

School Board Meeting Agenda

Tuesday, May 18, 2021 | 5:00 pm | Conducted Remotely Via Google Hangouts Meeting

Board Members Present Remotely: Josh MacLachlan, David Massey, Tennille Warren, Katie Siewert, Melinda Haas, Rachael McNamara

Others Present: Nate Winter - CLA (Ex Officio), AAHS TPS Representatives: Shoua Yang (Ex Officio)

Agenda

- 1. Call to Order:**
- 2. Conflict of Interest Check:**
- 3. Approval of May 18, 2021 Agenda:**
- 4. Approval of April 20, 2021 Minutes:**
- 5. Public Comments:**
- 6. Financial Report: (Josh MacLachlan - Treasurer, Nate Winter - CLA)**
 - a. Approval of May 2021 Financial Report
 - b. Approval of May 2021 Disbursements
- 7. Ex Officio Report: (Shoua)**
- 8. Student Data Report – Katie Siewert / Josh MacLachlan**
- 9. Strategic Items:**
 - a. Virtual board meetings
 - b. Lease negotiation update /Review of Redlined lease
 - c. Vision/Mission revision process (if not discussed during ex officio report)
- 10. Action Items:**
- 11. Adjourn:**

School Board Meeting Agenda

Tuesday, April 20, 2021 | 5:00 pm | Conducted Remotely Via Google Hangouts Meeting

Board Members Present Remotely: Josh MacLachlan, David Massey, Tennille Warren, Katie Siewert, Melinda Haas, Rachael McNamara

Others Present: Nate Winter - CLA (Ex Officio), AAHS TPS Representatives: Aimee Plueger (Ex Officio)

Agenda

1. Call to Order:

- a. Josh MacLachlan calls meeting to order at 5:00 PM.

2. Conflict of Interest Check:

- a. None to report

3. Approval of April 20, 2021 Agenda:

- a. Rachel McNamara motions to approve the April 20, 2021 agenda, Katie Siewert seconds.
- b. Discussion:
 - i. Item 10B lease document - on here for information. Does not have to be approved today. Needs to be added as action item.
 - ii. Rachel McNamara motions to approve the April 20, 2021 agenda with the added item, Josh MacLachlan seconds.
- c. Motion passes with following votes:
 - i. Josh MacLachlan - Aye
 - ii. Katie Siewert - Aye
 - iii. Melinda Haas -Aye
 - iv. David Massey - Aye
 - v. Rachael McNamara - Aye
 - vi. Tennille Warren - Aye

4. Approval of March 16, 2021 Minutes:

- a. Katie Siewert motions to approve the March 16, 2021 minutes, Tenille Warren seconds.
- b. Discussion:

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- i. No further discussion
- c. Motion passes with following votes:
 - i. Josh MacLachlan - Aye
 - ii. Katie Siewert - Aye
 - iii. Melinda Haas -Aye
 - iv. David Massey - Aye
 - v. Rachael McNamara - Aye
 - vi. Tennille Warren - Aye

5. Public Comments:

- a. none to report

6. Financial Report: (Josh MacLachlan - Treasurer, Nate Winter - CLA)

- a. Approval of March 2021 Financial Report
 - i. Katie Siewert motions to approve the March 2021 financial report, Tennille Warren seconds.
 - ii. Discussion:
 - 1. Current Approved Budget: 99 (based off 92)
 - 2. Current School Enrollment: 94
 - 3. Current Average ADM: 92.50
 - o Variance: -7
 - 4. Enrollment
 - 5. Other Notes
 - o Cash on hand at 288K (62k increase from prior month)
- b. Motion passes with following votes:
 - 1. Josh MacLachlan - Aye
 - 2. Katie Siewert - Aye
 - 3. Melinda Haas -Aye
 - 4. David Massey - Aye
 - 5. Rachael McNamara - Aye

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6. Tennille Warren - Aye

b. Approval of March 2021 Disbursements

i. Katie Siewert motions to approve the March 2021 disbursements, Tenille Warren seconds.

ii. Discussion:

1. Legal fees referenced in financial summary. HR services we discussed with our lawyer.

iii. Motion passes with following votes:

1. Josh MacLachlan - Aye

2. Katie Siewert - Aye

3. Melinda Haas -Aye

4. David Massey - Aye

5. Rachael McNamara - Aye

6. Tennille Warren - Aye

7. Ex Officio Report: (Aimee Plueger)

a. School events:

i. Graduation June 10th planning

ii. Field Trips for student engagement

b. TPS:

i. Met with RCE (TPS rather than just Jay Squad)

ii. Summer expectations for staff and committees being created

c. Personnel:

i. Posted for receptionist position

d. Restorative Justice/ SEL / Anti-Bias

i. Continuing Anti-Bias Training

e. Behavior: Nothing to report

f. Finance: See financial report

g. Nutrition:

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- i. Students given bagged lunch when they leave school
- h. Marketing:
 - i. Open House (virtual and in person) May 4, 5, 6
 - ii. Establishing relationships with other schools for enrollment
- i. Enrollment:
 - i. 95, ADM of 92.60
- j. Curriculum:
 - i. Increased rigor in Q4
 - ii. In person appointments with high priority students
- k. Jay Squad (formerly Tiger Team)
 - i. setting up quarterly RCE meetings

8. Student Data Report – Katie Siewert / Josh MacLachlan

- a. Data to review this month:
 - i. Reading Growth: 60% (approaching goal)
 - ii. Lab Report: Previous exceeds goal, none to report for Q3 (20-21)
 - iii. Presentation Quality: 62% (approaching goal)
 - iv. Attendance Rate: 79.1% (approaching goal)
 - v. Individual Attendance (90% or higher): 29% (below average)

9. Strategic Items

- a. Roadmap update:
 - i. How Q4 is going (see ex officio report)
 - ii. MCEA - will be planned during Q4
- b. Updates from building lease task force (David Massey)
 - i. Lease draft is being reviewed by lawyer
- c. Environmental Ed Update
 - i. Our school has academic goals along with environmental ed goals, which we will put more focus on going forward: Environmental Citizenship Plan

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d. Authorizer Announcement

- i. Contract for full five years (no renewal needed)

10. Action Items

a. Approval of Updated Lease

- i. *Josh MacLachlan motions to approve this item, Rachel McNamara seconds.*
 1. *Josh indicates that he plans to vote nay as lease negotiations are still in process and wants to table this item. Rescinded.*

(motion to table?)

b. Approval of Form 990

- i. Josh MacLachlan motions to approve the approval of Form 990, Katie Siewert Seconds.
- ii. Discussion : this is the tax form for exempt organizations
- iii. Motion Passes with following votes:
 1. Josh MacLachlan - Aye
 2. David Massey - Aye
 3. Tenille Warren - Aye
 4. Katie Siewert - Aye
 5. Rachel McNamara - Aye
 6. Melinda Haas - Aye

11. Adjourn

- a. Melinda Haas motions to adjourn at 5:53 pm



- April 2021 -

Financial Statements

Prepared By:

Nate Winter



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Academic Arts High School Executive Summary

To accompany the April 2021 financial statements, as presented to the School Board

** As of month-end, 83% of the year was complete

Enrollment

- Current Approved Budget: 99
- Current School Enrollment: 94
- Current Average ADM: 92.47
- Variance: -7

Statement of Activities

Cash at the end of April was \$258K, which is a \$29K decrease from the prior month. The current year estimated state receivable that is owed to the School through month end was \$224K. The prior year state receivable owed to the School is being estimated as \$3K.

The beginning fund balance for the year is \$390,558.

Schedule of Budget and Actual Revenue and Expenses

The % of Budget column is where the School was for the month of April:

- Revenues for the month were at 78% of budget:
 - Two IDEAS payments on the 15th and 30th. Holdback included.
- Expenditures for the month were at 79% of budget:
 - Normal monthly payments of rent, benefits, contracted services, and supplies went out
 - Van Maintenance

Other Items of Importance

- CARES applications were submitted and we are in the process of allocating expenses to the award.
- CAM 2020 true up was included on the April 2021 rent payment.
- Current year estimated state receivable is currently be based off an ADM of 92.

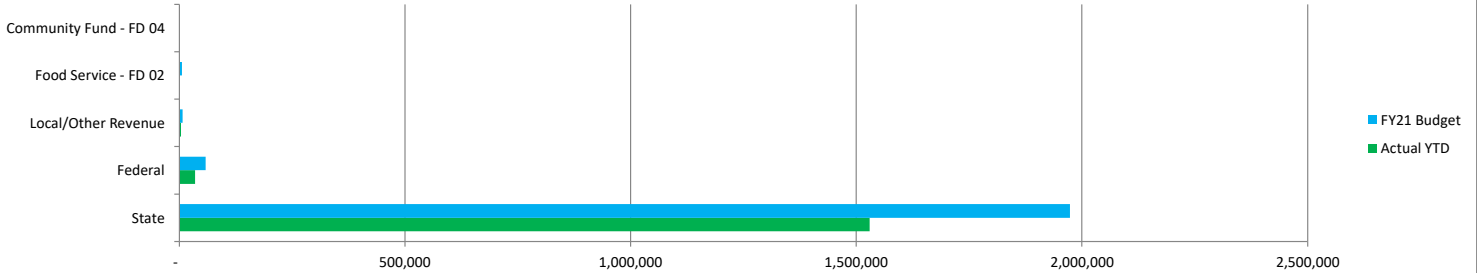
Academic Arts High School Financial Dashboard

April 2021 83% of School Year Complete

REVENUE

| | | | |
|----------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------|
| <u>Total Revenue this Month</u> \$142,484 | <u>Total Revenue YTD</u> \$1,594,846 | <u>Budgeted Revenue FY21</u> \$2,046,048 | <u>% of Revenue Budget</u> 78% |
|----------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------|

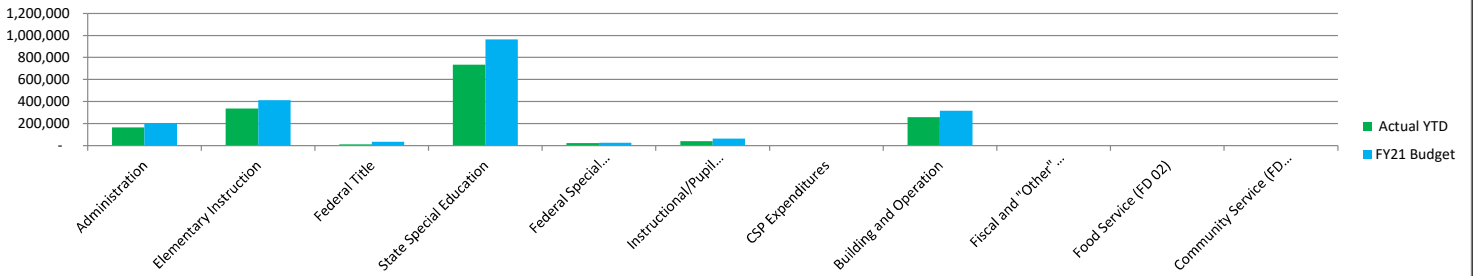
Revenue - Actual vs. Budget



EXPENSE

| | | | |
|----------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------|
| <u>Total Expense this Month</u> \$158,318 | <u>Total Expense YTD</u> \$1,593,417 | <u>Budgeted Expense FY21</u> \$2,027,201 | <u>% of Expense Budget</u> 79% |
|----------------------------------------------|-----------------------------------------|---------------------------------------------|-----------------------------------|

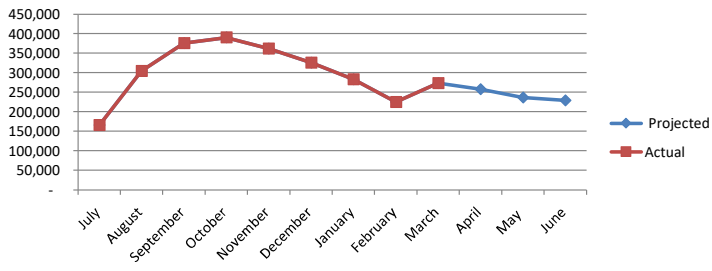
Expense - Actual vs. Budget



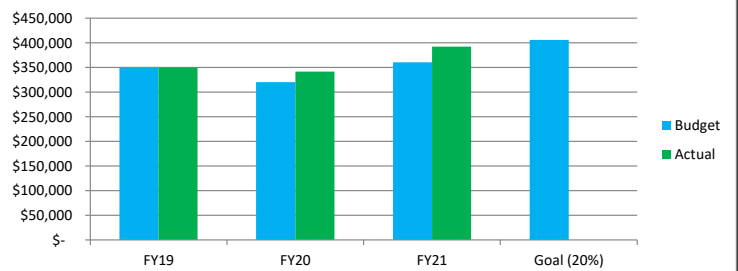
BALANCE SHEET

| | | | |
|-----------------------------------------------|---------------------------------------------------------|---------------------------------------------------|---------------------------------------------------------|
| <u>Cash at End of Month</u> \$257,597 | <u>Cash at End of Prior Month</u> \$287,255 | <u>Beginning Fund Balance - FY21</u> \$390,558 | <u>Budgeted Fund Balance - End of FY21</u> \$359,907 |
| <u>Cash at Beginning of Year</u> \$172,882 | <u>Projected Cash Balance- End of FY21</u> \$228,690 | <u>Fund Balance at Month End</u> \$391,986 | <u>Long-Term Fund Balance Goal (20%)</u> \$405,440 |

Cash Flow Projection



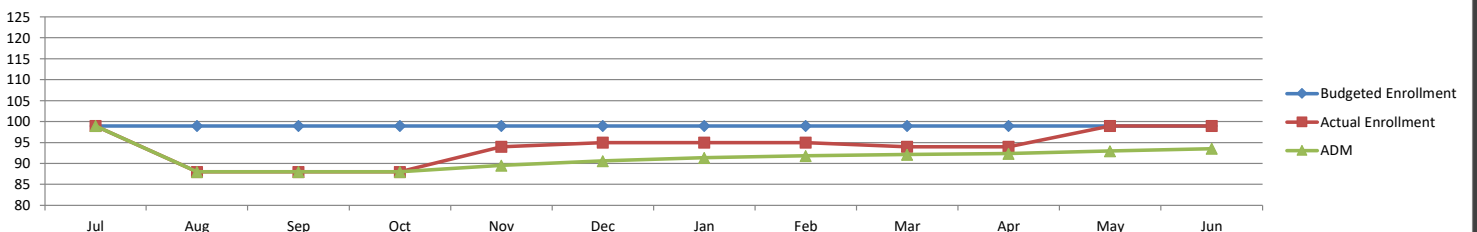
Fund Balance - Budget vs. Actual



ENROLLMENT

| | | | |
|---------------------------------------------|----------------------------------|-------------------------------|-------------------------------------------------------|
| <u>Actual Enrollment at Month End</u> 94 | <u>Budgeted Enrollment</u> 99 | <u>Actual ADM - YTD</u> 92 | <u>Actual vs. Budgeted Enrollment Variance</u> (7) |
|---------------------------------------------|----------------------------------|-------------------------------|-------------------------------------------------------|

Actual vs. Budgeted Enrollment



No assurance is provided on these financial statements and supplementary information. See selected information.

