

April 17, 2025

Via email (gordon.gendler@umb.com)

Gordon Gendler
UMB Bank, N.A., as trustee
120 South Sixth Street
Suite 1400
Minneapolis, MN 55402

**Re: Offer to Lease and Acquire Property located at 3701 33rd St. S. St. Cloud,
MN 56301**

Dear Mr. Gendler:

The following will confirm the basic terms and conditions upon which STRIDE Academy, a Minnesota nonprofit corporation and public charter school, offers to lease the above-referenced property, now occupied by Athlos Academy of St. Cloud. This Letter is a general outline of the terms of a proposed lease and shall not be binding on either party. Nevertheless, if this Letter is accepted, the parties will endeavor in good faith to negotiate a lease, including the terms of a purchase and sale agreement, consistent with the terms of this Letter.

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| PROPERTY | The property consists of approximately 12.73 acres of real property described on Exhibit A hereto (the "Property"), together with the improvements located thereon as described in Exhibit A . The improvements constructed on the Property includes approximately 87,004 square feet of schoolhouse, associated playfields, and parking (collectively, the "Building"). |
| TRUSTEE | UMB Bank, N.A., holder of a deed of trust on the Property |
| LANDLORD | SYH Athlos Academy LLC |
| TENANT | STRIDE Academy |
| FORM OF LEASE | A form of lease will be provided by Trustee upon execution of this term sheet. |
| LEASE TERM | One-year term (beginning June 16, 2025 and terminating June 15, 2026). No lease extensions will be provided. |
| BONDHOLDER APPROVAL | Tenant is responsible for obtaining the consent of its bondholders to the lease and any future financing needed to acquire the Property. Tenant shall post a notice relating to this Letter to EMMA within three business days of execution by all parties. |
| PRESERVATION OF ATHLOS BOND TAX-EXEMPTION | Tenant agrees to cooperate with bond counsel for the Athlos bonds to qualify its use and the lease as a qualified use for tax-exempt bond purposes. Tenant will be required to agree to tax covenants similar to its obligations for its current bonds for its K-8 school. |
| BASE RENT | The Tenant shall pay base rent in the amount of \$800,000, payable monthly in advance in equal monthly installments. The first installment shall be due on July 1, 2025. Each subsequent installment shall be payable on the 16 th day of each month, commencing July 16, 2025. The final installment shall be payable |

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| | May 16, 2025. Payments not due on a business day shall be payable on the next succeeding business day. |
| ADDITIONAL RENT | <p>The Tenant shall pay additional rent on the 16th day of each month during the lease term, as follows:</p> <ol style="list-style-type: none"> 1. Landlord's administrative fee in the amount of \$4,175.00/month. 2. Trustee fee in the amount of \$500/month. |
| SECURITY DEPOSIT | Tenant will provide a security deposit in the amount of \$20,000 upon Lease execution to Trustee. The Trustee will deposit the security deposit into the Capital Repair and Replacement Fund. The Security Deposit will be returned to Tenant on one of the following dates: (i) on June 30, 2026, net of any repairs of damage (beyond ordinary wear and tear) caused by Tenant needed upon exit inspection; or (ii) at time of acquisition of the Property by ABC (as hereinafter defined), if Tenant has made all payments of Rent due and owing through that date. |
| OPERATING EXPENSES | The lease will be a "triple net lease", meaning all taxes, insurance and operating expenses of any type whatsoever are payable by Tenant. |
| PROPERTY TAXES | Based upon review of the tax records, Tenant understands that Landlord is currently exempt from the payment of real estate taxes. If any additional filing is needed to preserve exemption, Tenant will be responsible for the filing. Tenant will pay installments of special assessments that are due and owing during the term of the lease. Landlord agrees to cooperate with Tenant in maintaining the tax-exemption, if any. |
| LANDLORD RESPONSIBILITIES | None. The lease shall be a triple net lease, subject to the provisions under the heading "Capital Repairs". |
| TENANT RESPONSIBILITIES | Tenant is responsible for keeping the Building in good repair, subject to the provisions under the heading "Capital Repairs", and for returning the building at the expiration of the lease term in the same condition in which it was received, ordinary wear and tear excepted. |
| EXISTING BUILDING REPAIRS | As of the date of this Letter, Tenant has become aware that the Building has two issues: (1) the roof of the Building has been leaking, and (2) two of the 52 HVAC units need repair. The current tenant has obtained quotes for repair of the roof leak and has obtained settlement proceeds in the amount of \$51,481.01 to correct the roof leak. As of the date of this Letter, the Trustee does not yet know what the issue is with the two nonfunctional HVAC units. The Trustee will work with the current tenant to will resolve the roof leak and fix the HVAC units as soon as practicable but no later than August 1, 2025. If the cost of the roof repairs and HVAC repairs, in total, exceeds an additional fifty thousand dollars (\$50,000) beyond the settlement proceeds described above, the parties will work to reach mutual agreement on the scope of repairs described in this paragraph and how the costs will be paid. For the avoidance of doubt, the repairs |

