LEASE

THIS LEASE (“**Lease**”) is made effective as of the 16th day of June (although executed and delivered on May [\_\_\_], 2025 (the “**Execution Date**”), by and between **SYH Athlos Academy LLC**, a Minnesota limited liability company (“**Landlord**”), and **Stride Academy,** a Minnesota nonprofit corporation (“**Tenant**”).

**BASIC LEASE TERMS**

|  |  |
| --- | --- |
| Landlord | SYH Athlos Academy LLC, a Minnesota nonprofit limited liability company |
| Tenant | Stride Academy, a Minnesota nonprofit corporation and public charter school |
| Premises | The Premises consists of approximately 12.73 acres of real property described on **Exhibit A** hereto, together with the improvements located thereon as described in **Exhibit A**. Without limiting the foregoing, the Premises is located at and commonly known as:  3701 33rd St. S.  St. Cloud, MN 56301  The Premises contains approximately 87,000 square feet of schoolhouse space as of the date of this Lease. |
| Term | One Year (365 days). |
| *Commencement Date* | June 16, 2025, at 12:00 a.m. |
| *Expiration Date* | June 15, 2026 at 11:59 p.m. |
| *Renewal Options* | This lease is not subject to renewal. |
| Rent |  |
| *Gross Rent* | $71,333.33/month. |
| *Security Deposit* | $20,000.00, payable upon execution of this Lease, to be held by UMB Bank, N.A., in its capacity as trustee. |
| Use | Public charter school and related administrative and extracurricular purposes. |
| Parking | Tenant has the right to use all parking areas on the Premises for the use of its employees and guests and for school related uses. |
| Landlord’s Address for Notices | SYH Athlos Academy LLC  c/o Spark Youth  681 17th Ave NE, #101  Minneapolis, MN 55413  Attn: Zachary Robinson |
| Tenant’s Address for Notices | Stride Academy  3241 Oakham Lane  St. Cloud, MN 56301  Attn: Executive Director |
| Additional Exhibits | Exhibit A – Premises  Exhibit B – Exemplar Base Rent Memorandum  Exhibit C – Minimum Base Rent  Exhibit D – Tenant Compliance Obligations |

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

**AGREEMENT OF THE PARTIES.**

# Premises.

## Landlord is the fee owner of certain real property, and related easement rights, with the street address set forth in the Basic Terms, above, and legally described on **Exhibit A,** attached to this Lease (the “**Land**”). Subject to and upon the terms, provisions and conditions hereinafter set forth, and each in consideration of the duties, covenants and obligations of the other hereunder, Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, the Building (defined below) and the Land (collectively hereinafter referred to as the “**Premises**”). Beginning on the Commencement Date and throughout the Lease Term, Tenant will have the exclusive right to occupy and use the Premises.

# Purpose and Use; Interest of Trustee.

## The Premises shall be used by the Tenant only for the purpose of operating a public charter school, including, without limitation, providing the usual academic, school, administrative and related services associated with a public charter school, as well as extracurricular or ancillary programming that is, in Tenant’s reasonable business judgment, operated by Tenant and related or complementary to Tenant’s operation of a school. The Premises shall be used and occupied by Tenant so as not to contravene any present or future laws in force or any other provisions hereof.

## Any use or storage of hazardous substances at the Premises by Tenant or Tenant’s Parties (defined below) will be consistent with the operation of a public charter school, and will be in full compliance with applicable law, and any disposal of such waste or of pollutants or contaminates shall be the obligation of the Tenant who will do so in full compliance with applicable law and at Tenant’s expense.

## Tenant acknowledges that the Property is subject to, among other things, that certain Mortgage, Security Agreement, and Assignment of Rents dated May 1, 2022, filed May 13, 2022, as Document No. A1632490 (the “**Mortgage**”), executed by Landlord to UMB Bank, N.A., as successor mortgagee (the “**Trustee**”). As such, the Trustee is provided rights under this Lease, and the Parties agree that the Trustee is an intended third party beneficiary of this Lease.

# Lease Effect and Term.

## Tenant takes the Premises from Landlord, upon the terms and conditions herein contained, to have and to hold the same for the Term described in the Basic Lease Terms, above.

## This Lease does not allow for any extension of the Term hereof.

# Rent and Security Deposit.

## Rent. Tenant shall pay to Landlord an annual rent equal to $856,100 per year (consisting of $800,000 in Base Rent, together with an administrative fee of $4,175/month and a Trustee fee of $500/month), payable in equal monthly installments on the first day of each month, commencing July 1, 2025. The Base Rent together with the Administrative Fee and Trustee Fee, shall collectively be referred to as the “**Gross Rent**.”

## Payment of Gross Rent. Beginning July 1, 2025, Tenant shall pay the annual Gross Rent (including Administrative Fee and Trustee Fee) in monthly installments directly to UMB Bank, N.A., as bond trustee, in accordance with the following instructions:

## UMB Bank N.A.

## Kansas City, MO

## ABA #101 000 695

## BNF Account: 98 000 068 23

## BNF Name: Trust Operations

## OBI Field: Athlos St. Cloud – T. Donofrio

## Each monthly installment of Gross Rent shall be payable in advance without demand and without any reduction, abatement, counterclaim or offset, to Landlord on or before the fifth day of each month (or the next succeeding business day in the event the fifth day of such month is not a business day).