Academic Arts High School
Comparative Balance Sheet - All Funds
As of April 2021

| | Current Month | Prior Month | \$ Change | Audited | YTD \$ Change |
|-------------------------------------------|----------------|----------------|----------------|----------------|---------------|
| | 4/30/2021 | 3/31/2021 | | 6/30/2020 | |
| ASSETS: | | | | | |
| Current Assets: | | | | | |
| Cash | 257,597 | 287,255 | (29,658) | 172,882 | 84,715 |
| Accounts Receivable | - | - | - | - | - |
| Due from MDE - Prior Year Receivable | 3,129 | 14,219 | (11,089) | - | 3,129 |
| Due from MDE - Current Year Estimate | 224,465 | 192,434 | 32,032 | 306,505 | (82,040) |
| Due from Federal | 35,046 | 33,791 | 1,255 | 24,388 | 10,657 |
| Prepays | 8,716 | 420 | 8,296 | 20,451 | (11,735) |
| Total Current Assets | 528,953 | 528,117 | 836 | 524,226 | 4,727 |
| Capital Assets: | | | | | |
| Buildings and Equipment | - | - | - | - | - |
| Less: Accumulated Depreciation | - | - | - | - | - |
| Total Net Capital Assets | - | - | - | - | - |
| TOTAL ASSETS | 528,953 | 528,117 | 836 | 524,226 | 4,727 |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| Salaries Payable | 127,584 | 123,787 | 3,797 | 82,154 | 45,430 |
| Accounts Payable | 6,083 | 5,382 | 701 | 17,405 | (11,323) |
| Payroll Liabilities | 3,300 | 5,215 | (1,915) | 34,110 | (30,810) |
| Other Liabilities | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - |
| Line of Credit | - | - | - | - | - |
| Total Current Liabilities | 136,967 | 134,384 | 2,583 | 133,669 | 3,298 |
| FUND BALANCE | | | | | |
| Beginning Fund Balance as of July 1, 2020 | 390,558 | 390,558 | - | 349,075 | |
| Net Income, FY2021 to Date | 1,429 | 3,176 | (1,747) | 41,483 | (40,054) |
| Ending Fund Balance | 391,986 | 393,733 | (1,747) | 390,558 | 1,429 |
| TOTAL FUND BALANCE | 391,986 | 393,733 | (1,747) | 390,558 | 1,429 |
| TOTAL LIABILITIES AND FUND BALANCE | 528,953 | 528,117 | 836 | 524,226 | 4,727 |

No assurance is provided on these financial statements and supplementary information. See selected information.

Academic Arts High School

Balance Sheet

As of April 2021

| | ALL FUNDS | General Fund | Food Service | Community Fund | Capital Assets |
|------------------------------------------------|------------------|-----------------|-----------------|-------------------|-------------------|
| | Total | FD 01 | FD 02 | FD 04 | FD 98 |
| ASSETS: | | | | | |
| Current Assets: | | | | | |
| Cash | 257,597 | 257,919 | (323) | - | - |
| Accounts Receivable | - | - | - | - | - |
| Due from MDE - Prior Year Receivable | 3,129 | 3,129 | - | - | - |
| Due from MDE - Current Year Estimate | 224,465 | 224,465 | - | - | - |
| | - | - | - | - | - |
| Due from Federal | 35,046 | 35,046 | - | - | - |
| Prepays | 8,716 | 8,716 | - | - | - |
| Total Current Assets | 528,953 | 529,275 | (323) | - | - |
| Capital Assets | | | | | |
| Buildings and Equipment (Less) Depreciation | - | - | - | - | - |
| Total Net Capital Assets | - | - | - | - | - |
| TOTAL ASSETS | 528,953 | 529,275 | (323) | - | - |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| Salaries Payable | 127,584 | 127,584 | - | - | - |
| Accounts Payable | 6,083 | 6,083 | - | - | - |
| Payroll Liabilities | 3,300 | 3,300 | - | - | - |
| Other Liabilities | - | - | - | - | - |
| Unearned Revenue | - | - | - | - | - |
| Line of Credit | - | - | - | - | - |
| Total Current Liabilities | 136,965 | 136,967 | - | - | - |
| FUND BALANCE | | | | | |
| Beginning Fund Balance as of July 1, 2020 | 390,558 | 390,558 | - | - | - |
| Net Income, FY 2021 to Date | 1,429 | 1,751 | (323) | - | - |
| Ending Fund Balance | 391,986 | 392,309 | (323) | - | - |
| Investment in Capital Assets | - | - | - | - | - |
| TOTAL LIABILITIES AND FUND BALANCE | 528,953 | 529,275 | (323) | - | - |

No assurance is provided on these financial statements and supplementary information. See selected information.

Academic Arts High School
Income Statement - Variance
As of April 2021

83% of Fiscal Year 2020-2021 Complete

| | YTD Actual | YTD Budget | YTD Variance | FY21 Original Budget | % of Budget |
|-----------------------------------------------------------------|------------------|------------------|------------------|-------------------------|----------------|
| FUND 01 | | | | | |
| DISTRICT REVENUE - GENERAL FUND | | | | | |
| Local & Other | 4,329 | 6,167 | (1,838) | 7,400 | 58% |
| State - Gen. Ed. Aid | 705,012 | 739,350 | (34,339) | 887,220 | 79% |
| State - Special Education | 582,387 | 757,843 | (175,456) | 909,412 | 64% |
| State - Lease Aid | - | 130,086 | (130,086) | 156,103 | 0% |
| State - Other | 17,460 | 17,529 | (69) | 21,035 | 83% |
| Estimated State Holdback Recognized | 224,465 | - | - | - | N/A |
| PY Over/Under Accrual | - | - | - | - | N/A |
| Federal - CARES | - | - | - | - | N/A |
| Federal - CRF | 26,148 | - | 26,148 | - | N/A |
| Federal - Title | 11,874 | 28,232 | (16,358) | 33,878 | 35% |
| Federal - Special Ed. | 23,171 | 20,833 | 2,338 | 25,000 | 93% |
| TOTAL DISTRICT REVENUE - GENERAL FUND | 1,594,846 | 1,700,040 | (105,194) | 2,040,048 | 78% |
| DISTRICT EXPENDITURES - GENERAL FUND | | | | | |
| Administration & District Support Services | | | | | |
| Salary & Benefits | 70,331 | 78,679 | (8,348) | 94,415 | 74% |
| Purchased Services | 72,016 | 62,500 | 9,516 | 75,000 | 96% |
| Supplies & Equipment | 7,936 | 16,250 | (8,314) | 19,500 | 41% |
| Other Fees | 14,649 | 11,050 | 3,599 | 13,260 | 110% |
| Total Administration & District Support Expenditures | 164,932 | 168,479 | (3,547) | 202,175 | 82% |
| Instructional Expenditures | | | | | |
| Salary & Benefits | 324,583 | 316,706 | 7,877 | 380,047 | 85% |
| Purchased Services | 1,916 | 10,833 | (8,917) | 13,000 | 15% |
| Supplies & Equipment | 9,098 | 15,417 | (6,319) | 18,500 | 49% |
| Other Fees | - | - | - | - | 0% |
| Total Instructional Expenditures | 335,597 | 342,956 | (7,359) | 411,547 | 82% |
| Federal Title | | | | | |
| Salary & Benefits | 9,749 | 9,749 | - | 11,699 | 83% |
| Purchased Services | 2,125 | 12,649 | (10,524) | 15,179 | 14% |
| Supplies & Equipment | - | - | - | 7,000 | 0% |
| Other Fees | - | - | - | - | 0% |
| Total Federal Title Expenditures | 11,874 | 22,398 | (10,524) | 33,878 | 35% |
| State Special Education | | | | | |
| Salaries/Wages and Benefits | 676,731 | 727,606 | (50,875) | 873,127 | 78% |
| Purchased Services | 24,078 | 10,200 | 13,878 | 12,240 | 197% |
| Supplies & Equipment | 356 | 3,600 | (3,244) | 4,320 | 8% |
| Transportation | 33,944 | 62,500 | (28,556) | 75,000 | 45% |
| Other Fees | - | - | - | - | 0% |
| Total State Special Education Expenditures | 735,109 | 803,906 | (68,797) | 964,687 | 76% |

No assurance is provided on these financial statements and supplementary information. See selected information.

| | YTD Actual | YTD Budget | YTD Variance | FY21 Original Budget | % of Budget |
|-------------------------------------------------------------|------------------|------------------|------------------|----------------------|-------------|
| Federal Special Education | | | | | |
| Salaries/Wages and Benefits | - | - | - | - | 0% |
| Purchased Services | 20,523 | 12,500 | 8,023 | 15,000 | 137% |
| Supplies & Equipment | 2,649 | 8,333 | (5,684) | 10,000 | 26% |
| Other Fees | - | - | - | - | 0% |
| Total Federal Special Education Expenditures | 23,171 | 20,833 | 2,338 | 25,000 | 93% |
| Instructional/Pupil Support | | | | | |
| Salary & Benefits | 34,110 | 34,110 | - | 40,932 | 83% |
| Purchased Services | 5,679 | 17,083 | (11,404) | 20,500 | 28% |
| Supplies & Equipment | - | - | - | - | 0% |
| Other Fees | - | - | - | - | 0% |
| Total Instructional Support Expenditures | 39,789 | 51,193 | (11,404) | 61,432 | 65% |
| CARES/CRF Funding | | | | | |
| CARES | - | - | - | - | 0% |
| CRF | 26,148 | - | 26,148 | - | 0% |
| Total Instructional Support Expenditures | 26,148 | - | 26,148 | - | 0% |
| Building & Operations | | | | | |
| Salaries/Wages and Benefits | - | - | - | - | 0% |
| Purchased Services | 50,294 | 60,542 | (10,248) | 72,650 | 69% |
| Facilities Lease | 193,091 | 195,277 | (2,186) | 234,333 | 82% |
| Supplies & Equipment | 2,417 | 833 | 1,584 | 1,000 | 242% |
| Other Fees | 10,674 | 7,083 | 3,590 | 8,500 | 126% |
| Total Building & Operations Expenditures | 256,475 | 263,735 | (7,260) | 316,482 | 81% |
| Fiscal & Other Fixed Cost Programs | | | | | |
| Purchased Services | - | - | - | - | 0% |
| Transfers to Other Funds | - | - | - | 6,000 | 0% |
| Total Fiscal & Other Fixed Cost Programs Expend. | - | - | - | 6,000 | 79% |
| TOTAL DISTRICT EXPENDITURES - GENERAL FUND | 1,593,095 | 1,673,501 | (80,406) | 2,021,201 | 79% |
| GENERAL FUND (01) - NET INCOME | 1,751 | 26,540 | (24,789) | 18,847 | |
| FUND 02 | | | | | |
| DISTRICT REVENUE - FOOD SERVICE FUND | | | | | |
| Local & Other | - | - | - | - | 0% |
| State | - | - | - | - | 0% |
| Federal | - | - | - | - | 0% |
| Transfers from Other Funds | - | - | - | 6,000 | 0% |
| TOTAL DISTRICT REVENUE - FOOD SERVICE FUND | - | - | - | 6,000 | 0% |
| DISTRICT EXPENDITURES - FOOD SERVICE FUND | | | | | |
| Salaries/Wages and Benefits | - | - | - | - | 0% |
| Purchased Services | 323 | 5,000 | (4,678) | 6,000 | 5% |
| Supplies & Equipment | - | - | - | - | 0% |
| TOTAL DISTRICT EXPENDITURES - FOOD SERVICE FUND | 323 | 5,000 | (4,678) | 6,000 | 5% |
| FOOD SERVICE FUND (02) - NET INCOME | (323) | (5,000) | 4,678 | - | |
| TOTAL REVENUES - ALL FUNDS | 1,594,846 | 1,700,040 | (105,194) | 2,046,048 | 78% |
| TOTAL EXPENDITURES - ALL FUNDS | 1,593,417 | 1,678,501 | (85,083) | 2,027,201 | 79% |
| NET INCOME (LOSS) - ALL FUNDS | 1,429 | 21,540 | (20,111) | 18,847 | |
| Beginning Fund Balance 7/1/2020 | 390,558 | | | 341,059 | |
| Ending Fund Balance | 391,986 | | | 359,907 | |

No assurance is provided on these financial statements and supplementary information. See selected information.