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| | described herein are separate and apart from the repairs, if any, described in this letter below under the heading “Capital Repairs”. |
| CAPITAL REPAIRS | Other than as set forth above under the heading “Existing Building Repairs”, Trustee and Tenant agree to split the cost of any capital repairs necessary to keep the Building safe and habitable, upon written agreement of both parties that (1) the repairs are necessary to keep the Building safe and habitable, (2) the repairs being commissioned only bring the equipment or portion of the Building being repaired back to functional status, and (3) mutual acceptance of the cost. In the event that capital repairs are required, the parties shall agree on a construction monitor to oversee the repairs. In such event, the amount spent by Tenant will be credited to the purchase price in the event Tenant purchases the Building |
| INSURANCE | Tenant shall maintain all insurance coverage that is required to be maintained by either the Landlord or Tenant pursuant to Sections 4.6 and 4.7 of the existing Landlord Loan Agreement, the Pledge and Covenant Agreement and any other Financing Documents. |
| TENANT’S WORK | Tenant will not make material changes to the Building or the Property without the prior written consent of the Trustee, unless the option described below is exercised. |
| PURCHASE OPTION | <p>In consideration for the Tenant’s occupancy of the Building, the lease shall include an purchase option in favor of STRIDE Academy Building Company, an affiliate of the Tenant or any other wholly owned subsidiary of Tenant (the “ABC”). The purchase option shall not be assignable without the prior written consent of the Trustee, which may be withheld in the Trustee’s sole and absolute discretion. The purchase option shall contain the following material terms:</p> <ol style="list-style-type: none"> 1. The purchase price for the building shall be \$18,000,000. 2. The option must be exercised no later than January 10, 2026, by written notice to the Trustee. 3. The purchase of the Property must close no later than April 10, 2026. 4. All due diligence must be done by the Tenant or the ABC to their satisfaction and at their sole cost prior to January 10, 2026. Tenant acknowledges that neither Landlord nor Trustee have information about the building, and that Tenant will need to coordinate with officials of Athlos Academies of St. Cloud and the existing property owner to obtain information concerning the Property. Landlord and Trustee will cooperate with Tenant’s requests for cooperation at the cost and expense of the Tenant or ABC. 6. Upon exercise of the option, the Tenant or the ABC shall deposit \$180,000 into escrow (the “Earnest Money”) with the title company (Fidelity National Commercial Services, SLC, UT). The Earnest Money shall be nonrefundable, but shall be applied to purchase price if the Tenant or ABC closes. Otherwise, the Earnest Money shall be payable to the Trustee as liquidated damages in the event of the failure of the Tenant or ABC to close. If the Seller fails to deliver the deed and the Tenant or ABC is ready, willing and |