## Operating Costs. This lease is a triple net lease. Tenant is responsible for contracting directly for and paying all costs and expenses associated with all utilities, water, sewer, garbage removal, telecommunications, janitorial, cleaning, maintenance, repairs, replacements, landscaping, snow removal and all other costs of operating and maintaining the Premises (the “**Operating Costs**”), but excepting capital repairs and replacements to the Building which are covered in Section 5(b), below.

## Property Taxes and Payments in Lieu of Taxes. Landlord is currently exempt from the payment of real estate taxes. Tenant will file applications with Stearns County as necessary to preserve such exemption, and Tenant will be responsible for property taxes if the exemption lapses. Further, any such exemption does not apply to special assessments, and such exemption may be discontinued by future legislative action.

## In the event any real estate taxes are assessed or charged by any government authority on or against the Premises that Tenant is leasing pursuant to this Lease, except in the event of Landlord transferring, assigning or conveying such property to an entity that is not exempt from the payment of taxes (in which case any such transferee or assignee shall be responsible for paying real estate taxes and assessments), Tenant shall pay, as additional rent all of such real estate taxes. Tenant shall pay, in annual installments, any special assessments now levied or hereafter pending or levied on the Premises during the Lease Term by any governmental or quasi-governmental entity with authority to levy assessments. Any installment of real estate taxes and assessments as are assessed herein that are due and payable in the year of termination of this Lease shall be paid for that year in full by Tenant on or before such termination. Tenant shall have the right, in its or Landlord’s name, or both, but at its own cost and expense to contest the validity of any taxes or assessments, by appropriate proceedings timely instituted, provided Tenant shall give Landlord written notice of its intention to do so, diligently prosecute any such contest, at any time, effectively stay or prevent any official or judicial sale of the Premises under execution or otherwise satisfy any final judgment enforcing any tax or assessment so contested, and promptly procure record satisfaction thereof. Landlord shall, upon request of Tenant, cooperate fully with Tenant in any such proceedings, provided, however, Landlord shall not be liable for any expense in connection therewith and that Tenant shall indemnify Landlord against the same and all losses that may result therefrom.

## To the extent that any Payments in Lieu of Taxes (“PILOTs”) are due with respect to the property, such payments shall be the sole responsibility of the Tenant.

## Late Payments. All payments provided for under this Section 4 that are not paid on time and remain unpaid for three (3) Business Days after written notice from Trustee or Landlord shall bear interest at an interest rate equal to twelve percent per annum (12%), compounded daily.

## Proration of Rent Upon Acquisition. If Tenant exercises its option to acquire the Property granted in Section 13 of this Lease, then the Base Rent shall be prorated thorough the Closing Date (as defined in Exhibit B to this Lease), with the date of acquisition being the last day for purposes of proration.

## Security Deposit. Tenant will provide a security deposit in the amount of $20,000 upon Lease execution to the Trustee. The Security Deposit will be returned to Tenant by the Trustee 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) in full at time of acquisition of the Property by Tenant, if Tenant has made all payments of Rent due and owing through that date.

# Alterations; Capital Repairs; Pre-Lease Repairs.

(a) Alterations. Tenant shall not, without Trustee’s prior written consent, make any alterations, improvements or additions to the Premises (“**Tenant’s Alterations**”), provided, however, that interior cosmetic alterations such as painting, mounting white boards, bulletin boards, cases for student artwork, and similar interior changes that do not affect the structure or functionality of the Premises do not require Trustee’s consent. Trustee’s consent may be given or withheld for any reason in Trustee’s sole and absolute discretion, and may additionally be subject to consent of any mortgagee holding a mortgage on the Premises. Any and all of Tenant’s Alterations shall become subject to the lien of any mortgage on the Premises, and shall be surrendered to the Landlord upon the termination of this Lease by lapse of time or otherwise. The provisions of this paragraph requiring Trustee’s consent shall not be applicable after the Tenant exercises its purchase option granted in Section 13 of this Lease.

(b) Pre-Lease Repairs. As of the date of execution of this Lease, Tenant has become aware that the Building has three issues: (1) the roof of the Building has been leaking, (2) two HVAC units need repair, and (3) there is a hot water heater that has become inoperable, leaked, and flooded an adjacent classroom. The current tenant has obtained quotes for repair of (i) the roof leak and has obtained settlement proceeds in the amount of $51,481.01 to correct the roof leak (ii) the HVAC units, which totals approximately $8,000.00, and (iii) the hot water heater, which totals approximately $15,000. The Trustee will work with the current tenant to resolve the roof leak and fix the HVAC units and water heater as soon as practicable, but no later than August 1, 2025. If the cost of the roof repairs, HVAC repairs, and water heater replacement 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 described herein are separate and apart from the repairs, if any, described in this Lease below under the heading “**Capital Repairs**”.