**Academic Arts High School
April 2021 Payment Register**

| District # | Payment # | Bank | Check # | Pay Type | Payment Date | Vendor # | Vendor | Curr | Amount | Financials |
|------------|-----------|------|---------|----------|--------------|----------|------------------------------|------|-------------|---------------------------|
| 4119 | 8629 | AB | | WX | 4/30/2020 | 1181 | MACMH | USD | \$ 270.00 | I/PS Purchased Services |
| 4119 | 8630 | AB | | WX | 4/30/2020 | 1307 | Walmart | USD | \$ 12.48 | Instructional S&E |
| 4119 | 8631 | AB | | WX | 4/30/2020 | 1307 | Walmart | USD | \$ 75.52 | Instructional S&E |
| 4119 | 8632 | AB | | WX | 4/30/2020 | 1313 | Amazon | USD | \$ 142.67 | Admin S&E |
| 4119 | 8633 | AB | | WX | 4/30/2020 | 1313 | Amazon | USD | \$ 22.79 | Admin S&E |
| 4119 | 8634 | AB | | WX | 4/30/2020 | 1313 | Amazon | USD | \$ 13.99 | Admin S&E |
| 4119 | 8635 | AB | | WX | 4/30/2020 | 1414 | City of West St. Paul | USD | \$ 75.00 | Admin Purchased Services |
| 4119 | 8636 | AB | | WX | 4/30/2020 | 1414 | City of West St. Paul | USD | \$ 150.00 | Admin Purchased Services |
| 4119 | 8637 | AB | | WX | 4/30/2020 | 1575 | Southview Office CenterLLC | USD | \$14,362.90 | B/O Lease & PS |
| 4119 | 8638 | AB | | WX | 4/30/2020 | 1594 | Squarespace | USD | \$ 192.00 | Instructional S&E |
| 4119 | 8639 | AB | | WX | 4/30/2020 | 1608 | Costco | USD | \$ 354.96 | Instructional S&E |
| 4119 | 8640 | AB | | WX | 4/30/2020 | 1608 | Costco | USD | \$ 171.06 | B/O Supplies & Equipment |
| 4119 | 8641 | AB | | WX | 4/30/2020 | 1608 | Costco | USD | \$ 856.91 | B/O Supplies & Equipment |
| 4119 | 8642 | AB | | WX | 4/30/2020 | 1608 | Costco | USD | \$ 120.00 | Admin Other Fees |
| 4119 | 8643 | AB | | WX | 4/30/2020 | 1760 | Hobby Lobby | USD | \$ 96.83 | Instructional S&E |
| 4119 | 8644 | AB | | WX | 4/30/2020 | 1775 | Ford | USD | \$ 1,163.71 | State SPED Transportation |
| 4119 | 8645 | AB | | WX | 4/30/2020 | 1775 | Ford | USD | \$ 461.38 | State SPED Transportation |
| 4119 | 8646 | AB | | WX | 4/30/2020 | 1833 | Old National Bank | USD | \$ 50.00 | Admin Purchased Services |
| 4119 | 8647 | AB | | WX | 4/30/2020 | 1883 | Alerus | USD | \$ 324.80 | Payroll Liabilities |
| 4119 | 8648 | AB | | WX | 4/30/2020 | 1886 | TRA | USD | \$ 4,440.55 | Payroll Liabilities |
| 4119 | 8649 | AB | | WX | 4/30/2020 | 1886 | TRA | USD | \$ 4,440.55 | Payroll Liabilities |
| 4119 | 8650 | AB | | WX | 4/30/2020 | 1887 | PERA | USD | \$ 2,572.73 | Payroll Liabilities |
| 4119 | 8651 | AB | | WX | 4/30/2020 | 1887 | PERA | USD | \$ 2,332.64 | Payroll Liabilities |
| 4119 | 8652 | AB | | WX | 4/30/2020 | 1888 | IRS | USD | \$ 9,724.28 | Payroll Liabilities |
| 4119 | 8653 | AB | | WX | 4/30/2020 | 1888 | IRS | USD | \$10,129.12 | Payroll Liabilities |
| 4119 | 8654 | AB | | WX | 4/30/2020 | 1889 | MN Dept of Revenue | USD | \$ 1,617.40 | Payroll Liabilities |
| 4119 | 8655 | AB | | WX | 4/30/2020 | 1889 | MN Dept of Revenue | USD | \$ 1,546.29 | Payroll Liabilities |
| 4119 | 8656 | AB | | WX | 4/30/2020 | 1916 | Verizon Wireless | USD | \$ 65.00 | Instructional S&E |
| 4119 | 8657 | AB | | WX | 4/30/2020 | 1924 | Skyroam, INC | USD | \$ 99.00 | Instructional PS |
| 4119 | 8658 | AB | | WX | 4/30/2020 | 1924 | Skyroam, INC | USD | \$ 99.00 | Instructional PS |
| 4119 | 8659 | AB | | WX | 4/30/2020 | 1924 | Skyroam, INC | USD | \$ 99.00 | Instructional PS |
| 4119 | 8660 | AB | | WX | 4/30/2020 | 1924 | Skyroam, INC | USD | \$ 99.00 | Instructional PS |
| 4119 | 8661 | AB | | WX | 4/30/2020 | 1932 | MN Workers Compensation | USD | \$ 3,523.00 | Payroll Liabilities |
| 4119 | 8662 | AB | | WX | 4/30/2020 | 1933 | Valvoline Instant Oil Change | USD | \$ 52.57 | Federal SPED PS |
| 4119 | 8663 | AB | | WX | 4/30/2020 | 1933 | Valvoline Instant Oil Change | USD | \$ 52.57 | Federal SPED PS |
| 4119 | 8664 | AB | | WX | 4/30/2020 | 1933 | Valvoline Instant Oil Change | USD | \$ 42.08 | Federal SPED PS |
| 4119 | 8665 | AB | | WX | 4/30/2020 | 1934 | Mister Car Wash | USD | \$ 11.00 | Federal SPED PS |
| 4119 | 8666 | AB | | WX | 4/30/2020 | 1934 | Mister Car Wash | USD | \$ 11.00 | Federal SPED PS |
| 4119 | 8667 | AB | | WX | 4/30/2020 | 1934 | Mister Car Wash | USD | \$ 11.00 | Federal SPED PS |
| 4119 | 8668 | AB | | WX | 4/30/2020 | 1935 | Super Care Appliance | USD | \$ 117.94 | B/O Purchased Services |
| 4119 | 8669 | AB | | WX | 4/30/2020 | 1936 | Bachman's INC | USD | \$ 43.20 | Admin S&E |
| 4119 | 8670 | AB | | WX | 4/30/2021 | 1938 | Dakota County Regional | USD | \$ 647.00 | Admin Other Fees |
| 4119 | 8609 | AB | 6607 | CH | 4/7/2021 | 1015 | DESIGNS FOR LEARNING | USD | \$ 4,361.00 | State SPED PS |

No assurance is provided on these financial statements and supplementary information. See selected information.

| | | | | | | | | | | |
|---------------|------|----|------|----|-----------|------|---------------------------------------------|-----|--------------------|--------------------------|
| 4119 | 8612 | AB | 6608 | CH | 4/7/2021 | 1913 | Navigate Care Consulting | USD | \$ 400.00 | Instructional PS |
| 4119 | 8611 | AB | 6609 | CH | 4/7/2021 | 1909 | Ratwik, Roszak & Maloney, P.A. | USD | \$ 70.50 | Admin Purchased Services |
| 4119 | 8610 | AB | 6610 | CH | 4/7/2021 | 1891 | The Lincoln National Life Insurance Company | USD | \$ 550.68 | Payroll Liabilities |
| 4119 | 8613 | AB | 6611 | CH | 4/19/2021 | 1014 | Century Link | USD | \$ 344.62 | Admin Purchased Services |
| 4119 | 8614 | AB | 6612 | CH | 4/19/2021 | 1146 | cmERDC | USD | \$ 25.00 | Admin Purchased Services |
| 4119 | 8617 | AB | 6613 | CH | 4/19/2021 | 1849 | Comcast Business | USD | \$ 164.76 | Admin Purchased Services |
| 4119 | 8618 | AB | 6614 | CH | 4/19/2021 | 1879 | MN PEIP - C/O MMB Fiscal Services | USD | \$14,125.53 | Payroll Liabilities |
| 4119 | 8619 | AB | 6615 | CH | 4/19/2021 | 1913 | Navigate Care Consulting | USD | \$ 200.00 | State SPED PS |
| 4119 | 8616 | AB | 6616 | CH | 4/19/2021 | 1656 | The Hanover Insurance Group | USD | \$11,487.23 | B/O Other Fees |
| 4119 | 8615 | AB | 6617 | CH | 4/19/2021 | 1473 | US Bancorp Equipment Finance | USD | \$ 202.79 | I/PS Purchased Services |
| Total: | | | | | | | | | \$92,625.03 | |

No assurance is provided on these financial statements and supplementary information. See selected information.

Academic Arts High School Receipt Listing Report with Detail by Deposit

| Deposit Co | Bank | Batch | Rct No | Receipt Type | Receipt St | Receipt Date | Check No | Pmt Type | Grp Code | Customer | Inv No | Inv Date | Inv Type | Invoice Amount | Applied Amount | Unapplied Amount |
|------------|-----------------|-------|--------|--------------|------------|--------------|--------------------------|----------|----------|----------|-----------------------------|----------|----------|-----------------------|--------------------|------------------|
| 1699 | 4119 | AB | CR0421 | | | | | | | | | | | | | |
| 04.15.21 | IDEAS Payment | | 1874 | Credit | A | 04/15/21 | | Wire | 1 | c1 | Misc | | | | | |
| | | | | | | 4119 | R 01 005 000 000 211 000 | | | | FY21 General Education Aid | | | | 425.99 | 0.00 |
| | | | | | | 4119 | R 01 005 000 740 360 000 | | | | FY21 State Special Ed Aid | | | | 65,052.01 | 0.00 |
| | | | | | | | | | | | | | | Receipt Total: | \$65,478.00 | \$0.00 |
| | | | | | | | | | | | | | | Deposit Total: | \$65,478.00 | \$0.00 |
| 1700 | 4119 | AB | CR0421 | | | | | | | | | | | | | |
| 04.15.21 | Paypal Transfer | | 1875 | Credit | A | 04/15/21 | | Wire | 1 | c1 | Misc | | | | | |
| | | | | | | 4119 | E 01 005 810 000 401 000 | | | | Paypal Transfer; Fast Signs | | | | 977.70 | 0.00 |
| | | | | | | | | | | | | | | Receipt Total: | \$977.70 | \$0.00 |
| | | | | | | | | | | | | | | Deposit Total: | \$977.70 | \$0.00 |
| 1701 | 4119 | AB | CR0421 | | | | | | | | | | | | | |
| 04.30.21 | IDEAS Payment | | 1876 | Credit | A | 04/30/21 | | Wire | 1 | c1 | Misc | | | | | |
| | | | | | | 4119 | B 01 121 000 | | | | FY20 Special Education Aid | | | | 11,089.43 | 0.00 |
| | | | | | | 4119 | R 01 005 000 000 211 000 | | | | FY21 General Education Aid | | | | 64,938.50 | 0.00 |
| | | | | | | | | | | | | | | Receipt Total: | \$76,027.93 | \$0.00 |
| | | | | | | | | | | | | | | Deposit Total: | \$76,027.93 | \$0.00 |
| | | | | | | | | | | | | | | Report Total: | \$142,483.63 | \$0.00 |

No assurance is provided on these financial statements and supplementary information. See selected information.

Academic Arts High School
Historical and Forecasted Financial Statements
Selected Information
For the Ten Months Ended April 30th, 2021 and Year Ending June 30th, 2021

The school presents governmental fund financial statements using the current financial resources measurement focus and the modified accrual basis of accounting. As required by state statute, the school operates as a nonprofit corporation under Minnesota Statutes §317A. However, state law also requires that the school comply with Uniform Financial Accounting and Reporting Standards for Minnesota School Districts (UFARS) which mandates the use of a governmental fund accounting structure.

The accompanying historical financial statements and forecasted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

- The historical and forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The financial statements are not a complete presentation of governmental fund financial statements in accordance with the above standards.

The effects of these departures have not been determined.

Summary of Significant Assumptions

These financial forecasts present, to the best of management's knowledge and belief, the School's expected financial position, results of operations, and cash projection for the forecast periods. Accordingly, the forecasts reflect its judgment as of April 21, 2020 the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Balance Sheet & Cash Projection Assumptions

| | |
|---------------------------------------------------|----------|
| 1 Due from MDE | 90 Days |
| 2 Payables are expected to be paid at net | 120 Days |
| 3 Payroll Payables are expected to be paid at net | 30 Days |

Statement of Operations Assumptions

| | |
|-------------------------------------------------------------|----|
| 1 Revenue is expect to grow at a rate of | 9% |
| 2 Salaries, benefits, and taxes are expected to increase by | 9% |
| 3 All other expenses are expected to increase | 7% |

No assurance is provided.

20-21 May
Board Meeting (Highlights and To Do)

Date:

Ex Officio:

School Events

- May 12-Field Trip/Sculpture Garden
 - May 19 - Hike/Field Trip
 - N-Word Speaker - May 27 @ 1pm (during the podcast)
 - May 31 = No school (Memorial Day)
 - June 10 - School Picnic
 - Graduation
 - 6/10 @5PM at the Wellstone Center - all COVID protocols will be followed
-

Committee Updates

TPS:

- Creating summer expectations for staff and individual committees are creating summer agendas
- Summer PD Dates: June 22, July 13, August 17
- TPS voted to allow Julie to start her day at 9:30 for next year until further notice
- NWEA - May 3 and May 6
- MCA was completed the week of May 10th

Personnel:

- The receptionist position is still vacant.
- The position has been posted to Indeed, LinkedIn, EdPost and shared to AHHS facebook.

Restorative/SEL/Anti Bias:

- Continuing Anti-Bias Training
- May 22nd, Mal and Ty are promoting a NAMI--(National Alliance on Mental Illness) Mental Health awareness walk

Behavior:

- NA

Finance:

- Still waiting to hear from ADSIS
- Nate is working on a spreadsheet to show scheduled raises for 21-22 school year
- The CARES applications have been submitted
- The school budget draft is delayed due to the lease not being finalized

Nutrition:

- Students will continue receiving bag lunches to take home.

Marketing:

- AAHS is now a member of the Chamber of commerce for Dakota County.

- Brochures and fliers have been handed out in the community and at local businesses.
- Brochure Mail Out - working on new mailing list
- BACK TO SCHOOL 5K in August - Bauer has been in contact with the City of West St Paul about routes.
- Car wash fundraiser (Student detailing business) - June 12
- Summer tours will be by appointment only. Ideally 2 staff members will be attendance (Gen and Sped)

-

Enrollment:

- Enrollment is 94
- ADM 92.09
- 9 new enrollment for the next school year

Curriculum:

- AHA will not continue next year.
- Curriculum team will be meeting May 16-18 to for curriculum planning

Sped:

- NA

Tiger Team:

- NA

Assignments from Board (to be brought back to TPS):

1.

LEASE AGREEMENT

by and between

**Southview Office Center, LLC
as Landlord**

and

Academic Arts High School as Tenant

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LEASE AGREEMENT

THIS LEASE, made and entered into this ____ day of _____, 20__, between Southview Office Center LLC, a Minnesota corporation ("**Landlord**"), and "**Tenant**," defined below.

