



**ECONOMIC DEVELOPMENT AUTHORITY
MEETING AGENDA
FEBRUARY 2, 2026 AT 11:45 AM
HJEMKOMST CENTER AUDITORIUM - 202 1ST AVE N**

Disclaimer: Voting requirements may be subject to changes in the law, parliamentary procedural matters, or other unforeseen issues. The City Attorney provides opinion on questions of voting requirements by the Moorhead City Code, Minnesota State Statutes, and parliamentary procedure.

1. Call to Order/Roll Call
2. Agenda Amendments
3. Approval of Minutes
 - A. January 2, 2026, Meeting Minutes
4. Citizens To Be Heard
5. Commissioners' Report
6. Presentations
 - A. Board Member Recognitions
7. Business Items
 - A. Resolution Authorizing Parameters Resolution i) Authorizing the Sale of Lease Revenue Bonds, Series 2026A, ii) Delegating Authority to Certain Members of the City and EDA (Pricing Committee): iii) Establishing Parameters, iv) Authorizing the Execution and Delivery of a Lease-Purchase Agreement and Trust Indenture
 - B. Economic Development Report
8. Information/Update
 - A. 11th Street Underpass Project - [Link to MnDOT Project Details & Updates](#)
 - B. Downtown Moorhead Vision - [Link to More to Moorhead Website](#)
 - C. Community Center and Regional Library - [Link to More Information](#)
 - D. Building & Housing Updates - [Sign up for e-Notifications](#)
9. Adjourn

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**MINUTES OF THE ECONOMIC DEVELOPMENT AUTHORITY
HJEMKOMST CENTER AUDITORIUM - 202 1ST AVE N
January 5, 2026 - 11:45 AM**

1. Call to Order/Roll Call

Roll call of the members was made as follows:

Present (9): Chris Howell, Evan Balko, Sheri Larson, Nate Anderson, Chad Cota, Rob Sobolik, Kim Schlotfeldt, Emily Moore, Deb White

Absent (1): Joel Paulsen

2. Agenda Amendments

There were no agenda amendments.

3. Approval of Minutes

A. November 3, 2025, Meeting Minutes

Motion to Approve made by Emily Moore and seconded by Chad Cota.

For 9: Chris Howell, Evan Balko, Sheri Larson, Nate Anderson, Chad Cota, Rob Sobolik, Kim Schlotfeldt, Emily Moore, Deb White

Against 0: None

Abstain/Recuse 0: None

Motion Passed

B. November 18, 2025, Special Meeting Minutes

Motion to Approve made by Emily Moore and seconded by Chad Cota.

For 9: Chris Howell, Evan Balko, Sheri Larson, Nate Anderson, Chad Cota, Rob Sobolik, Kim Schlotfeldt, Emily Moore, Deb White

Against 0: None

Abstain/Recuse 0: None

Motion Passed

4. Citizens To Be Heard

Stacia Sytsma, Greater MBA Executive Director, provided an update on recent events and shared a preview of upcoming activities on behalf of the Greater Moorhead Business Association. To learn more about past events or stay informed about future opportunities, visit their website at: <https://greatermba.org/>.

5. Commissioners' Report

Commissioners had no updates or reports at this time.

6. Presentations

7. Leadership Transition: Thank You & Welcome

Dan Mahli, City Manager, provided an update on the leadership transition at Downtown Moorhead Inc. (DMI), which has been contracted to provide economic development services to the City of Moorhead through funding from the EDA's tax levy since 2018. DMI's President/CEO, Derrick LaPoint, has accepted a new position,

and the DMI Board of Directors has appointed Matt Leiseth to the position. Mahli welcomed Matt to the team and expressed appreciation to LaPoint for his dedication to Moorhead, his commitment to family, and his friendship. He wished LaPoint the very best in his next chapter.

Derrick LaPoint expressed gratitude for the opportunity to lead Downtown Moorhead Inc. and the City's economic development team. He reflected on key accomplishments during his tenure and extended sincere thanks to the City team for their support, with a specific shout out to Amy Thorpe for her dedication and partnership throughout his time with DMI.

8. Business Items

A. Downtown TIF District - Lease Revenue Bonds, Series 2026A

John Shockley provided background and key points regarding the proposed sale of Lease Revenue Bonds, Series 2026A, to finance the renovation of Moorhead City Hall. This was an opportunity for the EDA Board to learn about the funding mechanism and ask questions. Additional details, including the timeline for bond issuance, can be found in the report included in the packet materials. The EDA will be asked to vote on this at their February meeting.

