payments received from the City pursuant to the Lease; (iii) all other moneys received by the Trustee from the City or Authority when accompanied by directions of the City or Authority that such moneys are to be paid into the Bond Fund or used for purposes for which moneys in the Bond Fund may be used; (iv) all other moneys required to be deposited in the Bond Fund pursuant to any provision of the Indenture or the Lease. The moneys and investments in the Bond Fund are irrevocably pledged to and will be used by the Trustee for the payment of principal of, premium (if any) on and interest on the Bonds, as and when such principal, premium and interest is due and payable.

**Investment of Funds.** The Trustee will 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 will 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 the Indenture may be purchased from the Trustee or from any of its affiliates. Any money held as a part of the Bond Fund will be invested or reinvested by the Trustee upon the written request and direction of a City Representative in any Qualified Investment. Subject to the forgoing, the type, amount and maturity of Qualified Investments will conform to the instructions, if any, in the written request of the City Representative; provided that investments acquired with money held in the Bond Fund will 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. In the absence of written directions delivered to the Trustee from the City, the Trustee will leave funds uninvested.

**Covenants.**

Payment of Bonds. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the 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 the 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 the Indenture and appropriated to the payment of the Bonds by the Indenture.

Extension of Payments of Bonds. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that 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 the 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.

Concerning the Lease. The Authority covenants and agrees, so long as the Bonds shall be outstanding, that 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.

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 the Indenture. For the avoidance of doubt, the City and the Authority are expressly permitted to record any documents and take any other actions as may be necessary to consolidate all or any portion of the Land and the Project with other property of the Authority, and no such recordings or actions shall be construed or interpreted as violative of any provision, covenant or negative covenant contained herein. Further, the term "Permitted Encumbrances" shall include any encumbrance recorded in connection with any such consolidation. Further, the City and the Authority are expressly permitted to encumber or license no more than 1,200 square feet of the Land and the Project in favor of American Legion Post #57 for the purpose of using the area for accessory seating and programming.

**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 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 the 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.

**Enforcement of Covenants and Conditions.** Upon the occurrence of an Event of Default with respect to the Lease, the Trustee may, anything in the Indenture to the contrary notwithstanding and without any request from any Bondholder of the Bonds relating thereto (subject, however, to the provisions of the Indenture), 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 the 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 the 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 the

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.

**Power of Majority of Bondholders** Anything in the 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 the 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 the Indenture.

**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.

**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 the 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 is not to the prejudice of the Trustee or the Holders of the Bonds.

**Amendments to Lease Requiring Consent of Bondholders.** Except for the amendments, changes or modifications as provided elsewhere in the Indenture, 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 the 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.

**Supplemental Indentures.** The Authority, upon resolution, and the Trustee from time to time and at any time, subject to the conditions and restrictions in the 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 the 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 the 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 the 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 the Indenture or any supplemental indenture as the Authority may deem necessary or desirable and which shall not be inconsistent with the provisions of the 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 the Indenture to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or under any similar Federal statute hereafter enacted, and to add to the 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 the Indenture.

## 2024 ANNUAL COMPREHENSIVE FINANCIAL REPORT

The Cit's Annual Comprehensive Financial Report ("ACFR") for fiscal year ended December 31, 2024, may be accessed on the MSRB's EMMA website, located here. (The City's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2025 is not yet available.)

**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

## $55,380,000*

## ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA

## LEASE REVENUE BONDS, SERIES 2026A (CITY OF CHASKA, MINNESOTA, LEASE OBLIGATION)

## (BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Series 2026A Bonds") will be received by the Economic Development Authority of the City of Chaska, Minnesota (the "Authority") on Wednesday, June 10, 2026 (the "Sale Date") until 10:30 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("BTMA"), 225 S Sixth St, Suite 1100, Minneapolis, MN 55402 after which time proposals will be opened and tabulated. Consideration for award of the Series 2026A Bonds will be by a designated pricing committee (the "Pricing Committee") following the opening of proposals.

### SUBMISSION OF PROPOSALS

BTMA will assume no liability for the inability of a bidder or its proposal to reach BTMA prior to the Sale Time, and neither the Authority nor BTMA 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 Series 2026A Bonds regardless of the manner in which the proposal is submitted.