(c) Capital Repairs. Other than as set forth above in Section 5(b), Trustee and Tenant agree to split the cost of any capital repairs necessary to keep the Building safe and habitable, including repairs arising during the period of time between the Execution Date and the Commencement Date, 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 mutually agree on a construction monitor to oversee the repairs. In such event, the amount spent by Tenant under this Section 5(c) to pay for its share of capital repairs will be credited to the purchase price in the event Tenant purchases the Building. If the Building becomes non-habitable because of its physical condition and the parties cannot agree as to the repair of such condition after good faith efforts to agree, Tenant may terminate this Lease upon written notice to Landlord and Trustee.

# Obligations of Landlord.

## Other than the obligations of the Trustee set forth in Sections 5(b) and 5(c), neither Landlord nor Trustee shall have any obligation to perform any maintenance or repairs on any portion of the Premises. However, if Tenant fails to perform reasonably necessary maintenance on the Premises, such failure, if continued, could negatively and materially impact the integrity of the Premises, and such failure continues for a period of thirty (30) days after written notice from Landlord or Trustee, Landlord or Trustee may, but are not obligated to, perform such maintenance or repairs on Tenant’s behalf, in which event the reasonable costs and expenses of such maintenance or repair incurred by Landlord or Trustee will be immediately payable to Landlord or Trustee, as applicable, as a part of Operating Costs.

## Notwithstanding anything to the contrary in this Lease, Landlord shall have no obligation to expend moneys with respect to the ownership or the operation of the Building, or any other structure located on the Premises, or the Premises except as set forth in this Section 6.

# Obligations of Tenant.

## Tenant will contract for and perform all maintenance, repair and cleaning of the Building, including, without limitation, routine adjustments and maintenance (such as cleaning or changing filters, etc.) of mechanical systems such as HVAC. Tenant shall also replace fixtures and finishes within the Premises, such as floor coverings, plumbing fixtures, etc. (but not major mechanical components of the HVAC system, which are capital repairs under 5(c) of this Lease), to the extent necessary due to ordinary wear and tear.

## Tenant shall make all repairs and replacements and be responsible for the costs of all repairs and replacements to the Premises that are not otherwise Trustee’s obligation pursuant to Section 5(b) or 5(c), including but not limited to all interior non-structural repairs and replacements necessary to keep and maintain the Premises in good order and state of repair. Tenant shall, at Tenant’s sole cost and expense, repair or replace any damage or injury to the Premises, the Building, or sidewalks and parking areas serving the Premises, caused by any act or omission of Tenant. If the Tenant does not do so after reasonable notice (at least 90 days) and opportunity to cure, Trustee may, at its option, make such repairs and replacements, and collect the cost thereof from Tenant.

## Tenant shall obtain and maintain all necessary permits and licensing for any Tenant Alterations, if any, pursuant to this Lease and for the operation of its school.

## Tenant shall provide for prompt removal and disposal of all waste. Tenant shall not permit any waste or refuse to be stored on the Premises except in dumpsters or waste removal containers for a reasonable period of time pending removal to a disposal site.

## Tenant shall contract for and perform all landscape maintenance and shall remove snow in areas, common or otherwise, serving the Premises, and shall be responsible for all obligations concerning any storm water facilities maintenance.

## Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished or obligations incurred by Tenant, including, without limitation, the Project.

## Failure of Landlord to insist, in any one or more instances, upon strict performance of any term, covenant or condition of this Lease, or to exercise any option herein, shall not be a waiver or relinquishment of such for the future. The receipt by Landlord of Gross Rents with knowledge of Tenant’s breach in any of the terms, covenants or conditions of this Lease shall not be deemed to be a waiver of any provision of this Lease unless in writing signed by Landlord.

## If any default in this Lease of Tenant can be cured by the expenditure of money, Landlord may, but without obligation, and without limiting any other remedies which it may have by reason of such default, cure the default after thirty (30) days’ written notice to Tenant, charge the cost to Tenant and Tenant shall pay the same forthwith. Any amounts paid by Landlord to cure default of Tenant shall, for purposes of Landlord’s remedies, be construed as additional rent due.

## Tenant shall promptly pay to the Landlord, upon request, an amount equal to any reasonable cost incurred by the Landlord in repairing the Premises where such repairs were made necessary by the negligence of, or misuse by, Tenant, its students, faculty, agents, customers, employees or invitees (“**Tenant’s Parties**”) and Tenant has failed to make the necessary repairs after thirty (30) days’ written notice from Landlord to Tenant.