1. LEASE DATA SUMMARY PAGE.

| | | | |
|-------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-------------------|
| OFFICE BUILDING: | Southview Office Center, LLC located at 60 East Marie Avenue, West St. Paul, MN | | |
| TENANT: | Academic Arts High School, a Minnesota non-profit corporation | | |
| TENANT NOTICE ADDRESS: | Southview Office Center 60 Marie Avenue, Suite 202 West St Paul MN 55118 | | |
| PERMITTED USE: | Solely for the operation of a high school level public charter school | | |
| LEASED PREMISES: | Approximately 15,390 square feet located at 60 E Marie Ave, West Saint Paul, MN, commonly known as Suite 220 | | |
| LEASE TERM: | Seven (7) years, commencing on July 1 st , 2021 | | |
| RENEWAL NOTICE PERIOD: | 180 days prior to the expiration of the then-current Lease Term | | |
| RENT COMMENCEMENT DATE: | Earlier of (i) sixty days following Landlord's delivery of the premises to Tenant, or (ii) the day that Tenant opens for business within the Premises | | |
| BASE RENT: | PERIOD | RATE | MONTHLY |
| | 7/1/2021 – 6/30/2022 | \$10.25 PSF | \$13,145.63/MONTH |
| | 7/1/2022 – 6/30/2023 | \$10.50 PSF | \$13,466.25/MONTH |
| | 7/1/2023 – 6/30/2024 | \$10.75 PSF | \$13,786.88/MONTH |
| | 7/1/2024 – 6/30/2025 | \$11.00 PSF | \$14,107.50/MONTH |
| | 7/1/2025 – 6/30/2026 | \$11.25 PSF | \$14,428.13/MONTH |
| | 7/1/2026 – 6/30/2027 | \$11.50 PSF | \$14,748.75/MONTH |
| | 7/1/2027 – 6/30/2028 | \$11.75 PSF | \$15,069.38/MONTH |
| SECURITY DEPOSIT: | N/A | | |
| RETROACTIVE RENT: | From the date that this agreement is signed, Landlord will retroactively discount rent to \$10.00 psf for 60 days (2 months) prior to that execution date, until the commencement date. | | |

THE SUBMISSION OF THIS LEASE FOR EXAMINATION BY TENANT AND/OR EXECUTION THEREOF BY TENANT DOES NOT CONSTITUTE A RESERVATION OF OR OPTION FOR THE LEASED PREMISES AND THIS LEASE SHALL BECOME EFFECTIVE ONLY UPON EXECUTION BY ALL PARTIES HERETO AND DELIVERY OF A FULLY EXECUTED COUNTERPART HEREOF BY LANDLORD TO TENANT.

2. PREMISES.

- A. **Premises.** Subject to the terms and conditions hereof, Landlord hereby leases the Premises to Tenant, and Tenant hereby leases the Premises from Landlord.
- B. **Acceptance of Premises.** Upon taking possession of the Premises, Tenant is accepting the Premises in its condition "as-is", except as otherwise provided in this Lease. Unless expressly set forth herein, Landlord has made and makes no representation or warranty of any kind about the condition of the Premises or its fitness for any use and that Landlord has no obligation hereunder to make repairs or replacements of the Premises or any part thereof.
- C. **Improvements.** Tenant is taking the premise in as-is condition. Landlord agrees to a single-coat repainting of the Premises after month thirty-six (36) of the lease term.

3. TERM

The Lease Term shall be as set forth in the Lease Data Summary Sheet as agreed upon between Landlord and Tenant.

Rent Commencement Date. Upon determination of the Rent Commencement Date, Landlord and Tenant shall execute a Commencement Date Agreement. If the Rent Commencement Date falls on a day other than the first day of a month, for purposes of calculating the Lease Term, the first month of the Lease Term shall be deemed to be the first full month immediately following the Rent Commencement Date.

4. RENT

All payments due to Landlord under this Lease other than Base Rent shall be payable as "Additional

Christian R. Shafer
1:25 AM May 4

Replace: "high school level" with "public"

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Rent." Base Rent and all Additional Rent due hereunder are referred to collectively as "Rent." Tenant's obligations to pay Rent are covenants independent of the Landlord's obligations under this Lease. Throughout the Lease Term, Tenant shall pay to Landlord, without offset, Base Rent as set forth in the Lease Data Summary Sheet. At any time prior to or during the Lease Term, at Landlord's option, Landlord may have the Premises re-measured, and from the date of re-measurement, all Rent shall be determined based upon such re-measurement.

Base Rent is payable without notice on or before the first day of each month in advance at the office of Landlord at 1549 Livingston Avenue, Suite 105, West St. Paul, MN 55118, or at such other place as may from time to time be designated in writing by Landlord. Should the Rent Commencement Date occur on a day other than the first day of the month, the first monthly installment of Base Rent, shall be prorated. Upon execution of this Lease, and as a condition precedent to Landlord's obligations under this Lease, Tenant shall pay to Landlord the amount set forth in the Lease Data Summary Sheet, which consists of one full month Base Rent (which shall be applied to the first monthly Rent installment following the Rent Commencement Date), plus the Security Deposit.

5. USE

- Tenant shall use the Premises only for the use as set forth in the Lease Data Summary Sheet, including the usual academic, school, and related purposes in connection with the operation of a public charter school. ~~Tenant acknowledges that its permitted use is not exclusive.~~ Tenant shall not use the Premises in any way inconsistent with the maintenance of the Office Building-center, and the quality of its upkeep, use, and occupancy, or liable to render necessary alteration or addition to the Office

Building. Tenant shall not knowingly do or knowingly permit to be done in or about the Premises, nor knowingly bring or keep or knowingly permit to be brought or kept there-in, anything which is prohibited by or which will in any way conflict with any law, statute, ordinance, or governmental rule or regulation.

At Tenant's sole expense, Tenant shall comply with all laws, rules, regulations, requirements, and ordinances existing or hereafter enacted or imposed by any governmental authority having jurisdiction over the Premises, Office Building, or otherwise applicable to Tenant and Tenant's use of the Premises. Tenant shall obtain and maintain all permits, licenses, and registrations required from all applicable governmental agencies and/or authorities to open and operate its business within the Premises. ~~In the event of termination of this Lease due to a default by Tenant, at Landlord's request Tenant shall cause all such permits, licenses, and registrations to be transferred to Landlord immediately upon Landlord's request, to the extent permissible by law.~~


~~Throughout the Lease Term and during the regular business hours of the Office Building, Tenant shall keep the Premises continuously and uninterruptedly open and operated for regular business hours consistent with the hours of other tenants within the Office Building.~~


6. COMMON AREAS.


A. Definition. "Common Areas" means at any time and from time to time those portions of the Office Building not leased or designated for lease to tenants that are provided for use in common by Tenant and any other tenants of the Office Building (and by their respective agents, employees, customers or invitees), whether or not those areas are open to the general public, including access drives, parking areas, hallways, entryways, and equipment or mechanical rooms and includes any fixtures, chattels, systems, décor, signs, facilities, or landscaping contained, maintained or used in connection with those areas, and any city sidewalks, trails, paths, or alleys adjacent to the Office Building, and any parking or other facility open to the general public for which Landlord is subject to obligations.


B. Use of Common Areas. Except for emergency purposes, Tenant and its agents, customers and invitees (including students, their families, and other visitors to the school operated by Tenant) may not only use the Common Areas; in accordance with Landlord's rules and regulations, as established from time to time. Tenant may not use the Common Areas for displays, advertising, or sale of merchandise of any kind, and shall not place any objects in the Common Areas, other than temporary paper, cardboard, or similar posters, placards, or other signs used by the Tenant to advertise student presentations or other events hosted by the Tenant as a public school. Other than two parking spots designated for staff vehicles, in no event shall Tenant use or allow its employees to use the front row of parking (immediately adjacent to the sidewalks in front of the Premises) for employee parking or any purpose other than customer parking by Tenant's students, families of students, or non-employee visitors to the Tenant's school, without the consent of Landlord. Any violation of this, or any other parking restrictions set forth in the Rules and Regulations from time to time, shall result in a fine of \$250 per violation per day.


C. Landlord's Rights as to Common Areas. The Common Areas shall always be subject to the exclusive control and management of Landlord. Landlord may grant third parties specific rights concerning portions of the Common Areas, and may, at Landlord's sole and absolute discretion, increase, reduce, improve, or otherwise alter the Common Areas and Office Building, including but not be limited to temporarily closure of Common Areas to make repairs or improvements, changes to address casualty, governmental requirements, the threat of an emergency, to address pest extermination, or if Landlord otherwise reasonably deems it appropriate. If Landlord redevelops or


 Christian R. Shafer 1:25 AM May 4 ✓ ✕
Add: ", including the usual academic, school, and related purposes in connection with the operation of a p..."
From imported document


 Christian R. Shafer 1:40 AM May 4 ✓ ✕
Delete: "Tenant acknowledges that its permitted use is not exclusive."
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
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
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 Christian R. Shafer 1:39 AM May 4 ✓ ✕
Delete: "In the event of termination of this Lease due to a default by Tenant, at Landlord's request Tenant s..."
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remodels the Center, Landlord may require Tenant to install new signs in conformity with signage standards established by Landlord. Landlord reserves the right, from time to time, to utilize portions of the Common Areas for entertainment, rides, outdoor shows, displays, product shows, leasing of kiosks, or other uses that in Landlord's judgment tend to attract the public. Further, the Landlord reserves the right to utilize the lighting standards and other areas of the parking areas for advertising purposes and holiday decorations. This Lease does not create, nor will Tenant have any express or implied easement for, or other rights to, air, light, or view over, from, or about the Office Building. Landlord agrees that its use of the Common Areas, including use for entertainment, rides, outdoor shows, displays, product shows, leasing of kiosks, and granting of rights to third parties regarding specific portions of the Common Areas, will not materially interfere with Tenant's operation of a public school, including, but not limited to, interference with any bus pickup or drop off locations or schedules.

7. PROPERTY TAXES AND OPERATING EXPENSES.

A. Payment of Property Expenses. Tenant will pay, as Additional Rent, Tenant's Share of Property Expenses for each calendar year of the Term. If the Term includes any partial calendar years, or Tenant is otherwise required under this Lease to pay Tenant's Share of Property Expenses for only part of a full calendar year, Landlord will appropriately prorate Tenant's Share of Property Expenses for such partial calendar year on a per diem basis based on the number of days within such partial calendar year. Provided that Tenant is not in default hereunder, Tenant's Share of Property Expenses shall be abated for the first month of the Term hereof.

B. Estimation of Tenant's Share of Property Expenses. Landlord will deliver to Tenant An estimate of the following for each calendar year of the Term: (a) Property Expenses, (b) Tenant's Share of Property Expenses and (c) the annual and monthly Additional Rent attributable to Tenant's Share of Property Expenses. Landlord may re-estimate Property Expenses from time to time during the Term. In such event, Landlord will revise the monthly Additional Rent attributable to Tenant's Share of Property Expenses to an amount sufficient for Tenant to pay the re-estimated amount over the balance of the calendar year. Tenant and its agents shall have the right to inspect the Landlord's books and records relating to the Property Expenses upon reasonable prior notice and during regular business hours, during the ninety (90) calendar day period after receipt of the estimate.

C. Payment of Estimated Tenant's Share of Property Expenses. Tenant will pay the amount Landlord estimates as Tenant's Share of Property Expenses in equal monthly installments, in advance, beginning on the Commencement Date and thereafter on the first day of each and every calendar month during the Term. If Landlord has not delivered a new estimate to Tenant by the first day of January of the applicable calendar year, Tenant will continue paying Tenant's Share of Property Expenses based on Landlord's estimates for the previous calendar year. When Tenant receives Landlord's estimates for the current calendar year, Tenant will pay the estimated amount for such calendar year (less amounts Tenant paid to Landlord in accordance with the immediately preceding sentence) in equal monthly installments over the balance of such calendar year, with the number of installments being equal to the number of full calendar months remaining in such calendar year.

D. Confirmation of Tenant's Share of Property Expenses. After the end of each calendar year within the Term, Landlord will determine the actual amount of Tenant's Share of Property Expenses for the expired calendar year and deliver to Tenant a written statement of such amount. If Tenant paid less than the amount of Tenant's Share of Property Expenses specified in the statement, Tenant will pay the difference to Landlord as Additional Rent. If Tenant paid more than the amount of Tenant's

3

Share of Property Expenses specified in the statement, Landlord will, at Landlord's option, either (a) refund the excess amount to Tenant, or (b) credit the excess amount against Tenant's next due monthly installment or installments of Tenant's Share of Property Expenses. If Landlord is delayed in delivering such statement to Tenant, such delay does not constitute a waiver of either party's rights under this Section. Tenant and its agents shall have the right to inspect the Landlord's books and records relating to the Property Expenses upon reasonable prior notice and during regular business hours, during the ninety (90) calendar day period after receipt of the written notice.

E. Adjustments to Property Expenses. If any portions of the rentable area of the Property are not occupied at any time during any calendar year pursuant to leases under which the terms and rents have commenced for such calendar year, Landlord may reasonably and equitably adjust its computation of Property Expenses for that calendar year to include all components of Property Expenses (if any) that vary based on occupancy in an amount equal to Landlord's reasonable estimate of the amount such components of Property Expenses would have been if all of the rentable area of the Property had been so occupied at all times during such calendar year. If at any time or from time to time any components of Property Expenses relate to (a) services or benefits that are received by Tenant but not all other tenants in the Property; (b) costs that are incurred by Landlord on behalf of Tenant but not all other tenants in the Property; (c) costs that are incurred by Landlord solely, or in disproportionate amounts, as a result of Tenant's particular use or occupancy of the Premises or Property as compared to other tenants in the Property; or (d) services, benefits or costs that are otherwise received or incurred in differing amounts by, for or as a result of Tenant's particular use or occupancy of the Premises or Property as compared to other tenants of the Property, then Landlord may, in Landlord's reasonable discretion, adjust Landlord's computation of such components of Property Expenses to equitably allocate such components of Property Expenses among Tenant and the other tenants of the Property, as applicable, in amounts Landlord reasonably determines to be proportionate to the amounts of such services, benefits and costs received by or incurred for or as a result of Tenant and each such other tenant.