(a) ***Sealed Bidding.*** Completed, signed proposals may be submitted to BTMA 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 Series 2026A 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 SERIES 2026A BONDS

The Series 2026A 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, 2027. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Series 2026A Bonds will mature February 1 in the years and amounts* as follows:

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2028 | $1,010,000 | 2034 | $1,350,000 | 2040 | $1,815,000 | 2046 | $2,020,000 | 2052 | $2,675,000 |
| 2029 | $1,060,000 | 2035 | $1,425,000 | 2041 | $1,910,000 | 2047 | $2,110,000 | 2053 | $2,805,000 |
| 2030 | $1,115,000 | 2036 | $1,495,000 | 2042 | $1,660,000 | 2048 | $2,215,000 | 2054 | $2,945,000 |
| 2031 | $1,170,000 | 2037 | $1,570,000 | 2043 | $1,745,000 | 2049 | $2,320,000 | 2055 | $3,095,000 |
| 2032 | $1,230,000 | 2038 | $1,645,000 | 2044 | $1,830,000 | 2050 | $2,430,000 | 2056 | $3,250,000 |
| 2033 | $1,290,000 | 2039 | $1,730,000 | 2045 | $1,920,000 | 2051 | $2,545,000 | | |

*The Authority reserves the right, after proposals are opened and prior to award, to increase or reduce the principal amount of the Series 2026A 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 Series 2026A 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 Series 2026A Bonds will be issued by means of a book entry system with no physical distribution of Series 2026A Bonds made to the public. The Series 2026A Bonds will be issued in fully registered form and one Series 2026A Bond, representing the aggregate principal amount of the Series 2026A 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 Series 2026A Bonds. Individual purchases of the Series 2026A 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 Series 2026A 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 Series 2026A Bonds, will be required to deposit the Series 2026A Bonds with DTC.

## TRUSTEE

U.S. Bank National Association, Saint Paul, Minnesota will serve as trustee (the "Trustee") for the Series 2026A Bonds, and the Authority will pay for the services of the Trustee.

## OPTIONAL REDEMPTION

The Authority may elect on February 1, 2036, and on any day thereafter, to redeem Series 2026A Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all the 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 Series 2026A 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 the Series 2026A Bonds maturing on the same date, in the event that all or any part of the Project (as further detailed below under Security and Purpose) 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.

## SECURITY AND PURPOSE

The Series 2026A Bonds will be special, limited obligations of the Authority payable solely from rental payments (the “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, 2026 (the “Lease”). The Series 2026A Bonds are issued pursuant to a Trust Indenture between the Authority and the “Trustee dated July 1, 2026 (the “Indenture”); resolutions of the Authority and City dated May 4, 2026; and to be adopted by the Authority and City on or around June 15, 2026. The Series 2026A 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 Series 2026A Bonds, along with available Authority funds, will be used to finance (i) the construction and equipping of a new municipal service building located in the City; (ii) repayment of the City’s Lease-Purchase Agreement dated January 16, 2025, between Security Bank & Trust Co. and the City; (iii) improvements to City Hall Plaza (together with items (i) and (ii), the ”Project”); (iv) capitalized interest to pay a portion of the February 1, 2027 interest payment; and (v) costs of issuance of the Series 2026A Bonds.

## NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The Authority will not designate the Series 2026A 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 $55,380,000 (Par) plus accrued interest, if any, on the total principal amount of the Series 2026A 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 Series 2026A 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 Series 2026A Bonds is not made by the Pricing Committee following the opening of proposals, as designated by the Authority authorizing resolution. Series 2026A Bonds of the same maturity shall bear a single rate from the date of the Series 2026A 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 Series 2026A 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 Series 2026A 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 Series 2026A 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, Series 2026A Bonds with a separate CUSIP number constitute a separate "maturity," and "the public" does not include underwriters of the Series 2026A Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Series 2026A Bonds.

If, however, a proposal is submitted for the bidder's own account in a capacity other than as an underwriter of the Series 2026A Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Series 2026A 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 Series 2026A 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 BTMA.