## Landlord’s ownership of the Premises and related expenses are financed by loans evidenced by tax-exempt and taxable municipal bonds (the “**Landlord Financing**”), which financing is memorialized in a set of related documents including, without limitation, an indenture of trust (the “**Indenture**”), loan agreement (the “**Loan Agreement**”), the Mortgage, certain tax compliance agreements, and other documents (collectively the “**Financing Documents**”), all of which will impose certain obligations on Landlord relative to the Property. Tenant will take all actions that are reasonably necessary to enable Landlord to comply with all obligations imposed on Landlord with respect to the Financing Documents and the Landlord Financing, and will not take any action that would cause Landlord not to comply with any obligation imposed on Landlord with respect to the Financing Documents or the Landlord Financing.

## During the Lease Term, Tenant shall in all respects comply with all provisions and perform all obligations of Tenant as set forth herein. Tenant will take all actions required to maintain the tax-exempt status, if applicable, of the Landlord Financing, including maintaining its status as an organization that is exempt from taxation under Section 501(c)(3) of the Code, and complying with all requirements set forth in the applicable tax regulatory agreement or tax certificate entered into in connection with the Landlord Financing as if it were signatory thereto.

## To the extent any mortgage or other financing obtained by Landlord contains any commercially reasonable term or provision that requires Landlord to “cause” Tenant to comply with such term or condition, Tenant hereby agrees to be bound by such provisions so long as such provision is not inconsistent with Tenant’s operation of a public charter school and agrees that Tenant’s violation of such provision would, after thirty (30) days’ notice and opportunity to cure, constitute a default of this Lease. Notwithstanding the foregoing, in all cases Tenant will be authorized to use the Premises for the conduct of a public charter school.

# 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 Loan Agreement, the Pledge and Covenant Agreement and any other Financing Documents.

# Subordination To Mortgages.

This Lease and all rights of Tenant are and shall be subject and subordinate to the Mortgage.

# Casualty Loss.

If the Premises suffers damage that will (i) cost $250,000 or more to repair or (ii) require more than 60 days from the date of such damage to repair (“Major Damage”), or is substantially or totally destroyed (“Destruction”), the Tenant shall give written notice of Major Damage within one Business Day of discovering the same.

In the event of any Major Damage or Destruction to the Premises during the term hereof, Trustee will engage a third party commercial real estate consultant to consult with Trustee and Tenant with respect to whether the Trustee and Tenant wish to provide funding for the repair or restoration of the Premises. If the Building becomes non-habitable because of its physical condition and the parties cannot agree as to the repair of such condition after good faith efforts to agree, either Trustee or Tenant may elect to terminate this Lease as of the date the damage occurred by providing written notice of termination of this Lease within 45 days after Tenant’s notice to Landlord of the occurrence of the damage.

# Eminent Domain.

If the entire Premises are taken by eminent domain, this Lease shall automatically terminate as of the date of taking if the provisions of the Financing Documents are satisfied. If a partial taking of the Premises by eminent domain reduces the size or amenities of the Premises to such an extent that the Premises can no longer be used as a schoolhouse for a public charter school, Landlord or Tenant shall have the right to terminate this Lease as of the date of taking by giving written notice to the other within ninety (90) days after such date of taking. If neither Landlord nor Tenant elects to terminate this Lease, Landlord shall restore the Premises, exclusive of any improvements or other changes made therein by Tenant, to as near the condition which existed immediately prior to the date of taking as reasonably possible, and to the extent that the Premises are rendered untenantable, the Base Rent shall proportionately abate. All damages awarded for a taking under the power of eminent domain shall belong to and be the exclusive property of Landlord, whether such damages be awarded as compensation for diminution in value of the leasehold estate hereby created or to the fee of the Premises; provided, however, that Landlord shall not be entitled to any separate award made to Tenant for the value and cost of removal of its personal property and fixtures or attributable to Tenant’s relocation expenses.

# Signs; Security.

* 1. Tenant shall be permitted to erect exterior signs with the name of Tenant’s school. The Tenant shall be solely responsible for the maintenance thereof. All signs must comply with any and all governmental regulations. Tenant may, without prior consent of Landlord, place or affix interior signs, posters, artwork and other items related to Tenant’s use of the Premises as a school.
  2. Tenant is solely responsible for the security and safety of its faculty, students, guests and invitees. Tenant may make such alterations to the Premises as it may from time to time require for security and safety purposes, provided that Tenant is solely responsible for all costs thereof and such alterations are completed in accordance with this Lease including the receipt of Landlord’s prior written consent.

# Option to Purchase.

## Landlord hereby grants Tenant an option to cause Tenant’s affiliated business company (as defined by Minn. Stat. 124E.13, Subd. 3) to purchase the Premises for a purchase price of Eighteen Million Dollars and no/100 ($18,000,000.00) (the “**Purchase Option**”), which may only be exercisable between the Effective Date of this Lease and on or before noon Central time on January 10, 2026 (the “**Option Expiration Date**”). If the Tenant fails to exercise the Purchase Option in accordance with this Section 13 on or before the Outside Expiration Date. the Purchase Option shall expire, be void and of no further effect. Between the Execution Date and the Option Expiration Date Tenant may conduct due diligence review, inspection, and testing of the Premises, provided, however, that if Tenant does not exercise the Purchase Option, Tenant shall restore the Premises to its condition as of the Execution Date. Landlord shall cooperate with Tenant’s due diligence investigation of the Premise by, among other things, promptly providing documents and information about the Premises as requested by Tenant (including the information described on Exhibit C hereto) to the extent such information is actually in Landlord’s possession, or a statement that such information is not in Landlord’s possession.