8. MAINTENANCE.

A. Landlord's Maintenance Obligations. Landlord shall maintain, repair, and replace the

Christian R. Shafer 1:39 AM May 4 ✓ ✕
Delete: "Throughout the Lease Term and during the regular business hours of the Office Building, Tenant shall..."
From imported document 7 of 23

Christian R. Shafer 1:38 AM May 4 ✓ ✕
Add: "(including students, their families, and other visitors to the school operated by Tenant)"
From imported document

Christian R. Shafer 1:38 AM May 4 ✓ ✕
Replace: "not" with "only"
From imported document

Christian R. Shafer 1:39 AM May 4 ✓ ✕
Delete: " ;"
From imported document

Christian R. Shafer 1:37 AM May 4 ✓ ✕
Add: " , other than temporary paper, cardboard, or similar posters, placards, or other signs used by the Te..."
From imported document

Christian R. Shafer 1:36 AM May 4 ✓ ✕
Replace: "I" with "Other than two parking spots designated for staff vehicles, I"
From imported document

Christian R. Shafer 1:35 AM May 4 ✓ ✕
Delete: "customer"
Add space
From imported document

Christian R. Shafer 1:35 AM May 4 ✓ ✕
Add: "by Tenant's students, families of students, or non-employee visitors to the Tenant's school"
From imported document

Christian R. Shafer 1:35 AM May 4 ✓ ✕
Delete: "Any violation of this, or any other parking restrictions set forth in the Rules and Regulations from..."
From imported document

Christian R. Shafer 1:32 AM May 4 ✓ ✕
Add: "Landlord agrees that its use of the Common Areas, including use for entertainment, rides, outdoor sh..."
From imported document

exterior of the Premises (other than plate glass, signage or other obligations of Tenant set forth in this Lease); roof, foundation, and structural supports; plumbing, sewer, electrical systems, and utility services (but excluding fixtures within the Premises or improvements made by Tenant); and the heat, ventilation, and air conditioning units. Heating, ventilation, and air conditioning shall be provided in a manner which maintains a temperature allowing for comfortable occupancy of the Premises (approximately 63 to 73 degrees in heating season; approximately 72 to 76 in cooling season) during Tenant's normal business-school hours (M-F 8:00 a.m. to 5:30 p.m.) in the Landlord's reasonable judgment. Upon twenty-four (24) hours' notice, Landlord shall provide heat, ventilation, and air conditioning outside of Tenant's normal school hours, including on weekends, during Tenant events such as student presentations, school ceremonies, or extracurricular or cocurricular events hosted by Tenant.

i. Tenant Specific Requirements. In the event of any unique special needs of Tenant that increase the costs of Landlord's obligations, including but not limited to the use of machines or equipment that generate heat or otherwise affect the HVAC systems, or in the event of any Landlord maintenance, repair or replacement resulting from the

4

negligence or misconduct of Tenant or its agents, any costs incurred by Landlord as a result of such Tenant-specific matters, including but not limited to installation, maintenance and repair of supplemental HVAC equipment serving the Premises shall be paid by Tenant, and any supplement HVAC equipment may be separately metered, at Landlord's option.

ii. Limitation. Landlord's repair obligations set forth above shall not be deemed to commence until Tenant has delivered written notice of the need for any such repair. Landlord does not warrant that any of the services referred to above will be free from interruption. Except to the extent resulting from the gross negligence or willful misconduct of Landlord or its agents, any such interruption of service shall never be deemed an eviction or disturbance of Tenant's use and possession of the Premises or any part thereof or render Landlord liable to Tenant for damages, give rise to any abatement of Rent, or otherwise relieve Tenant from performance of Tenant's obligations under this Lease.

iii. Access. Landlord shall have unfettered access to the Premises at all reasonable times, without charge or diminution of Rent, to enable Landlord to examine the same and to make such repairs, additions, and alterations as Landlord may deem advisable.

iv. Access to Other Portions of the Office Building. Landlord shall take whatever steps may be required to enforce the agreement between Tenant and _____ that allows Tenant to access the _____ room on the _____ floor of the Office Building. This includes, but is not limited to, installation, maintenance, and repair of any equipment or fixture required by the ADA and any other applicable state, federal, or local law or regulation regarding access to the Office Building or Premises, as well as ensuring that a mechanism for enforcing the agreement is present in any lease or other document establishing the relationship between _____ and Landlord.

B. Tenant's Maintenance Obligations. Except to the extent Landlord is expressly obligated pursuant to this Section, Tenant shall, at its sole cost and expense, repair, maintain and replace all aspects of the Premises in a clean, attractive, first class condition, including but not limited to: walls; storefronts, plate and window glass; ceilings; floors; fixtures and trade fixtures; electrical and plumbing fixtures (including grease traps) servicing the Premises, and all improvements made by Tenant. All replacements shall be of equal quality to the original items replaced. Landlord specifically agrees that Landlord shall be responsible for any repair, maintenance, or replacement of any aspect of the Premises caused by or related to damage, alteration, or modification to the Office Building, including, but not limited to, damage caused by the foundation of the Office Building shifting.

i. Utilities. Landlord shall provide reasonable water, sanitary sewer, gas, electricity, and other standard utilities for the Premises, excluding ~~telephone, cable, internet, security, and similar~~ tenant-specific utility services, which shall be installed and maintained by Tenant at Tenant's sole cost. Interruptions or malfunctions of any utility services shall not constitute an eviction or disturbance of Tenant's use or possession of the Premises or a breach by Landlord of any of Landlord's obligations hereunder or render Landlord liable for any damages or entitle Tenant to be relieved from any of Tenant's obligations hereunder or grant Tenant any right of off-set or recoupment, unless such interruption or disturbance is caused by the negligent, gross negligent, or intentional misconduct of the Landlord, its building manager, or their employees, officers, or agents.

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ii. Compliance with Laws. Tenant shall comply with all laws, ordinances, and regulations applicable to the Premises and the occupancy thereof.

iii. Trash Disposal. Tenant shall maintain the Premises free from rubbish and dirt at all times and shall store all trash and garbage within the Premises until such time as Tenant has the trash and garbage removed from the Premises to Landlord-provided dumpsters or trash bins. Tenant covenants and agrees, as its sole cost and expense to

Christian R. Shafer 1:30 AM May 4 ✓ ✕
Add: "Tenant and its agents shall have the right to inspect the Landlord's books and records relating to t..."
From imported document

Christian R. Shafer 1:31 AM May 4 ✓ ✕
Add: "Tenant and its agents shall have the right to inspect the Landlord's books and records relating to t..."
From imported document

Christian R. Shafer 1:05 AM May 4 ✓ ✕
Add: "Tenant's"
From imported document

Christian R. Shafer 1:05 AM May 4 ✓ ✕
Replace: "business" with "school"
From imported document

Christian R. Shafer 1:05 AM May 4 ✓ ✕
Replace: "8" with "7"
From imported document

Christian R. Shafer 1:06 AM May 4 ✓ ✕
Replace: "5" with "4"
From imported document

Christian R. Shafer 1:04 AM May 4 ✓ ✕
Delete: "in the Landlord's reasonable judgment"
From imported document

Christian R. Shafer 1:06 AM May 4 ✓ ✕
Add: "Upon twenty-four (24) hours' notice, Landlord shall provide, heat, ventilation, and air conditioning..."
From imported document

Christian R. Shafer 1:13 AM May 4 ✓ ✕
Add: "Access to Other Portions of the Office Building. Landlord shall take whatever steps may be required ..."
From imported document

Christian R. Shafer 1:08 AM May 4 ✓ ✕
Add: "Landlord specifically agrees tha Landlord shall be responsible for any repair, maintenance, or repl..."
From imported document

comply with all applicable laws, orders and regulations regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash. Landlord reserves the right to refuse to collect or accept from Tenant any waste products, garbage, refuse or trash that is not separated and sorted as required by law. ~~Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed by reason of Tenant's failure to comply with the provisions of this Section.~~

iv. Extermination Service. Tenant shall be solely responsible for pest control within the Premises. In addition, Tenant shall fully cooperate with all pest control and extermination service provided by Landlord, including but not limited to moving or removing furniture or other personal property. Landlord shall use commercially reasonable efforts to minimize disruption caused by such pest control activities.

v. Tenant Waste. Tenant shall not commit or allow to be committed any waste on any portion of the Premises, and shall not overload, damage, or deface the Premises or do any act which may make void or voidable any insurance on the Premises or the Office Building, or which may result in an increased or extra premium payable for Landlord's insurance.

vi. Landlord Performance of Tenant Obligations. In the event Tenant fails to perform all maintenance, repair and replacement obligations set forth in this Lease within ~~thirty (30) calendar days of notice by Landlord,~~ in addition to all other rights and remedies set forth in this lease, Landlord may (but shall not be obligated to), without notice, perform such obligations on behalf of Tenant, in which event Tenant shall pay all charges incurred by Landlord therefor, ~~plus an administrative charge equal to the greater of \$50 or 20% of all costs and expenses incurred by Landlord. The Tenant shall not be deemed to have failed to perform any maintenance, repair, or replacement obligation under this Lease if such maintenance, repair, or replacement activity is delayed due to the action or inaction of a contractor or vendor.~~

9. ASSIGNMENT

Tenant shall not assign, sublet, transfer, mortgage, pledge, hypothecate, or encumber this Lease or any interest therein, nor allow any other person to occupy or use the Premises or any portion thereof (the employees, agents, servants, and invitees of Tenant, ~~including Tenant's students, their families, and other members of the public invited to events hosted by Tenant~~ excepted), without the prior written consent of Landlord, which consent shall not be unreasonably withheld. For purposes of this provision, the foregoing restriction shall include any voluntary or involuntary transfer, assignment, or transfer by operation of law, merger, consolidation or amalgamation of Tenant with a third party, and the issuance, transfer, or sale of a majority or controlling interest in stock or ownership in Tenant. Tenant's request for consent shall be made in writing, at least thirty days prior to the date of the proposed transfer, and shall include the business terms of the proposed transfer, financial information (including audited financial statements) of the proposed transferee, business plan and biographies/resumes of the key owners and personnel of the proposed transferee, and such other information as

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Landlord may reasonably require. Without limiting any other reasonable basis for withholding consent, it shall not be unreasonable for Landlord to withhold its consent if: (i) a default of Tenant has occurred at any time during the Lease Term; (ii) the use of the Premises would not comply with the provisions of this Lease or the transferee is of a character or engaged in a business which is not in keeping with the standards or criteria used by Landlord in leasing the Center (including but not limited to tenant mix), (iii) the financial condition of the transferee is such that it may not be able to perform its obligations under this Lease, or the transferee has a lesser financial strength than that of Tenant on either the date of this Lease or the date of the proposed transfer, (iv) such a Transfer would violate any term, condition, covenant or agreement of the Landlord involving the Office Building or any other tenant's lease within it. If Landlord wrongfully withholds its consent to any Transfer, Tenant's sole and exclusive remedy therefor shall be to seek specific performance of Landlord's obligation to consent to such Transfer. Landlord shall have the right to charge a reasonable fee for review and approval of any assignment.

10. ALTERATIONS AND IMPROVEMENTS.

A. Landlord Improvements. Tenant is accepting the premise in as-is condition.

B. Tenant Improvements. Except as approved in writing in advance by Landlord, Tenant shall not make any alteration of or addition to the Premises. Without limitation of the foregoing, Tenant shall keep the Premises free from any liens arising out of any work performed, materials furnished, or obligations incurred by Tenant. ~~If Tenant proposes to make any improvements, additions, or alterations, at Landlord's sole option, Tenant shall provide to Landlord, at Tenant's sole cost and expense, a lien and completion bond or other security acceptable to Landlord in an amount equal to one and one-half (1½) times any and all estimated cost of improvements, additions, or alterations in the Premises, to insure Landlord against any liability for mechanics' and materialmen's liens and to ensure completion of the work.~~

C. Signage. Prior to the Rent Commencement Date, Landlord shall provide building standard directory and suite signage. Except as expressly approved by Landlord, Tenant shall not place signs on the Premises, nor change any previously approved signage. ~~This provision does not apply to temporary paper, cardboard, or similar posters, placards, or other signs used by the Tenant to advertise student presentations or other events hosted by the Tenant as a public school. Tenant shall have the right to display such posters, placards, and other temporary signs in and about the Premises and Common Areas.~~

11. HAZARDOUS SUBSTANCES

Tenant will not permit any Hazardous Substances to be brought onto the Premises or Office Building, other than de minimus quantities of substances used in the ordinary course of business (such as cleaning supplies, printer cartridges, and household batteries, and amounts of chemicals and other supplies necessary for the Tenant's use of the Premises as a public school, including, but without

Christian R. Shafer 12:58 AM May 4

Delete: "telephone, cable, internet, security, and similar"

From imported document

Christian R. Shafer 12:58 AM May 4

Add: ", unless such interruption or disturbance is caused by the negligent, gross negligent, or intentional..."

From imported document

Christian R. Shafer 12:57 AM May 4

Delete: "Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed by reason of T..."

From imported document

Christian R. Shafer 12:55 AM May 4

Add: "within thirty (30) calendar days of notice by Landlord"

From imported document

Christian R. Shafer 12:54 AM May 4

Delete: ", plus an administrative charge equal to the greater of \$50 or 20% of all costs and expenses incur..."

From imported document

Christian R. Shafer 12:55 AM May 4

Add: "The Tenant shall not be deemed to have failed to perform any maintenance, repair, or replacement obl..."

From imported document

Christian R. Shafer 12:54 AM May 4

Add: ", including Tenant's students, their families, and other members of the public invited to events hos..."

From imported document

Christian R. Shafer 12:52 AM May 4

Delete: "If Tenant proposes to make any improvements, additions, or alteration Landlord's sole option, T..."

From imported document

Christian R. Shafer 12:50 AM May 4

Add: "This provision does not apply to temporary paper, cardboard, or similar posters, placards, or other ..."

From imported document

limitation, science classes), which shall be brought into, stored, and used only in strict and ~~absolute~~ compliance with all applicable laws and regulations. If at any time during or after the Lease Term, the Premises are alleged or found to be contaminated or subject to Hazardous Materials as a result of any matter other than (a) conditions existing prior to the Delivery Date, or (b) conditions caused by Landlord or its agents, then Tenant shall promptly provide Landlord with copies of all related notices, correspondence, allegations or other information related to such contamination. Tenant shall diligently institute proper and thorough cleanup procedures, in accordance with all applicable laws and regulations. Such remediation shall be at Tenant's sole cost, and ~~To the maximum extent permitted by Minnesota Law,~~ Tenant agrees to indemnify, defend and hold harmless Landlord, its

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lenders, any managing agents and leasing agents of the Office Building, and their respective agents, partners, officers, directors and employees, from all claims, demands, actions, liabilities, costs, expenses, penalties (whether civil or criminal), damages (actual or punitive), including attorney fees and costs. The foregoing notwithstanding, Landlord may, at its option, choose to undertake such remediation at Tenant's sole cost and expense. For purposes of this Section, "Hazardous Substance" means any substance, waste, pollutant, or containment that is regulated or actionable under any federal, state, or local law, rule, regulation, or common law, including, but not limited to, polychlorinated biphenyls, asbestos, urea formaldehyde, or related substances and petroleum and petroleum products.

12. CASUALTY LOSS

- In case of damage to the Premises or the Office Building by fire or other casualty, Tenant shall give immediate notice to Landlord who shall thereupon cause the damage to be repaired with at the expense of Landlord, subject to delays which may arise by reason of adjustment of loss under insurance policies and for delays beyond the reasonable control of the Landlord, provided that Landlord's repair obligation shall not exceed any insurance proceeds available to Landlord for such repair. To the extent that the Premises are rendered untenantable, Rent shall be proportionately abate, except in the event such damage resulted from or was contributed by the act, fault, or neglect of Tenant, Tenant's employees or agents, in which event there shall be no abatement of Rent. In the event the damage to the Premises shall be so extensive that Landlord shall decide not to repair or rebuild, at the option of ~~either Party~~ Landlord, this Lease may be terminated effective as of the date of such damage, by written notice ~~from Landlord to Tenant~~ to the other Party, and Rent shall be adjusted to the date of such damage and Tenant shall thereupon promptly vacate the Premises on one hundred twenty (120) days' notice.