**Bidders should prepare their proposals on the assumption that the Series 2026A 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 Series 2026A 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 $553,800 (the "Deposit") no later than 1:30 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 BTMA 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 BTMA 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 Series 2026A 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 Series 2026A 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 Series 2026A Bonds. If the Series 2026A 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 Series 2026A Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Series 2026A Bonds.

## CUSIP NUMBERS

If the Series 2026A Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Series 2026A Bonds; however, neither the failure to print such numbers on any Series 2026A Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Series 2026A Bonds. BTMA 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 9, 2026, the Series 2026A 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 Series 2026A 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 Series 2026A 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 ratifying the Series 2026A Bonds, 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 Series 2026A Bonds will be conditioned upon receiving evidence of this undertaking at or prior to delivery of the Series 2026A Bonds.

## OFFICIAL STATEMENT

The Authority has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Series 2026A 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. 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 Series 2026A Bonds, together with any other information required by law. By awarding the Series 2026A 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 4, 2026 BY ORDER OF THE AUTHORITY BOARD OF DIRECTORS

/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*)

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA**
**$55,380,000* Lease Revenue Bonds, Series 2026A (City of Chaska, Minnesota Lease Obligation)**

For the Series 2026A Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of $_________________ (which may not be less than $55,380,000 (Par)) plus accrued interest, if any, to the date of delivery.

| Year | Interest Rate (%) | Yield (%) | Dollar Price | Year | Interest Rate (%) | Yield (%) | Dollar Price |
|---|---|---|---|---|---|---|---|
| 2028 | _______% | _______% | _______% | 2043 | _______% | _______% | _______% |
| 2029 | _______% | _______% | _______% | 2044 | _______% | _______% | _______% |
| 2030 | _______% | _______% | _______% | 2045 | _______% | _______% | _______% |
| 2031 | _______% | _______% | _______% | 2046 | _______% | _______% | _______% |
| 2032 | _______% | _______% | _______% | 2047 | _______% | _______% | _______% |
| 2033 | _______% | _______% | _______% | 2048 | _______% | _______% | _______% |
| 2034 | _______% | _______% | _______% | 2049 | _______% | _______% | _______% |
| 2035 | _______% | _______% | _______% | 2050 | _______% | _______% | _______% |
| 2036 | _______% | _______% | _______% | 2051 | _______% | _______% | _______% |
| 2037 | _______% | _______% | _______% | 2052 | _______% | _______% | _______% |
| 2038 | _______% | _______% | _______% | 2053 | _______% | _______% | _______% |
| 2039 | _______% | _______% | _______% | 2054 | _______% | _______% | _______% |
| 2040 | _______% | _______% | _______% | 2055 | _______% | _______% | _______% |
| 2041 | _______% | _______% | _______% | 2056 | _______% | _______% | _______% |
| 2042 | _______% | _______% | _______% | | | | |

**Designation of Term Maturities**

Years of Term Maturities ______________ ______________
______________ ______________

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In making this offer on the sale date of June 10, 2026 we accept all of the terms and conditions of the Terms of Proposal published in the Preliminary Official Statement dated June 1, 2026 including the Authority's right to modify the principal amount of the Series 2026A Bonds. (See "Terms of Proposal" herein.) In the event of failure to deliver these Series 2026A Bonds in accordance with said Terms of Proposal, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this proposal, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Series 2026A Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: $____________________________

TRUE INTEREST RATE: ______________ %

The Bidder ☐ will not ☐ will purchase municipal bond insurance from __________________.

Account Members

______________________________
Account Manager
By: ___________________________
Phone: ________________________

............................................................................................................

The foregoing proposal has been accepted by the Authority.

Attest: ________________________________ Date: ________________________________

Phone: 651-223-3000
Email: bids@bakertilly.com

* Preliminary; subject to change.