## In order to exercise the Purchase Option, the Tenant must deliver the following items to the Trustee, with a copy of each to the Landlord:

## a certified copy of a resolution of the Board of Directors of the Tenant approving the Purchase and Sale Contract in the form attached hereto as ***Exhibit B*** and incorporated herein by reference (the “Purchase and Sale Contract”);

## an originally fully executed Purchase and Sale Contract; and

## Earnest Money in the amount of One Hundred Eighty Thousand ($180,000) Dollars paid to the Title Company, as such term is defined in the Purchase and Sale Contract.

Upon delivery of the items required by this Section 13(b), the provisions of this Section 13 shall be superseded by the terms of the Purchase and Sale Agreement. In the event of a conflict between the terms of this Section 13 and the terms of the Purchase and Sale Agreement, the terms of the Purchase and Sale Agreement shall control.

## If the Tenant determines not to exercise the option granted by this Section 13, the Tenant agrees to notify the Trustee in writing, which may be by email, within three Business Days of the time it has made a determination to not exercise the option granted by this Section 13.

## If the Tenant either (i) notifies the Trustee and Landlord that it has determined to not exercise the option or (ii) the Option Expiration Time passes without delivery of the Purchase and Sale Contract, then it shall be a requirement of this Lease that Tenant provide reasonable cooperation to Trustee in connection with any showings of the Premises by one or more real estate brokers of Trustee’s choosing. The Trustee shall provide written notice to Tenant of the identity of its real estate broker.

## The Purchase Option is not assignable by Tenant.

## The option contained in this Lease is not intended to create a contract of sale.

# Liability/Indemnification.

## Tenant agrees that neither Landlord nor Trustee nor any of their respective directors, managers, members, agents, and employees shall be liable to Tenant for any damage to or loss of personal property in the Premises unless such damage or loss is the result of the gross negligence or willful misconduct of Landlord or Trustee or any of their respective directors, managers, members, agents, and employees.

## Tenant also agrees that neither Landlord nor Trustee shall be liable to Tenant, or those claiming through or under Tenant, for any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds or areas providing access to the Premises, parking areas or surrounding grounds; and Tenant shall indemnify Landlord and Trustee against, and hold Landlord and Trustee harmless from liability, claims, demands, damages, attorney fees, court costs and disbursements (including attorney fees, court costs and disbursements resulting from enforcement of this indemnity) thereof, arising out of any injury, death or property damage occurring in, on or about the Premises, parking areas, surrounding grounds, or areas providing access to the parking areas, the Premises or surrounding grounds, except to the extent caused by the gross negligence or willful misconduct of Landlord or Trustee or any of their respective directors, managers, members, agents, and employees.

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

## The Tenant agrees, at its expense, to pay, and to indemnify and save the Landlord and its directors, officers, employees, attorneys and agents (collectively, the “Landlord Indemnified Parties”) harmless against and from any and all claims, damages, demands, expenses, liabilities, and taxes of any character or nature whatsoever regardless of by whom imposed, and losses of every conceivable kind, character, and nature whatsoever including, but not limited to, claims for loss or damage to any property or injury to or death of any person, asserted by or on behalf of any person, firm, corporation, or governmental authority arising out of, resulting from, or in any way connected with the following: (i) the use or occupancy of the School Facility by Tenant or any employee, agent, or contractor of Tenant; (ii) the conditions, occupancy, use, possession, conduct, or management of, or any work done in or about the School Facility, or from the planning, design, acquisition, or construction of the School Facility or any part thereof, by Tenant or any employee, contractor, or service provider under contract with Tenant; (ii) any untrue statement or alleged untrue statement of any material fact or the omission or alleged omission to state a material fact necessary to make the statements made not misleading in any statement, information, or material furnished by the Tenant, including but not limited to any financial information provided by the Tenant; and (iii) any act of Tenant or any employee, agent, or contractor of Tenant that limits or impedes the performance of the Landlord’s duties under the Financing Documents. The Tenant also covenants and agrees at its expense to pay and to indemnify and save the Landlord and Landlord Indemnified Parties harmless of, from, and against all costs, reasonable counsel fees, expenses, and liabilities incurred in any action or proceeding brought by reason of any such claim or demand. In the event that any action or proceeding is brought against the Landlord or Landlord Indemnified Parties by reason of any such claim or demand, the Tenant covenants to resist and defend such action or proceeding on behalf of the Landlord and Landlord Indemnified Parties. Notwithstanding the foregoing, neither Landlord or Landlord Indemnified Parties shall be indemnified against costs, counsel fees or expenses, or liability for damage arising out of bodily injury to persons or damage to property or any other claims or acts caused by the willful misconduct of any of them.