9. Information/Update

A. 2026 Regular Meeting Schedule

B. 11th Street Underpass Project - [Link to MnDOT Project Details & Updates](#)

C. Downtown Moorhead Vision - [Link to More to Moorhead Website](#)

D. Community Center and Regional Library - [Link to More Information](#)

E. Building & Housing Updates - [Sign up for e-Notifications](#)

10. Adjourn

The meeting adjourned at approximately 12:09 p.m.

The proceedings of this meeting are digitally recorded and are available for public review.

Memorandum



To: EDA Board Members
From: Dan Mahli, City Manager
Amy Thorpe, Economic Development Program Administrator
Jenica Flanagan, City Finance Director
Date: February 2, 2026
Re: **Lease Revenue Bonds, Series 2026A for City Hall Renovation**

Recommendation

The Economic Development Authority is asked to consider a Parameters Resolution i) Authorizing the sale of Lease Revenue Bonds, Series 2026A, ii) delegating authority to certain members of the City and EDA (Pricing Committee): iii) establishing parameters, iv) authorizing the execution and delivery of a Lease-Purchase Agreement and Trust Indenture.

Background/Key Points

At the January 26, 2026 City Council meeting, the Moorhead City Council approved a resolution to authorize a lease, continuing disclosure undertaking, related bond documents and requested the Moorhead Economic Development Authority to proceed with the sale of the following bond: \$25,465,000 Lease Revenue Bonds, Series, 2026A (City of Moorhead, Minnesota Lease Obligation) (the “Bonds”).

The issuance of Bonds will be used to (i) finance renovations to the existing city hall building and (ii) pay costs of the issuance on the Bonds.

The Bonds are being issued pursuant to Minnesota Statutes, Sections 465.71, 469.041 and Sections 469.090 through 469.1082 and Chapter 475; a Trust Indenture (the “Indenture”) by and between the Authority and U.S. Bank National Association, St. Paul, Minnesota (the “Trustee”); a Lease-Purchase Agreement by and between the Authority and the City (the “Lease”); a Sublease by and between the City and Moorhead Public Services (“MPS”); a Bond resolution to be adopted by the Authority (the “Authority Resolution”) on February 2, 2026; and a resolution to adopted by the City (the “City Resolution”) on January 26, 2026.

As part of the Parameters Resolution to be adopted by the EDA on February 2, 2026, the authority to award the sale of the Bonds has been delegated to a Pricing Committee, subject to the following parameters: (i) the principal amount may not exceed \$27,000,000, plus any premium, (ii) the true interest cost (TIC) may not exceed 5.50% and (iii) the final maturity date of the Bonds is not later than February 1, 2046. The Pricing Committee is the President of the Moorhead Economic Development Authority Board, the City Manager, and the Assistant City Manager.

Financial Considerations

The City will utilize lease revenue bonds as the primary financing tool. This approach allows the EDA to issue bonds secured solely by lease payments from the City for the renovated facility. Lease revenue bonds are commonly used for municipal projects where the EDA acts as the issuer, and the City enters into a lease purchase agreement for the property. The timeline for the issuance of the lease revenue bonds is as follows:

City Council Resolution: January 26, 2026

EDA Board Parameters Resolution: February 2, 2026

Sale of the Bonds and consideration of award of the Bonds by Pricing Committee and execution of Pricing Committee Certificate: March 10, 2026

Receipt of proceeds and settlement of the Bonds: April 2, 2026

Pursuant to the lease purchase agreement when the bonds are fully paid off, the ownership of City Hall will be transferred back to the City. During the term of the lease purchase agreement the City is responsible for all operations and maintenance aspects of City Hall.

The Bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to the Lease. The City's obligation under the Lease is subject to annual appropriation.

Pursuant to the Sub lease, Moorhead Public Services is obligated to annually pay the City \$250,000 over 20 years (\$5,000,000 total) starting in 2027.

The City will levy taxes to make the lease payments. The City will make their first levy in 2026 for collection in 2027. The February 1, 2027, interest payment net of MPS's payment will be paid with cash on hand by the City.

**EXTRACT OF MINUTES OF A MEETING OF THE
BOARD OF COMMISSIONERS OF THE
MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY**

HELD: February 2, 2026

Pursuant to due call and notice thereof, a regular or special meeting of the Board of Commissioners of the Moorhead Economic Development Authority, was duly called and held at the Hjemkomst Center in the City of Moorhead, Minnesota on February 2, 2026, at 11:45am.

The following Commissioners were present: _____
_____, and the following were absent: _____.