**$55,380,000***

**ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF CHASKA, MINNESOTA**
**LEASE REVENUE BONDS, SERIES 2026A (CITY OF CHASKA, MN LEASE OBLIGATION)**
**S&P Rating: AA-**

**Sale Date: June 10, 2026** **BBI: 4.70%**
**Average Maturity: 18.222 Years**

| Bidder | TIC |
|---|---|
| Wells Fargo Bank, National Association | 4.3999% |
| Robert W. Baird & Co., Inc. | 4.4115% |
| Piper Sandler & Co. | 4.4214% |
| J.P. Morgan Securities LLC | 4.4732% |
| Jefferies LLC | 4.4787% |
| BofA Securities | 4.4853% |

| Winning Bidder Information | Maturity | Interest Rate | Reoffering Yield | Reoffering Price |
|---|---|---|---|---|
| WELLS FARGO BANK, | 2/1/2028 | 5.000% | 2.610% | 103.631% |
| NATIONAL ASSOCIATION | 2/1/2029 | 5.000% | 2.650% | 105.780% |
| | 2/1/2030 | 5.000% | 2.710% | 107.722% |
| | 2/1/2031 | 5.000% | 2.790% | 109.401% |
| | 2/1/2032 | 5.000% | 2.860% | 110.928% |
| | 2/1/2033 | 5.000% | 2.940% | 112.209% |
| | 2/1/2034 | 5.000% | 2.990% | 113.510% |
| | 2/1/2035 | 5.000% | 3.080% | 114.350% |
| | 2/1/2036 | 5.000% | 3.170% | 114.990% |
| | 2/1/2037 | 5.000% | 3.280% | 114.016% |
| | 2/1/2038 | 5.000% | 3.380% | 113.139% |
| | 2/1/2039 | 5.000% | 3.480% | 112.270% |
| | 2/1/2040 | 5.000% | 3.580% | 111.409% |
| | 2/1/2041 | 5.000% | 3.640% | 110.896% |
| | 2/1/2042 | 5.000% | 3.710% | 110.301% |
| | 2/1/2043 | 4.000% | 4.105% | 98.750% |
| | 2/1/2044 | 4.000% | 4.161% | 98.000% |
| | 2/1/2045 | 4.125% | 4.282% | 98.000% |
| | 2/1/2046 | 4.250% | 4.403% | 98.000% |
| | 2/1/2047 | 4.250% | 4.399% | 98.000% |
| | 2/1/2048 | 4.375% | 4.521% | 98.000% |
| | 2/1/2049 | 4.500% | 4.589% | 98.750% |
| | 2/1/2050 | 4.500% | 4.605% | 98.500% |
| | 2/1/2051 | 4.500% | 4.620% | 98.250% |
| | 2/1/2052 | 4.500% | 4.634% | 98.000% |
| | 2/1/2054 | 4.500% | 4.629% | 98.000% |
| | 2/1/2056 | 4.625% | 4.750% | 98.022% |

**Purchase Price**: $56,469,076.83*
**Net Interest Cost**: $44,852,969.63*
**TIC**: 4.3999%*

* *Subsequent to bid opening, the par amount increased to $55,765,000; and the price, net interest cost, and true interest cost have changed to $56,958,080.92, $44,489,236.82, and 4.3871%, respectively.*

PARITY

**Wells Fargo Bank, National Association - Charlotte , NC's Bid**
**Economic Development Authority of the City of Chaska, Minnesota**
**~~$55,380,000~~ $55,765,000 Lease Revenue Bonds, Series 2026A (City of Chaska, MN Lease Obligation)**

For the aggregate principal amount of ~~$55,380,000.00~~ $55,765,000.00, we will pay you ~~$56,469,076.83~~ $56,958,080.92, plus accrued interest from the date of issue to the date of delivery. The Bonds are to bear interest at the following rate(s):