13. EMINENT DOMAIN

- If the entire Premises are taken by eminent domain, this Lease shall automatically terminate as of the date of taking. If a portion of the Premises or the Office Building is taken by eminent domain (other than a de minimus taking that does not impact the access, parking, visibility or operation of the Office Building), Landlord shall have the right to terminate this Lease as of the date of taking by giving notice thereof to Tenant within ninety (90) days after such date of taking. If Landlord does not elect 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, provided that Landlord's restoration obligation shall not exceed any condemnation award proceeds available to Landlord. To the extent that the Premises are rendered untenantable, 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 relocation.

14. INSURANCE.

A. Insurance by Landlord. During the Lease Term, Landlord shall maintain commercial liability insurance, fire insurance with extended coverage, boiler and pressure vessel insurance, and other insurance on the Office Building and all property and interest of Landlord in the Office Building with coverage in amounts deemed reasonable by Landlord, or otherwise required by Landlord's lender, from time to time. In addition, Landlord may maintain such other commercially reasonable insurance as Landlord deems appropriate.

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B. Insurance by Tenant. Tenant shall, during the Lease Term, procure and keep in force the following insurance:

- Commercial liability insurance naming Landlord and Landlord's managing agent for the Office Building as additional insureds against any and all claims for bodily injury and property damage occurring in, or about the Premises arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than ~~Two Million Dollars (\$2,000,000)~~ the limitation on damages recoverable against the Tenant under Minnesota Statutes, section 466.04 (as amended). If Tenant has other locations that it owns or leases the policy shall include an aggregate limit per location endorsement. Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto. ~~In no event shall the limits of such insurance be considered as limiting the liability of Tenant~~

Christian R. Shafer
12:48 AM May 4
Add: ""
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Christian R. Shafer
12:48 AM May 4
Delete: "and"
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Christian R. Shafer
12:48 AM May 4
Add: ", and amounts of chemicals and other supplies necessary for the Tenant's use of the Premises as a pu..."
From imported document

Christian R. Shafer
12:49 AM May 4
Delete: "absolute"
From imported document

Christian R. Shafer
12:50 AM May 4
Replace: "T" with "to the maximum extent permitted by Minnesota Law, T"
From imported document

Christian R. Shafer
12:47 AM May 4
Replace: "Landlord" with "either Party"
From imported document

Christian R. Shafer
12:47 AM May 4
Replace: "from Landlord to Tenant" with "to the other Party"
From imported document

Christian R. Shafer
12:47 AM May 4
Delete: "promptly"
From imported document

Christian R. Shafer
12:47 AM May 4
Add: "on one hundred twenty (120) da notice"
From imported document

Christian R. Shafer
12:44 AM May 4
Replace: "Two Million Dollars (\$2,000,000)" with "the limitation on damages recoverable"

~~under this lease:~~

- ii. Personal property insurance insuring all equipment, trade fixtures, inventory, fixtures and personal property located on or in the Premises for perils covered by the cause of loss – special form (all risk) and in addition, coverage for flood, earthquake and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing.
- iii. Workers' compensation insurance in accordance with statutory law and employers' liability insurance requirements in the State of Minnesota.
- iv. Such other insurance as Landlord deems reasonably necessary and prudent, or as required by mortgagees of any mortgage encumbering the Office Building.

The policies required to be maintained by Tenant shall be issued by companies rated A- or better in the most current issue of Best's Insurance Reports. Insurers shall be licensed to do business in the State of Minnesota and domiciled in the USA. Any deductible amounts under any insurance policies required hereunder shall not exceed \$5,000. Certificates of insurance (certified copies of the policies may be required) shall be delivered to Landlord prior to the Delivery Date and annually thereafter at least thirty (30) days prior to the expiration of the then-existing policy. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy. An amount equal to five percent (5%) of the monthly Rent shall be charged as Additional Rent for each month in which Tenant fails to deliver to Landlord a current certificate(s) evidencing that the insurance required pursuant to this Section is being maintained.

In the event Tenant does not purchase the insurance required by this Lease or keep the same in full force and effect, Landlord may, but shall not be obligated to purchase the required insurance and pay the premium. Tenant shall repay to Landlord as Additional Rent the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as Additional Rent, any and all reasonable expenses (including attorney fees) and damages which Landlord may sustain by reason of the failure of Tenant to obtain and maintain such insurance.

C. Waiver of Subrogation. Each of the parties hereto mutually releases and discharges the other, and any officer, agent, employee or representative of such party, of and from any liability whatsoever, and waives all right of recovery against the other, for any loss of or damage or injury to the property of each, caused by or resulting from fire or other casualty covered by the insurance required to be carried hereunder to the extent of any recovery by the injured party under such insurance, regardless

of the cause of such loss, damage or injury even though it results from some act or negligence of a party hereto, its employees, agents or contractors; provided, however, that this Section shall be inapplicable if it shall have the effect, but only to the extent that it would have the effect, of invalidating the insurance coverage of the parties hereto. If necessary, each party shall procure from its insurers a waiver of all rights of subrogation which the insurers under said policies might otherwise have, said waiver to be in writing and for the express benefit of the other.

D. Limitation on Liability. Landlord and its building manager and their officers and employees shall not be liable to Tenant for any damage to or loss of personal property in the Premises or Office Building unless such damage or loss is the result of the ~~gross negligence or willful misconduct of Landlord, its building manager, or their officers, or employees, or agents, and Landlord and its building manager and their officers and employees shall not be liable to Tenant for any such damage or loss, whether or not the result of their negligence, to the extent Tenant is compensated therefore by Tenant's insurance.~~ Specifically, but not by way of limitation of the foregoing, Landlord shall not be responsible for any security matters regarding the Common Areas, including loss, theft or damage to vehicles parked at the Office Building, ~~unless caused by the gross negligence or willful misconduct of the Landlord, its building manager, or their officers, employees, or agents. Neither Landlord nor Tenant shall ever be liable hereunder for consequential or special damages. All liability of Landlord for damages arising under this Lease may be satisfied only out of the interest of Landlord in the Office Building existing at the time any such liability is adjudicated in a proceeding as to which the judgment adjudicating such liability is non-appealable.~~ The term "Landlord" shall mean only the owner of the Office Building at the time such liability accrues, and in the event of the transfer by such owner of its interest in the Office Building and the assumption by the transferee of the covenants, duties and obligations of Landlord hereunder, such transferor shall thereupon be released and discharged from all covenants and obligations of Landlord thereafter accruing.

15. INDEMNIFICATION

To the extent permissible by Minnesota law, Tenant shall indemnify, and hold harmless, ~~and defend~~ Landlord against all claims, losses or liabilities for injury or death to any person or for damage to or loss of use of any property arising out of any occurrence in, on or about the Office Building, if: (a) ~~caused or contributed to by Tenant or Tenant's agents or invitees, or (b) arising out of any occurrence in, upon or at the Premises, or (c) on account of the use, condition, occupational safety or occupancy of the Premises. It is the intent of the parties hereto that the indemnity contained in this section shall not be limited or barred by reason of any negligence on the part of Landlord or Landlord's agents, except as expressly provided herein.~~ Such indemnification shall include and apply to attorney fees, investigation costs, and other costs actually incurred by Landlord. Tenant shall further indemnify, ~~defend,~~ and hold harmless Landlord from and against all claims, losses or liabilities arising from or related to the performance of any obligation on Tenant's part to be performed under the terms of this Lease. This Lease is made on the express conditions that Landlord shall not be liable for, connected with the condition, use, occupational safety or occupancy of the Office Building or Premises specifically including, without limitation, any liability for injury to the person or property of Tenant or Tenant's agents, ~~except to the extent that such injury is caused by the negligence, gross negligence, or intentional conduct of Landlord, its building manager, or their officers, employees, or agents.~~

16. DEFAULT

Tenant hereby agrees that if Tenant fails to make any payments or perform any obligations arising under this Lease, then Landlord may (1) suspend the use of the Office Building and (2) terminate this Lease without

against the Tenant under Minnesota Statutes, section 466.04 (a..."

From imported document

Christian R. Shafer 12:43 AM May 4

Delete: "In no event shall the limits of such insurance be considered as limiting the liability of Tenant und..."

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Christian R. Shafer 12:39 AM May 4

Delete space

Add: "gross negligence or"

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Christian R. Shafer 12:42 AM May 4

Add: ""

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Christian R. Shafer 12:42 AM May 4

Delete: "or"

From imported document

Christian R. Shafer 12:42 AM May 4

Replace: ", and Landlord and its building manager and their officers and employees shall not be liable to Tena..." with ", or agents"

From imported document

this Lease, then following ~~five (5) fifteen (15)~~ business days written notice to tenant (or without notice, in the event of any emergency), Landlord shall have all rights and remedies available to it in law or in equity. Without limitation of the foregoing, Landlord may re-enter immediately into the

10

Premises and remove all persons and property therefrom and, at Landlord's sole option, terminate this Lease. In the event Landlord elects to terminate Tenant's right to possession of the Premises, or to terminate this Lease, Tenant shall be immediately upon such re-taking by Landlord be liable for all Rent and other indebtedness accrued to the date of such re-taking; ~~plus all future Rent as would otherwise have been required to be paid by Tenant to Landlord during the balance of the Lease Term (excluding unexercised Renewal Terms).~~ Actions to collect amounts due may be brought from time to time during the aforesaid period, on one or more occasions, without the necessity of waiting until expiration of such period. Further, Tenant shall be liable for and shall pay to Landlord: (i) marketing, broker fees, commissions, and tenant improvement costs incurred by Landlord in connection with reletting the whole or any part of the Premises; (ii) the costs of repairing or otherwise putting the Premises into condition acceptable to a new tenant or tenants; and (iii) all reasonable expenses incurred by Landlord in enforcing Landlord's remedies, ~~including~~ excluding attorney fees, court costs and expenses.

Tenant further agrees that the following shall each be deemed an event of default under this Lease: (i) Tenant is declared bankrupt or insolvent, (ii) Tenant petitions for, or consents to, the appointment of a receiver trustee or custodian of all or substantially all of Tenant's assets, (iii) Tenant petitions or consents to be declared a bankrupt or insolvent, or (iv) a petition is filed by a third person to have Tenant declared bankrupt or insolvent or to have a receiver appointed with respect to all or substantially all of Tenant's assets and such petition is not discharged within sixty (60) days after service thereof is made on Tenant, ~~or (v) Tenant has generally not paid its debts as such debts become due. Regardless of whether any default is cured by Tenant, Tenant shall be liable to Landlord as Additional Rent for all attorney fees and costs incurred in connection with each default by Tenant.~~

Landlord hereby agrees that if Landlord fails to perform any obligations arising under this Lease, it shall be in default. In the event that such default is not cured within sixty (60) calendar days of notice thereof, Tenant may terminate this Lease, at its sole discretion. In the event of such termination, Tenant shall not be responsible for any Rent, including Additional Rent, or other payment to the Landlord, other than Rent accrued to the date of such termination.

17. LATE FEE

~~The late payment of any amount due under this Lease will cause Landlord to incur various expenses not contemplated by this Lease, the exact amount of which is difficult to ascertain. Accordingly, if any payment of Rent shall not be received by Landlord on or before the date due, then, in addition to such required payment, Tenant shall also pay to Landlord liquidated damages in the amount of the greater of \$250 or five percent of the past due amounts. In addition, all amounts past due shall accrue interest at the default rate of eighteen percent per annum, from the date due until paid in full. Tenant agrees that such late charge and interest represents a fair and reasonable estimate of the expenses that Landlord will incur by reason of such late payment. No receipt or acceptance by Landlord of less than the entire Rent herein stipulated shall be deemed to be other than a partial payment on account for any due and unpaid Rent; no endorsement or statement of any check or any letter or other writing accompanying any check or payment of Rent to Landlord shall be deemed an accord and satisfaction; and Landlord may accept and negotiate any such check or payment without prejudice to Landlord's rights to (A) recover the remaining balance of all Rent or (B) pursue any other remedy provided in this Lease.~~

18. TERMINATION

Upon the termination of this Lease in any manner whatsoever, Tenant shall remove its goods and effects and those of any other person claiming under Tenant, and quit and deliver up the Premises to

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Landlord peaceably and quietly as good order and condition as the same exists at the commencement of the Lease Term or as the same may hereafter be put in by Landlord or Tenant, reasonable use, wear, and tear thereof, damage by fire and other casualty, and repairs which are Landlord's obligations excepted. All alterations, additions, or improvements made by Tenant shall be deemed Landlord's property and a part of the Premises, and Tenant shall be entitled to remove only its personal property and trade fixtures, but in no event may Tenant remove any property (including but not limited to trade fixtures) that were paid for by Landlord, either directly or through payment of any tenant allowance provided to Tenant. The foregoing notwithstanding, if Landlord directs Tenant to remove any alterations or additions, Tenant shall do so prior to the termination date, and shall repair any damage caused by such removal and shall restore the Premises. Goods and effects not removed by Tenant at the termination of this Lease, however terminated, shall be deemed abandoned, and Landlord may dispose of the same as it deems expedient. Tenant shall be liable to Landlord for Landlord's costs for storing, removing, and disposing of any personal property, trade fixtures, alterations, or additions, and for the costs of repairing any damage caused by the removal of any of the foregoing.

19. HOLDING OVER

Should Tenant continue to occupy the Premises after expiration of the Lease Term or any renewal or renewals thereof, or after a forfeiture incurred, such tenancy shall be from month to month and in no

Christian R. Shafer 12:40 AM May 4

Add: ", unless caused by the gross negligence or willful misconduct of the Landlord, its building manager,..."

From imported document

Christian R. Shafer 12:39 AM May 4

Delete: "Neither Landlord nor Tenant shall ever be liable hereunder for consequential or special damages. All..."

From imported document

Christian R. Shafer 12:36 AM May 4

Add: "To the extent permissible by Minnesota law,"

From imported document

Christian R. Shafer 12:36 AM May 4

Add: "and"

From imported document

Christian R. Shafer 12:36 AM May 4

Delete: "and defend"

From imported document

Christian R. Shafer 12:37 AM May 4

Delete: "or contributed to"

From imported document

Christian R. Shafer 12:37 AM May 4

Delete: ", or (b) arising out of any occurrence in, upon or at the Premises, or (c) on account of the use, co..."

From imported document

Christian R. Shafer 12:37 AM May 4

Delete: "It is the intent of the parties hereto that the indemnity contained in this section shall not be lim..."

From imported document

Christian R. Shafer 12:41 AM May 4

Delete: "defend,"

From imported document

Christian R. Shafer 12:35 AM May 4

Add: ", except to the extent that such injury is caused by the negligence, gross negligence, or intentiona..."