# Default.

## Landlord Default. If Landlord should be in default in the performance of any of its obligations under this Lease, which default continues for a period of more than thirty (30) days after receipt of written notice from Tenant (with a copy provided to the Trustee) specifying such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Landlord has not undertaken procedures to cure the default within such thirty (30) day period and has not diligently pursued such efforts to a complete cure), Tenant may, at its option upon written notice, (a) if the default involves a failure by Landlord to repair or maintain the Premises, perform such repairs or maintenance on behalf of Landlord but shall not be entitled to terminate this Lease, or (b) exercise any other remedy available to Tenant under Minnesota law. The rights and remedies of Tenant under this Lease shall be cumulative, and the exercise of any of them shall not be exclusive of any other right or remedy provided by this Lease, and the waiver by Tenant of any breach of any covenant of this Lease shall be limited to the particular instance and shall not operate or be deemed to waive any future breach of the same or any other covenant on the same or any other occasion, nor operate as a waiver of any of Tenant’s rights under this Lease by such remedies as may be appropriate.

## Tenant Default. If default shall be made in the payment of any sum of Gross Rent to be paid by Tenant under this Lease, or default shall be made in the performance of any of the other covenants or conditions which Tenant is required to observe and to perform, and such default shall continue for thirty (30) days after written notice from Trustee to Tenant of such default, or if such default is of a nature to require more than thirty (30) days for remedy and continues beyond the time reasonably necessary to cure (and Tenant has not undertaken procedures to cure the default within such thirty (30) day period and has not diligently pursued such efforts to a complete cure, provided that such cure shall take no longer than ninety (90) days), or if the interest of Tenant under this Lease shall be levied on under execution or other legal process, or if any petition shall be filed by or against Tenant to declare Tenant as bankrupt or to delay, reduce or modify Tenant’s debts or obligations, or if any petition shall be filed or other action taken to reorganize or modify Tenant’s capital structure if Tenant be a corporation or other entity, or if Tenant be declared insolvent according to law, or if any assignment of Tenant’s property shall be made for the benefit of creditors, or if a receiver or trustee is appointed for Tenant or its property, or if Tenant shall abandon the Premises for thirty (30) consecutive days during the Lease Term or any renewals or extension thereof, or if any event of default or default occurs under any Landlord Financing, or if Tenant shall lose its charter to operate as a public charter school, or if Tenant shall exercise its Purchase Option and then default under the Purchase and Sale Agreement, then Trustee may treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon, at Trustee’s option, Trustee may have any one or more of the following described remedies in addition to any other rights and remedies provided at law or in equity:

### Trustee may terminate this Lease and forthwith repossess the Premises and remove all persons or property therefrom using appropriate legal process, and be entitled to recover forthwith as damages a sum of money equal to the total of (i) the cost of recovering the Premises including reasonable attorney fees, (ii) the unpaid Gross Rent owed at the time of termination, plus interest thereon from due date at the lesser of (a) the maximum rate permitted by applicable law or (b) twelve percent (12%), (iii) the balance of the Gross Rent for the remainder of the Term less the rent the Trustee can reasonably expect to recover by rental of the Premises for said period reduced to present value at a rate of five percent (5%), and (iv) any other sum of money and damages owed by Tenant to Trustee; or

### Trustee may terminate Tenant’s right of possession (but not the Lease) and may repossess the Premises using appropriate legal process and without terminating this Lease, in which event Trustee may, but shall be under no obligation to do so, relet the same for the account of Tenant for such rent and upon such terms as shall be satisfactory to Trustee. For the purpose of such reletting, Trustee is authorized to decorate or to make any reasonable repairs, changes, alterations, or addition in or to the Premises that may be reasonably necessary for purposes of reletting; and (i) if Trustee shall fail or refuse to relet the Premises, or (ii) if the same are relet and a sufficient sum shall not be realized from such reletting after paying the unpaid Gross Rent due hereunder earned but unpaid at the time of reletting plus interest thereon at the lesser of (y) the maximum rate permitted by applicable law and (z) twelve percent (12%), plus the cost of recovering possession including reasonable attorney fees, and all of the costs and expenses of such decorations, repairs, changes, alterations, and additions and the expense of such reletting and of the collection provided for in this Lease to be paid; then Tenant shall pay to Trustee as damages a sum equal to the amount of the Gross Rent reserved in this Lease for such period or periods, or if the Premises have been relet, Tenant shall satisfy and pay any such deficiency upon demand therefor from time to time and Tenant agrees that Trustee may file suit to recover any sums failing due under the terms of this Lease from time to time on one or more occasions without Trustee being obligated to wait until expiration of the Lease Term. Such reletting shall not be construed as an election on the part of Trustee to terminate this Lease unless a written notice of such intention is given to Tenant by Trustee. Notwithstanding any such reletting without termination, Trustee may at any time thereafter elect to terminate this Lease for such previous breach; or

### Trustee may take such other action as may be permitted under the laws of the State in connection with breach by a commercial tenant of its obligations pursuant to a commercial lease.