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| | <p>able to perform, then the Earnest Money may be refunded by the escrow agent to the Tenant or ABC, whichever provided the funds.</p> <p>7. Upon exercise of the option, the ABC is obligated to close the purchase of the Property by the date set forth above. The Tenant shall guarantee the obligation of the ABC to purchase the building upon exercise of the option to purchase.</p> <p>8. In consideration for granting the option, the Tenant and the ABC agree (i) to provide the bondholders of the Athlos bonds notice and objection rights for any investment banker engaged to finance its acquisition of the Property, and (ii) to grant the bondholders of the Athlos bonds right of first refusal to purchase any tax-exempt bonds issued to finance the acquisition of the Property.</p> <p>9. The purchase of the Property shall be “AS-IS, where is” upon exercise, except for matters of title arising between January 1, 2026 and the closing date. No representations and warranties, except as to title, will be provided by Landlord or Trustee to ABC or Tenant.</p> <p>10. The form of purchase and sale agreement will be appended to the lease.</p> <p>11. The parties shall split closing costs in accordance with typical custom in Minneapolis, MN (to be included in the form purchase and sale agreement).</p> |
| ELECTION TO NOT EXERCISE OPTION | If the Tenant elects to not exercise its option to purchase the Property, the lease will require the Tenant to cooperate with one or more real estate brokers, consultants or agents appointed by the Trustee and make reasonable accommodations for showings of the Property to prospective purchasers during the lease term. |
| SUBLEASING AND ASSIGNMENT | The Tenant may not sublease any part of the Building to any subtenant without Trustee approval and compliance with federal tax rules. The lease is not assignable. |
| COMMISSIONS | Tenant is not represented by a Broker. |
| TRUSTEE AND LANDLORD | Tenant acknowledges that the Trustee is executing this Letter solely in its capacity as trustee under a trust indenture for bonds secured by the Property, and is acting at the direction of the Majority Bondholders. Landlord is acknowledging this Letter solely at the written request of the Trustee. |
| EXCLUSIVITY | Upon execution of this Letter, Trustee and Tenant will cease negotiations with any other parties until either: (a) May 1, 2025; or (b) this letter is terminated by mutual agreement. |
| CONFIDENTIALITY | The Tenant agrees to keep the terms of this Letter and any lease confidential and not disclose the terms thereof to any person, except as required by Minnesota law. |
| EXPIRATION | This Letter shall expire and be revoked, without further notice, at 5:00 pm on April 11, 2025, unless it is accepted and signed by both parties, with the acknowledgement by the Landlord. This Letter may be executed in counterparts. An electronic signature may be used in place of an original. |

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| | If this Letter is timely executed, it will expire unless Landlord and Tenant have executed a final lease, including a purchase and sale agreement, and the consent of the Trustee is obtained by May 1, 2025. |
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This Letter is intended to summarize certain terms relating to the proposed leasing and purchase of the Property described herein. This Letter is not a binding agreement nor a comprehensive listing of the terms of any lease or purchase and sale agreement. This Letter represents a willingness on the part of the undersigned to negotiate definitive terms, to seek approval of, and to close a transaction based upon the terms and conditions outlined in this letter.

Please review the terms of this Letter. If such terms are acceptable, please have the appropriate party sign below where provided and return the signed Letter to the Tenant.

Very truly yours,

STRIDE ACADEMY

By: 
Executive Director

Accepted:

UMB BANK, N.A., as Trustee

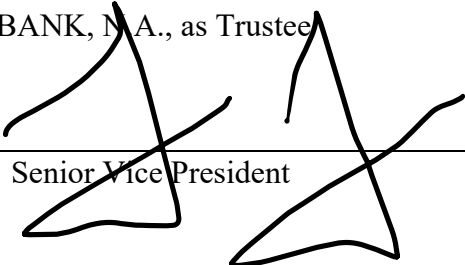
By: 
Senior Vice President

Exhibit A

PROPERTY LEGAL DESCRIPTION

Lot 1, Block 1, Schwinghammer Farm, according to the recorded plat thereof, Stearns County, Minnesota.

(Abstract Property)