From imported document

Christian R. Shafer 12:33 AM May 4

event from year to year or for any longer term. The monthly Base Rent during such month-to-month tenancy shall be two (2) times the Base Rent payable immediately prior to such holding over. Tenant shall also be responsible for all damages resulting from Tenant's holding over, including any damages arising out of Landlord's failure to deliver the Premises to a subsequent tenant or occupant.

20. NOTICES

- All bills, statements, notices or communications which Landlord may desire or be required to give to Tenant shall be deemed sufficiently given or rendered if in writing and either delivered to Tenant personally or sent by registered or certified mail addressed to Tenant at the Premises, or to such other address or addresses as Tenant may from time to time notify Landlord in writing, and the time of rendition thereof or the giving of such notice or communication shall be deemed to be the time when the same is delivered to Tenant or (3) business days after being deposited in the mail as herein provided. Any notice by Tenant to Landlord must be served by registered or certified mail addressed to Landlord at the address where the last previous rental hereunder was payable, or in case of subsequent change upon notice given, to the latest address furnished by written notice pursuant to this Section.

21. SUBORDINATION

~~Tenant accepts this Lease subject and subordinate to all mortgages or trust deeds, now or hereafter a lien upon or affecting the Premises. Tenant shall execute such documents as any mortgagee or trustee may reasonably request confirming any aspects of Tenant's occupancy hereunder, including but not limited to any estoppel certificates or attornment agreement. Tenant shall also execute any instruments, releases, or other documents that may be required by any mortgagee, trustee, or Landlord for the purpose of subjecting and subordinating this Lease to the lien and rights of any such mortgage or trust deed within ten (10) days after written request therefore shall constitute a default hereunder. In the case of failure of Tenant to execute such instruments, releases, or documents on demand, Landlord is hereby authorized as the attorney and agent of Tenant to execute such releases, instruments, or other documents (including SNDAs and estoppel certificates), and in such event Tenant hereby confirms and verifies any such instruments so executed by virtue of this power of~~

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~~attorney. Further, Tenant acknowledges that damages resulting from Tenant's failure to execute any such releases, instruments, certificates or other documents are difficult to estimate, and therefore Tenant shall be responsible for payment of \$250 per day for every day that Tenant fails to execute such releases, instruments, certificates or documents, commencing on the eleventh day after written request from Landlord and continuing until delivery of properly executed and notarized original documents. However, in the event that such mortgagee or trustee elects to have this Lease prior in lien to its mortgage or trust deed, then in such event, upon such mortgagee or trustee notifying Tenant to that effect, this Lease shall be deemed prior in lien to said mortgage or trust deed.~~

22. TENANT EQUIPMENT TAXES

- Tenant shall pay, or cause to be paid, before delinquency, any and all taxes levied or assessed, and which become payable during the term hereof upon all Tenant's leasehold improvements, equipment, furniture, fixtures, and personal property located in the Premises; except that which is a standard item of the Office Building. In the event any or all of Tenant's leasehold improvements, equipment, furniture, fixtures and personal property shall be assessed and taxed with the Office Building, Tenant shall pay to Landlord its proportionate share of such taxes within ~~ten (10)~~ forty-five (45) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property.

23. GENERAL

- This Lease does not create the relationship of principal and agent or of partnership or of joint venture or of any association between Landlord and Tenant, the sole relationship between Landlord and Tenant being that of lessor and lessee. No waiver of any default of Tenant hereunder shall be implied from any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. Each term and each provision of this Lease performable by Tenant shall be construed to be both a covenant and a condition. The topical headings of the several paragraphs and clauses are for convenience only and do not define, limit, or construe the contents of such paragraphs or clauses. This Lease shall be governed by Minnesota law.

All preliminary negotiations are merged into and incorporated in this Lease. This Lease can only be modified or amended by an Agreement in writing signed by the parties hereto. All provisions hereof shall be binding upon the heirs, successors, and assigns of each party hereto.

24. RECIPROCAL COVENANT ON ADA

- Within ten (10) days after receipt, Landlord and Tenant shall advise the other party in writing, and provide the other with copies of (as applicable) any notices alleging violation of the Americans with Disabilities Act of 1990 as amended, or any similar State or Federal law or regulation (collectively referred to herein as "ADA") relating to any portion of the Office Building or Premises; any claims made or threatened in writing regarding noncompliance with the ADA and relating to any portion of the Office Building or Premises; or any governmental or regulatory actions or investigations instituted or threatened regarding noncompliance with the ADA and relating to any portion of the Office Building or Premises. Tenant shall be responsible for compliance with the ADA within the Premises and in the Office Building to the extent that modifications are required ~~for the conduct of Tenant's business or~~ as a result of any improvements or other construction activities conducted by or at the direction or request of Tenant. Landlord shall be responsible for compliance with the ADA within the Premises and in the Office building in all other instances, including any modifications necessary to

13

Replace: "five (5)" with "fifteen (15)"

From imported document

Christian R. Shafer
12:33 AM May 4 ✓ ✕
Delete: "(or without notice, in the event of any emergency)"

From imported document

Christian R. Shafer
12:34 AM May 4 ✓ ✕
Replace: "," with "."

From imported document

Christian R. Shafer
12:34 AM May 4 ✓ ✕
Delete: "plus all future Rent as would otherwise have been required to be paid by Tenant to Landlord during t..."

From imported document

Christian R. Shafer
12:34 AM May 4 ✓ ✕
Replace: "including" with "excluding"

From imported document

Christian R. Shafer
12:33 AM May 4 ✓ ✕
Add: "or"

From imported document

Christian R. Shafer
12:32 AM May 4 ✓ ✕
Delete: "or (v) Tenant has generally not paid its debts as such debts become due. Regardless of whether any d..."

From imported document

Christian R. Shafer
1:00 AM May 4 ✓ ✕
Add: "Landlord hereby agrees that if Landlord fails to perform any obligations arising under this Lease, i..."

From imported document

Christian R. Shafer
12:32 AM May 4 ✓ ✕
Delete: "LATE FEE"

From imported document

Christian R. Shafer
12:32 AM May 4 ✓ ✕
Delete: ". The late payment of any amount due under this Lease will cause Landlord to incur various expenses ..."

From imported document

Christian R. Shafer
12:31 AM May 4 ✓ ✕
Delete: "SUBORDINATION"

From imported document

comply with any state, federal, or local laws or regulations (including any building codes or fire codes), regardless of whether such modifications are required because of the Tenant's specific use of the Office Building and/or Premises as a public school.

25. RECORDATION

. Neither Landlord nor Tenant shall record this Lease or any memorandum hereof.

26. FORCE MAJEURE

. This Lease and the obligations of the Tenant hereunder shall not be affected or impaired because the Landlord is unable to fulfill any of its obligations hereunder or is delayed in doing so, to the extent such inability is caused by reason of war, civil unrest, strike, labor troubles, unusually inclement weather, governmental delays, inability to procure services or materials despite reasonable efforts, third party delays, acts of God, or any other cause(s) beyond the reasonable control of the Landlord (which causes are referred to collectively herein as "Force Majeure"). Any time specified obligation of Landlord in this Lease shall be extended one day for each day of delay suffered by Landlord as a result of the occurrence of any Force Majeure.

27. BROKERS

. Tenant represents and warrants that Tenant has dealt with no brokers, agents, finders or similar persons with respect to the making of this Lease. Tenant shall indemnify Landlord, its agents, employees, partners, directors, shareholders, and independent contractors harmless from all liabilities, costs, demands, judgments, settlements, claims and losses, including reasonable attorney fees and costs, incurred by Landlord in conjunction with any claim of any such person claiming by or through Tenant.

28. CONFIDENTIALITY

~~Landlord and Tenant agree that this Lease is confidential, and neither shall, without the other's prior written consent, disclose the contents of this Lease to any third party, except brokers, lawyers, accountants, architects, engineers, and other professional consultants engaged in connection with this Lease transaction.~~

29. QUIET ENJOYMENT

. Landlord covenants that Landlord has the right to enter into this Lease as described herein, and that, if Tenant is not in material default of this Lease beyond the period of cure, Tenant shall have, hold, occupy and enjoy the Premises through the Term and extension thereof without hindrance or ejection by Landlord or any person claiming by, through or under Landlord or Landlord's successors, and Landlord shall defend Tenant's right to such quiet enjoyment.

30. ASSIGNMENT BY LANDLORD

. Landlord may transfer, assign, mortgage and pledge its interest in this Lease at any time without Tenant's consent. Tenant hereby attorns to such party as its Landlord, said attornment to be effective and self-operative immediately upon the transfer of Landlord's interest in this Lease to such party without the execution of any further instruments on the part of any parties. Tenant shall not be obligated to pay its Rent directly to the mortgagee, assignee, transferee (as the case may be) until

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Tenant receives written notice from such party that it has succeeded to the interests of Landlord under this Lease.

31. SUBSTITUTE PREMISES

~~Landlord shall have the right at any time, upon sixty days' notice to Tenant (the "Relocation Notice"), to relocate Tenant to different premises in the Office Building (the "Substitute Premises"), provided that the Substitute Premises are of approximately the same size and finish as the Premises and provided that Landlord reimburses Tenant for all reasonable out-of-pocket expenses incurred by Tenant as a result of the relocation. Tenant shall relocate to the Substitute Premises within the time set out in the Relocation Notice. Upon the date Tenant takes possession of the Substitute Premises, this Lease shall be deemed amended to provide for the Substitute Premises and all other terms and conditions of the Lease shall remain in full force and effect. Tenant agrees to execute any document reasonably required by Landlord to reflect the relocation to the Substitute Premises.~~

32. MISCELLANEOUS.

A.

A. All Obligations Are Rent. Unless the context clearly denotes the contrary, the words "Base Rent" and "Additional Rent" as used in this Lease not only includes cash rental for the Premises, but also all other payments and obligations to pay assumed by the Tenant, whether such obligations to pay run to the Landlord or to other Parties. All obligations related to payment of Rent, indemnification, remediation of the Premises, and construction (including payment therefor) shall survive any termination or expiration of this Lease.

B. Legal Costs. In any litigation between the parties arising out of this Lease, the non-prevailing

Christian R. Shafer 12:31 AM May 4 ✓ ✕
Delete: ". Tenant accepts this Lease Subject and subordinate to all mortgages or trust deeds, now or hereafte..."
From imported document

Christian R. Shafer 12:29 AM May 4 ✓ ✕
Replace: "ten (10)" with "forty-five (45)"
From imported document

Christian R. Shafer 12:29 AM May 4 ✓ ✕
Add: "y"
From imported document

Christian R. Shafer 12:25 AM May 4 ✓ ✕
Delete: "for the conduct of Tenant's business or"
From imported document

Christian R. Shafer 12:26 AM May 4 ✓ ✕
Add: "Landlord shall be responsible for compliance with the ADA within the Premises and in the Office buil..."
From imported document

Christian R. Shafer 12:18 AM May 4 ✓ ✕
Delete: "CONFIDENTIALITY"
From imported document

Christian R. Shafer 12:19 AM May 4 ✓
The School is subject to the Minnesota Government Data Practices Act ("MGDPA"). See Minn. Stat. § 124E.03.
[Show more](#)
From imported document

Christian R. Shafer 12:18 AM May 4 ✓ ✕
Delete: ". Landlord and Tenant agree this Lease is confidential, and neither without the other's ..."
From imported document

Christian R. Shafer 12:18 AM May 4 ✓ ✕
Add: "as described herein,"
From imported document

Christian R. Shafer 12:18 AM May 4 ✓ ✕
Delete: "SUBSTITUTE PREMISES"
From imported document

Christian R. Shafer 12:18 AM May 4 ✓ ✕
Delete: "Landlord shall be responsible for..."

~~party shall pay to the prevailing party all expenses and costs including attorney fees incurred by the prevailing party in connection with the litigation (including fees and costs in preparation for and at trial, and on appeal, if applicable) ("Legal Costs"). The Legal Costs shall be payable on demand, and, if the prevailing party is Landlord, the Legal Costs shall be deemed Additional Rent, subject to all the Landlord's rights and remedies provided herein.~~

~~C. Waiver of Jury Trial; Counterclaim. It is mutually agreed by and between Landlord and Tenant that the respective parties hereto shall, and they hereby do, waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matter whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use of or occupancy of the Premises or any claim of injury or damage and any emergency statutory or any other statutory remedy. If Landlord commences any summary proceeding for nonpayment of any Rent due hereunder, Tenant will not interpose any counterclaim of whatever nature or description in any such proceeding.~~

~~D. Authority to Execute. The parties executing this Lease on behalf of Tenant warrant that this Lease is being executed with full corporate authority and that the officers whose signatures appear hereon are duly authorized and empowered to make and execute this Lease in the name of the corporation by appropriate and legal resolution of its Board of Directors.~~

(Signature Page to follow on next page)

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

LANDLORD:

TENANT:

Southview Office Center, LLC

Academic Arts High School

By: _____

By: _____

Its: _____


Its: _____

Date: _____

Date: _____



Delete: . Landlord shall have the right at any time, upon sixty days' notice to Tenant (the "Relocation Noti..."

From imported document

 **Christian R. Shafer** 12:17 AM May 4 ✓ ✕


Delete: "Legal Costs. In any litigation between the parties arising out of this Lease, the non-prevailing par..."

From imported document

 **Christian R. Shafer** 12:17 AM May 4 ✓ 

Delete: "Waiver of Jury Trial; Counterclaim. It is mutually agreed by and between Landlord and Tenant that th..."

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 **Christian R. Shafer** 12:17 AM May 4 ✓ ✕

Delete space

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EXHIBIT B
RULES & REGULATIONS

1. **Security.** Landlord may from time to time adopt appropriate systems and procedures for the security or safety of the Office Building, any persons occupying, using, or entering the same, or any equipment, finishings or contents thereof, and Tenant shall comply with Landlord's reasonable requirements relative thereto.
2. **Late Rent.** Landlord shall enforce the late rent payment policy as outlined in Section 16 of the Lease as required. Landlord, however, will allow RENT to be late by not more than 5 days in any one rental year without such a late payment fee as per section 16.
3. **Locks.** Landlord may from time to time install and change locking mechanisms on entrances to the building, common areas of the Office Building, and the Premises, and shall provide to Tenant a reasonable number of keys and replacements. The terms "locks" and "keys" include any devices serving the same purpose. Tenant shall not add to or change existing locking mechanisms on any door in or to the Premises without Landlord's prior written consent. If Tenant installs lock(s) incompatible with the master locking system:
 - (a) Landlord may, without notice and at Tenant's expense, remove such Tenant-installed locks and replace them with locks compatible with the master locking system;
 - (b) Landlord, without abatement of Rent, shall be relieved of any obligation to provide any service to the locked areas;
 - (c) Tenant shall indemnify Landlord against any expense as a result of forced entry thereto which may be required in any emergency, and
 - (d) At the end of the Lease Term, at Tenant's expense, Tenant shall remove and replace such locks and provide Landlord with all keys.
 - (e) Landlord shall make its best efforts to ensure that the Common Area is secured on a nightly basis. Tenant shall be obligated to ensure that their suite is secured, as necessary.
4. **Return of Keys.** At the end of the Lease Term, Tenant shall promptly return to Landlord all keys for the Premises and Office Building that are in possession of Tenant.
5. **Windows.** Tenant shall observe Landlord's rules with respect to maintaining window coverings at all windows in the Premises so that the building presents a uniform exterior appearance, and shall not install any window shades, screens, drapes, covers or other materials on or at any window in the Premises without Landlord's prior written consent.
6. **Repair, Maintenance, Alterations and Improvements.** Tenant shall carry out Tenant's repair, maintenance, alterations and improvements in the Premises only during times agreed to in advance by Landlord and in a manner which will not interfere with the rights of other tenants in the Office Building.