# Assignment/Attornment and Novation. Without the prior written consent of Trustee (in Trustee’s sole discretion), Tenant shall not have the right to transfer, assign, sublet or mortgage its leasehold interest, in whole or in part, of its rights and obligations in this Lease or in the Premises and the property referred to herein. If Trustee does consent in writing to such a transfer, assignment or sublease, it shall be on the condition that this Lease shall remain in full force and effect, subject to the performance of all terms, covenants and conditions and upon further condition that such assignee or transferee agrees to be bound to perform all the terms, covenants and conditions pursuant to this Lease. The use limitations set forth in Section 2 of this Lease shall apply to any assignee, subtenant or transferee as well as to Tenant. Regardless of Landlord’s consent, no subletting or assignment shall release Tenant of Tenant’s obligation to pay the Gross Rent and perform all other obligations to be performed by Tenant hereunder for the Lease Term. The acceptance of Gross Rent by Landlord from any other person shall not be deemed to be a waiver of Landlord of any provision hereof or any right hereunder. Notwithstanding the foregoing, it shall not be deemed an assignment or sublease if Tenant enters into an limited term use or license agreement or agreements with other persons or entities for limited use of classroom, gymnasium or other space in the Building, either free of charge or in exchange for payment or other consideration, for extracurricular or ancillary purposes that are related or complementary to the operation of a public charter school (by way of example, but without limitation, a nonprofit day care or preschool, a Boy or Girl Scout troop, an adult or community education program, a choral, musical or theater group, a science team, etc.); provided that Tenant will be responsible for any property taxes resulting from such use and that any such use must comply with applicable Treasury Regulations regarding limitations on private use of facilities financed with tax-exempt bonds.

# Landlord Representations and Covenants

## Landlord covenants that, as of the date of the execution of this Lease, Landlord shall take all necessary steps to ensure that Tenant has and enjoys exclusive use and occupancy of the Premises, and that no ground lease, mortgage, lease or encumbrance affecting the Premises is in default and that as of the date of execution of this Lease no person, corporation, partnership or other entity has a right to foreclose upon or otherwise succeed to all or any part of the title of Landlord to the Premises.

## Landlord represents and agrees that it has full right and power to execute and perform this Lease and to grant the estate demised herein; and that Tenant, on timely paying rent herein required and performing the covenants hereof in full, shall peaceably and quietly have, hold and enjoy the Premises and all appurtenances during the full term of this Lease and any extension or renewal thereof.

## Landlord represents it has marketable title to the entire Premises, has the full right to enter into this Lease and perform hereunder. Promptly upon execution of this Lease, Landlord and Tenant will execute a memorandum of this Lease which Landlord will record with the county Recorder and file with the Registrar of Titles in accordance with Minn. Stat. § 508.60.

# Tenant Representations and Covenants

Tenant represents and warrants to the Landlord and Trustees, as an inducement to the execution and delivery of this Lease by the Landlord, as follows:

## Authorization. The execution, delivery, and performance of this Lease is within the Tenant’s limited liability company power and have been duly authorized by all necessary corporate action on the part of the corporate board of directors of the Tenant.

## Enforceability. This Lease constitutes the legal, valid, and binding agreements of the Tenant, as applicable, enforceable against the Tenant, except as enforcement may be limited by bankruptcy, insolvency, fraudulent conveyance, and similar laws affecting creditors’ rights generally and to general principles of equity.

## Accuracy of Information. All information provided by the Tenant, or any of their respective employees, agents, management companies, educational consultants, attorneys, or other consultants to any of the Trustees or Beneficial Owners is and will be true, correct, and complete in all material respects, as of the date provided and does not and will not contain any untrue statements of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading.

## (d) Advice of Counsel. The Tenant has freely and voluntarily entered into this Agreement with the advice of legal counsel of its choosing.

# Notice.

All notices or requests under this Lease shall be in writing and given by private overnight delivery service (such as FedEx or UPS). Notice to Landlord shall be addressed to the person and to the address given at the address listed above under the heading “BASIC LEASE TERMS”. Notice to Tenant shall be addressed to the address of the Premises or to any subsequent address, which Tenant may designate to Landlord from time to time in writing. Notice to the Trustee shall be given as follows: UMB Bank, N.A., 120 South Sixth Street, Suite 1400, Minneapolis, Minnesota 55402, Attn: Gordon Gendler. Properly addressed notices or letters sent as required herein shall be deemed given and served when they have been deposited with the private overnight delivery services or other reasonable entity that provides a signed receipt of delivery. Refusal of delivery shall constitute acceptance of notice.

# Waiver.

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

# Amendment or Modifications.

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

# Complete Agreement.

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

# Miscellaneous.

## The specific remedies to which Landlord or Tenant may resort under the terms of this Lease are cumulative and are not intended to be exclusive of any other remedies or means in regard to which they may be lawfully entitled in case of any breach or threatened breach by any of them of any provisions of this Lease.