| Maturity Date | ~~Amount $~~ | Amount $ | Coupon % | Yield % | Dollar Price | Bond Insurance |
|---|---|---|---|---|---|---|
| 02/01/2028 | ~~1,010M~~ | 1,055M | 5.0000 | 2.6100 | 103.631 | |
| 02/01/2029 | ~~1,060M~~ | 1,110M | 5.0000 | 2.6500 | 105.780 | |
| 02/01/2030 | ~~1,115M~~ | 1,160M | 5.0000 | 2.7100 | 107.722 | |
| 02/01/2031 | ~~1,170M~~ | 1,220M | 5.0000 | 2.7900 | 109.401 | |
| 02/01/2032 | ~~1,230M~~ | 1,280M | 5.0000 | 2.8600 | 110.928 | |
| 02/01/2033 | ~~1,290M~~ | 1,345M | 5.0000 | 2.9400 | 112.209 | |
| 02/01/2034 | ~~1,350M~~ | 1,410M | 5.0000 | 2.9900 | 113.510 | |
| 02/01/2035 | ~~1,425M~~ | 1,485M | 5.0000 | 3.0800 | 114.350 | |
| 02/01/2036 | ~~1,495M~~ | 1,555M | 5.0000 | 3.1700 | 114.990 | |
| 02/01/2037 | ~~1,570M~~ | 1,635M | 5.0000 | 3.2800 | 114.016 | |
| 02/01/2038 | ~~1,645M~~ | 1,710M | 5.0000 | 3.3800 | 113.139 | |
| 02/01/2039 | ~~1,730M~~ | 1,800M | 5.0000 | 3.4800 | 112.270 | |
| 02/01/2040 | ~~1,815M~~ | 1,890M | 5.0000 | 3.5800 | 111.409 | |
| 02/01/2041 | ~~1,910M~~ | 1,990M | 5.0000 | 3.6400 | 110.896 | |
| 02/01/2042 | ~~1,660M~~ | 1,710M | 5.0000 | 3.7100 | 110.301 | |
| 02/01/2043 | ~~1,745M~~ | 1,795M | 4.0000 | 4.1050 | 98.750 | |
| 02/01/2044 | ~~1,830M~~ | 1,865M | 4.0000 | 4.1610 | 98.000 | |
| 02/01/2045 | ~~1,920M~~ | 1,940M | 4.1250 | 4.2820 | 98.000 | |
| 02/01/2046 | ~~2,020M~~ | 2,020M | 4.2500 | 4.4030 | 98.000 | |
| 02/01/2047 | ~~2,110M~~ | 2,105M | 4.2500 | 4.3990 | 98.000 | |
| 02/01/2048 | ~~2,215M~~ | 2,195M | 4.3750 | 4.5210 | 98.000 | |
| 02/01/2049 | ~~2,320M~~ | 2,290M | 4.5000 | 4.5890 | 98.750 | |
| 02/01/2050 | ~~2,430M~~ | 2,395M | 4.5000 | 4.6050 | 98.500 | |
| 02/01/2051 | ~~2,545M~~ | 2,505M | 4.5000 | 4.6200 | 98.250 | |
| 02/01/2052 | ~~2,675M~~ | 2,615M | 4.5000 | 4.6340 | 98.000 | |
| 02/01/2053 | - | | | | | |
| 02/01/2054 | ~~5,750M~~ | 5,585M | 4.5000 | 4.6290 | 98.000 | |
| 02/01/2055 | - | | | | | |
| 02/01/2056 | ~~6,345M~~ | 6,100M | 4.6250 | 4.7500 | 98.022 | |

| | | |
|---|---|---|
| Total Interest Cost: | ~~$45,942,046.46~~ | $45,682,317.74 |
| Premium: | ~~$1,089,076.83~~ | $1,193,080.92 |
| Net Interest Cost: | ~~$44,852,969.63~~ | $44,489,236.82 |
| TIC: | ~~4.399999~~ | 4.387130 |
| Total Insurance Premium: | ~~$0.00~~ | $0.00 |

Time Last Bid Received On:06/10/2026 10:29:54 CDST

This proposal is made subject to all of the terms and conditions of the Official Bid Form, the Official Notice of Sale, and the Preliminary Official Statement, all of which are made a part hereof.

Bidder: Wells Fargo Bank, National Association, Charlotte, NC
Contact: Parks Lineberger
Title: Managing Director
Telephone: 704-410-3441

Issuer Name: EDA of the City of Chaska, Minnesota
Accepted By: - President
- Executive Director
Date: June 6, 2026

Company Name: Wells Fargo Bank, National Association
Accepted By:
Date: June 6, 2026