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7. **Personal Use of Premises.** The Premises shall not be used or permitted to be used for residential, lodging or sleeping purposes or for the storage of personal effects or property not required for business purposes.
8. **Heavy Articles.** Tenant shall not place in or move about the Premises any safe or other heavy article which in Landlord's reasonable opinion may damage the building. Landlord may designate the location of any heavy articles in the Premises.
9. **Bicycles, Animals.** Tenant shall not bring any animals (including but not limited to fish and birds) into or upon the Office Building, other than guide animals as permitted by applicable law. Tenant shall not permit bicycles or other vehicles inside or on the sidewalks outside the building except in areas designated from time to time by Landlord for such purposes.
10. **Furniture and Equipment.** Tenant shall ensure that furniture and equipment being moved into or out of the Premises is moved through such entrances and at such times as may from time to time be designated by Landlord, and by a moving company approved by Landlord, and shall promptly pay or to Landlord the cost of repairing any damage caused thereby.
11. **Solicitations.** Landlord reserves the right to restrict or prohibit canvassing, soliciting, or peddling in the Office Building. In no event may Tenant distribute or allow distribution of any handbills or flyers in the Common Areas, including but not limited to "car flyers" placed on parked vehicles. Any violation of this provision will result in Tenant being fined \$500 per day, plus 200% of all costs incurred by Landlord in controlling litter and refuse resulting from such distribution.
12. **Obstructions.** Tenant shall not obstruct or place anything in or on the sidewalks, parking areas, or driveways of the Office Building, or use such areas for any purpose except parking and access to the Premises without Landlord's prior written consent. At Tenant's expense, Landlord may remove and dispose of any such unauthorized obstruction or thing, without notice or obligation to Tenant.
13. **Proper Conduct.** Tenant shall not conduct itself in any manner which is inconsistent with the character of the Office Building as a first quality center, or which will impair the comfort and convenience of other tenants in the Office Building.
14. **Employees, Agents, and Invitees.** In these Rules and Regulations, Tenant includes the employees, agents, invitees and licensees of Tenant and others permitted by Tenant to use or occupy the Premises.
15. **Energy Conservation.** Tenant shall make every effort to practice energy conservation within the Premises and will cooperate with Landlord in establishing and implementing such conservation

programs as Landlord may from time to time develop.

16. **Loading and Delivery.**

- (a) The delivery and shipping of merchandise, supplies, fixtures and other materials or goods of whatsoever nature to or from the Premises and all loading, unloading, and handling thereof shall be done only at such times, in such areas/entrances as are designated by Landlord.
- (b) Landlord accepts no liability and is hereby relieved and released by Tenant in respect of the operation of the delivery facilities, or the adequacy thereof, or the acts or omissions of any person or persons engaged in the operation thereof, or in the acceptance, holding, handling, delivery or dispatch, or failure of any acceptance, holding handling or dispatch, or any error, negligence or delay therein.
- (c) Landlord may from time to time make and amend regulations for the orderly and efficient operation of the delivery facilities and may require the payment of reasonable and equitable charges for delivery services and demurrage provided by Landlord.

17. **Name of Building.** Landlord shall have the right, after thirty (30) days notice to Tenant, to change the name, number, or designation of the Office Building during the Lease Term without liability to Tenant.

18. **Smoke-Free.** The Office Building is smoke-free. All areas of the Office Building are smoke-free, including restrooms, parking ramp, loading dock, and vestibules, except for designated smoking areas which may be changed or removed by Landlord, from time to time, in its sole discretion.

SPECIFIC NOTES ON EDITS

- **PAGE NUMBERS ARE OFF**
- **Page 3: Replace:** *"high school level"* with *"public"*.
 - The fact that we are a public charter school is the operative term and is what is relevant to our relationship with our landlord. We may want to expand to a middle school. The grade level isn't relevant. The point that we are a public school accountable to taxpayers (and other relevant stakeholders by applicable law) is the point and defines the scope of our needs.
- **Page 5: Add:** *", including the usual academic, school, and related purposes in connection with the operation of a p..."*
 - We are a public school. Our usual purposes may entail different things than other "typical" tenants.
- **Page 5: Delete:** *"Tenant acknowledges that its permitted use is not exclusive."*
 - In our space? To what extent? In what context is our use not exclusive? If not removed, this part needs to be clarified.
- **Page 5: Delete:** *"center"*
- **Page 6: Add:** *"knowingly"*
 - This is way too broad. According to this section, without "knowingly" added, the landlord can determine we are in breach of lease terms for too wide a range of possible scenarios.
- **Page 6: Delete:** *"In the event of termination of this Lease due to a default by Tenant, at Landlord's request Tenant s..."*
 - We are a public school funded by tax dollars and paid by the state. We, by definition, can not default. Furthermore, no permits/licenses/Etc. can legally be transferred so this section is moot and unenforceable so should be removed. If the landlord insists on keeping this part then "to the extent of state law" must be included.
- **Page 6: Delete:** *"Throughout the Lease Term and during the regular business hours of the Office Building, Tenant shall..."*
 - We are a public school with our own hours and policies on who can enter the premises. We do not and will not hold common hours to other tenants in the building. This section is irrelevant to our purposes and needs as a public school.
- **Page 6: We need a clear definition of common areas**
- **Page 6: Add:** *"(including students, their families, and other visitors to the school operated by Tenant)"*
 - We are a public school. We do not have "customers". We serve students in accordance with state and federal law. This section should account for this fact.
- **Page 6: Replace:** *"not" with "only"*
 - This looks like a typo. We need to be able to use common areas. Specifically, bathrooms for staff use. Staff are tenants. Students are not.
- **Page 6: Delete:** *","*
 - Looks like a typo.
- **Page 6: Add:** *", other than temporary paper, cardboard, or similar posters, placards, or other signs used by the Te..."*
 - Current wording wouldn't allow for us to post anything, even flyers. We don't see this as an issue with the landlords but want it articulated in the lease so there is no chance for confusion.
- **Page 6: Replace:** *"I" with "Other than two parking spots designated for staff vehicles, i"*

- Technically, there are 3 parking spaces designated for school vans. One is in the front row.
- **Page 6: Delete:** *"customer"* & **Add:** *"by Tenant's students, families of students, or non-employee visitors to the Tenant's school"*
 - We are a public school. We don't have customers. We serve students according to state and federal law.
- **Page 6: Delete:** *"Any violation of this, or any other parking restrictions set forth in the Rules and Regulations from..."*
 - We are a public school. We park a school van in the first row. No other spots are available for staff to park in the first row. We do not and can not enforce parking of visitors. This seems moot and unenforceable. We don't want to be subject to the fine referenced in this section.
- **Page 7: Add:** *"Landlord agrees that its use of the Common Areas, including use for entertainment, rides, outdoor sh..."*
 - We are a public school and need to be able to run our school at all times designated in our school calendar.
- **Page 7: Add:** *"Tenant and its agents shall have the right to inspect the Landlord's books and records relating to t..."*
 - We are a public school. This addition is required for auditing and lease aid purposes.
- **Page 8: Add:** *"Tenant and its agents shall have the right to inspect the Landlord's books and records relating to t..."*
 - We are a public school. This addition is required for auditing and lease aid purposes.
- **Page 8: Add:** *"Tenant's"* & **Replace:** *"business"* with *"school"* & *Times*
- **Page 8: Delete:** *"in the Landlord's reasonable judgment"*
 - This is very vague. We do not want to trust landlord. We want terms clearly defined so there is no chance for confusion. See following addition
- **Page 8: Add:** *"Upon twenty-four (24) hours' notice, Landlord shall provide, heat, ventilation, and air conditioning..."*
- **Page 9: Add:** *"Access to Other Portions of the Office Building. Landlord shall take whatever steps may be required ..."*
 - This section references the music room. We need more clarity on how this works and need to know if we have to negotiate separately with Tiny Tots.
- **Page 9: Add:** *"Landlord specifically agrees that Landlord shall be responsible for any repair, maintenance, or repl..."*
 - We have no control of the foundation and do not want to be responsible for possible relevant damages.
- **Page 9: Delete:** *"telephone, cable, internet, security, and similar"*
 - Not needed. Not an exhaustive list. Include all possibilities or leave out. "Tenant-specific utility services" covers these possibilities.
- **Page 9: Add:** *", unless such interruption or disturbance is caused by the negligent, gross negligent, or intentiona..."*
 - Current wording is far too broad. Addition is a reasonable and well-defined clarification.
- **Page 10: Delete:** *"Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed by reason of T..."*
 - Center uses communal trash collection and the tenant pays for clearing service as part of the lease. This line is not relevant and should not be included.
- **Page 10: Add:** *"within thirty (30) calendar days of notice by Landlord"*

- Current wording would allow for landlord to determine that tenant has “failed” to perform maintenance at any point without notice. By statute and school policy, school must seek quotes from multiple contractors for services before approving.
- **Page 10: Delete:** *“, plus an administrative charge equal to the greater of \$50 or 20% of all costs and expenses incurre...”*
 - We do not want to be subject to this fee. However, if definitions of “failed to perform maintenance (previous and following additions) are kept, this sentence can stay.
- **Page 10: Add:** *“The Tenant shall not be deemed to have failed to perform any maintenance, repair, or replacement obl...”*
 - We do not want to be held accountable for variables outside of our control.
- **Page 10: Add:** *“, including Tenant’s students, their families, and other members of the public invited to events hos...”*
 - We are a public school. This addition is consistent with previous addition relevant to who school serves according to state and federal law.
- **Page 11: Delete:** *“If Tenant proposes to make any improvements, additions, or alterations, at Landlord’s sole option, T...”*
 - This seems irrelevant and overly complex. Not needed. But can stay if landlord insists.
- **Page 11: Add:** *“This provision does not apply to temporary paper, cardboard, or similar posters, placards, or other ...”*
 - We are a public school. Sometimes we put up flyers.
- **Page 11: Delete:** *“and”* & **Add:** *“, and amounts of chemicals and other supplies necessary for the Tenant’s use of the Premises as a pu...”*
 - We are a public school. We have science classes including chemistry. We will have relevant supplies in the building.
- **Page 11: Replace:** *“T”* with *“to the maximum extent permitted by Minnesota Law, T”*
 - We are a public school. There are laws relevant to this section. We’ll follow those.
- **Page 12: Replace:** *“Landlord”* with *“either Party”* & **Delete:** *“promptly”* & **Add:** *“on one hundred twenty (120) days’ notice”*
 - We are a public school and are obligated to stakeholders by state and federal law to provide education to all students.
- **Page 13: Replace:** *“Two Million Dollars (\$2,000,000)”* with *“the limitation on damages recoverable against the Tenant under Minnesota Statutes, section 466.04 (a...”* & **Delete:** *“In no event shall the limits of such insurance be considered as limiting the liability of Tenant und...”*
 - We are a public school and have specific statues that address insurance. We will comply with state and federal laws that are relevant to this section.
- **Page 14: Add:** *“gross negligence or”* **Replace:** *“, and Landlord and its building manager and their officers and employees shall not be liable to Tena...”* with *“, or agents”* **Add:** *“, unless caused by the gross negligence or willful misconduct of the Landlord, its building manager,...”* **Delete:** *“Neither Landlord nor Tenant shall ever be liable hereunder for consequential or special damages. All...”*
 - This limit of liability is far too broad. Additions and replacements provide reasonable and clear expectations.

- **Page 14: Add:** *"To the extent permissible by Minnesota law," and all other edits in section 15: INDEMNIFICATION*
 - We are a public school. Many parts of this section are moot as they contradict relevant law. Changes reflect relevant laws. If landlord insists on keeping original wording we MUST keep "to the extent permissible by Minnesota law" at beginning.
- **Page 15: Replace:** *"five (5)" with "fifteen (15)" & Delete:* *"(or without notice, in the event of any emergency)" and all other edits in section 16: DEFAULT and 17: LATE FEE*
 - We are a public school and are paid by the state. Any delay in funding is due to delays at the state level and is out of our control.
- **Page 16: Delete:** *". Tenant accepts this Lease subject and subordinate to all mortgages or trust deeds, now or hereafte..."*
 - We are a public school. Relevant laws make this section moot. If landlord insists, "To the extent permissible by Minnesota law" must be included at beginning of this section.
- **Page 17: Replace:** *"ten (10)" with "forty-five (45)"*
- **Page 17: Delete:** *"for the conduct of Tenant's business or" & Delete:* *"for the conduct of Tenant's business or"*
 - We are a public school....ADA....
- **Page 18: Delete:** *". Landlord and Tenant agree that this Lease is confidential, and neither shall, without the other's ..."*
 - *The School is subject to the Minnesota Government Data Practices Act ("MGDPA"). See Minn. Stat. § 124E.03, subd. 5. In the School's hands, this lease is "public data" under the MGDPA. See Minn. Stat. § 13.01, subd. 3 (establishing a presumption that all government data are public unless another statute expressly makes the data non-public). The School must disclose public data to members of the public upon request. Minn. Stat. § 13.04. The lease will also have to be approved at a public meeting of the School's Board of Directors, during which a copy of the lease must be available to the public. Minn. Stat. § 13D.01.*
- **Page 19: Delete:** *". Landlord shall have the right at any time, upon sixty days' notice to Tenant (the "Relocation Noti..."*
 - It is not possible for this requirement to be met in the current building. If it is not possible or enforceable it shouldn't be in the lease. If the landlord wants to keep it in, then it has to clearly define the details. "Same size" is not enough.
- **Page 19: Delete:** *"Legal Costs. In any litigation between the parties arising out of this Lease, the non-prevailing par..." & Delete:* *"Waiver of Jury Trial; Counterclaim. It is mutually agreed by and between Landlord and Tenant that th..."*
 - These sections are far too broad. We don't want it but can keep if landlord insists.