## Except as otherwise provided herein, the covenants and agreements herein contained shall bind and inure to the benefit of Landlord, its successors and assigns, and Tenant and its successors and assigns.

## Each covenant, agreement or stipulation by a party hereto shall be performed at such party’s own cost and expense, and without cost or expense to the other party. In the event any party to this Lease commences legal action to enforce any term or provision of this Lease, the substantially prevailing party in such action shall be entitled to an award of its costs and reasonable attorneys’ fees incurred therein.

## If any term or provision of this Lease or the application thereof to any person or circumstances shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term or provision of this Lease shall be valid and enforced to the fullest extent permitted by law.

## The heading or captions of Sections or paragraphs in this Lease are for convenience and reference only and in no way define, limit or describe the scope or intent of this Lease or the provisions of such Section or paragraph.

## Interpretation of this Lease shall be governed by the laws of the State.

## This Lease may be executed in any number of original counterparts, all of which evidence only one agreement, binding on all parties, even though all parties are not signatory to the same counterpart. Facsimile signatures transmitted via the internet or facsimile may be used in place of original signatures for this Lease and related documents.

# Tax Exemption.

## Tenant is an organization described in Section 501(c)(3) of the Code, exempt from the payment of federal income taxes under Section 501(a) of the Code, and no revenues derived from its use of any portion of the Premises does or shall constitute “unrelated business income” within the meaning of Section 513(a) of the Code.

## Tenant agrees that, through the Lease Term and any Renewal Terms, it will maintain its existence (i) as a non-profit corporation under the laws of Minnesota and (ii) as an organization described in Section 501(c)(3) of the Code.

# State Law Termination Clause.

To the extent required by Minn. Stat. § 124E.22(a)(3)(ii), in the event the Tenant’s authorization to operate a charter school is terminated or non-renewed by the Authorizer or MDE, the Tenant is released from any obligations under this Lease that have not accrued or been performed on or before the effective date of such non-renewal or cancellation upon the closure of the school. The provisions of this Section 26 shall only apply to an action taken by the Tenant’s authorizer or the MDE and not to any voluntary action of the board of directors of the Tenant. In such event, the Tenant agrees: (a) to furnish the Landlord a certified copy of a certified copy of the official letter from the Authorizer or MDE terminating or non-renewing the charter contract; (b) that all of Tenant’s rights of occupancy in the Premises will immediately terminate; and (c) that Landlord or its assigns may pursue all remedies available to recover possession of the Premises from Tenant together with any other rights and remedies available to it under State law. The provisions of this Section 26 shall automatically terminate without further action of the parties and cease to be of effect if it is no longer required by applicable law.

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*[Signatures to Lease]*

|  |  |
| --- | --- |
| **LANDLORD:**  **SYH Athlos Academy LLC, a Minnesota limited liability company**  By:  Name: Zachary D. Robinson  Title: President | **TENANT:**  **Stride Academy, a Minnesota non-profit corporation**  By:  Name:  Title: |

**EXHIBIT A to Lease**

**Premises**

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

Minnesota.

(Abstract Property)

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**EXHIBIT B to Lease**

**Form of Purchase and Sale Contract**

*[Attached.]*

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**EXHIBIT C to Lease**

1. A list of all warranties and guaranties and complete copies of all such warranties and guaranties.

2. All as-built plans, construction drawings, and all general contracts, subcontracts, and the complete draw request record from the construction of the schoolhouse facility.

3. All tentative, parcel and/or final maps and any other governmentally approved or processed documents relative to the subdivision of the Property.

4. Copies of the following:

(a) All soil tests, structural engineering tests, ADA surveys, masonry tests, percolation tests, water, oil, gas or mineral assessments, tests or reports, radon, formaldehyde, PCB, asbestos or other environmental tests reports, abatement and/or containment plans, audits or reports, market studies and site plans related to the Property.

(b) Parking, structural, mechanical or other reports and engineering reports or studies related to the Property and any and all as-built drawings, architectural plans or studies, civil engineering, grading plans, topographical maps and similar data respecting the Property.

(c) All authorizations, including, without limitation, all certificates of occupancy, permits, authorizations, approvals and licenses issued by Governmental Authorities having jurisdiction over the Property, all certificates issued by the local board of fire underwriters (or other body exercising similar functions) relating to the Property and the results of any and all inspections, investigations, tests and studies with regard to zoning, building codes and other governmental regulations or entitlement matters.

(d) A schedule of all current or pending litigation against Seller with respect to the Property or any part thereof, if any, together with a brief description of each such proceeding.

(e) Any other relevant documentation, such as tax abatement agreements, easement agreements, railroad agreements, drainage agreements, special improvement or metropolitan district agreements, ground leases and the like, if applicable.

(f). Copies of all work orders, plans and receipts for repairs made to the Property or underway at the Property within the last 2 (two) calendar years.

(g). Copies of all insurance claims, settlement agreements, plans and receipts for repairs made to the Property or underway at the Property with respect to insurance claims within the last 2 (two) calendar years.

(h). Copies of the previous 12 months of utility bills, if applicable.