Commissioner _____ introduced the following resolution and moved its adoption:

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
LEASE REVENUE BONDS, SERIES 2026A
(CITY OF MOORHEAD, MINNESOTA, LEASE OBLIGATION)
AND THE EXECUTION AND DELIVERY OF A
LEASE AGREEMENT AND AN INDENTURE OF TRUST
IN CONNECTION THEREWITH
(PARAMETERS RESOLUTION)**

WHEREAS, Minnesota Statutes, Sections 469.090 through 469.1082 (collectively, the "Act") authorizes the Moorhead Economic Development Authority (the "Authority") to issue revenue bonds, in anticipation of the collection of revenues of a project, to finance, in whole or in part, the cost of acquisition, construction, reconstruction, improvement, betterment or extension of a project; and

WHEREAS, the Authority proposes to finance the acquisition and construction of a City Hall (the "Project"), an authorized project under the Act to be used by the City of Moorhead, Minnesota (the "City") and to provide funds for such purposes by the issuance of its Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation) (the "Bonds" or the Series 2026A Bonds) pursuant to an Indenture of Trust between the Authority and U.S. Bank Trust Company, National Association, a national banking association with trust powers, as Trustee (the "Trustee"), dated as of April 1, 2026 (the "Indenture"); and

WHEREAS, the Bonds issued under the Indenture will be secured by a pledge and assignment of rental payments and certain rights of the Authority under the Lease Agreement between the Authority and the City (the "Lease"), dated as of April 1, 2026; and

WHEREAS, the Series 2026 A Bonds shall be payable primarily from the rental payments paid by the City to the Authority and therefor shall not constitute a debt of the Authority within the meaning of any constitutional or statutory limitation, nor shall they constitute or give rise to a pecuniary liability of the Authority or a charge against its general credit or taxing powers, nor

constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the Authority, other than its interest in the Project; and

WHEREAS, in order to carry out the transaction, the Authority will (i) lease the Land and the Project to the City pursuant to the Lease, and (ii) issuance the Bonds to provide monies for the construction of the Project; and

WHEREAS, the Authority has retained Baker Tilly Municipal Advisors, LLC, in Saint Paul, Minnesota (“Baker Tilly”), as its independent financial advisor and is therefore authorized to sell these obligations by a competitive sale in accordance with Minnesota Statutes, Section 475.60, Subdivision 2(9).

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Moorhead Economic Development Authority:

1. Findings. The Board of Commissioners acknowledges, finds, determines and declares that the Project satisfies the purposes stated in the Act.

2. Authorization of Financing. The Authority is a political subdivision duly organized under the constitution and laws of the State of Minnesota and is authorized to issue and sell the Series 2026A Bonds for the purpose, in the manner, and upon the terms and conditions set forth in this Bond Resolution and the Indenture of Trust. Pursuant to the Lease Agreement, the financing by the Authority of the Project be and the same is hereby authorized.

3. Authorization to Solicit Bids for the Bonds. The City Council hereby authorizes Baker Tilly to solicit bids for the competitive sale of the Bonds.

4. Meeting; Bid Opening. The Pricing Committee shall meet at the time and place specified in the Terms of Proposal attached hereto as **Exhibit A** for the purpose of considering sealed bids for, and awarding the sale of, the Series 2026A Bonds. The City Manager, or his designee, shall open bids at the time and place specified in such Terms of Proposal.

5. Terms of Proposal. The terms and conditions of the Bonds and the negotiation thereof are fully set forth in the “Terms of Proposal” attached hereto as **Exhibit A** and hereby approved and made a part hereof.

6. Preparation of Official Statement. In connection with said competitive sale, the Executive Director and other officers or employees of the Authority are hereby authorized to cooperate with Baker Tilly and participate in the preparation of an official statement for the Bonds, and to execute and deliver it on behalf of the Authority upon its completion.

7. Authorization of Bonds and Sale.

(a) There is hereby designated a pricing committee (the “Authority Pricing Committee”) for the Series 2026A Bonds to be comprised of the following District officials: the City Manager, the Assistant City Manager, and the President of the

Moorhead Economic Development Authority Board of Directors. The Authority Pricing Committee is authorized to sell to the Purchaser the Series 2026A Bonds, provided that the maximum par amount of the Series 2026A Bonds does not exceed \$27,000,000, and the maximum net interest cost on the Series 2026A Bonds does not exceed five and one-half percent (5.50%), and the final maturity date of the Series 2026A Bonds is not later than February 1, 2046.

- (b) There is hereby authorized to be issued the Series 2026A Bonds to be a series of Bonds designated the Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota Lease Obligation) (the “Series 2026A Bonds). The Authority Pricing Committee shall have the authority to negotiate the terms of the Series 2026A Bonds with the Purchaser in accordance with this Section 3 hereof, to determine the final par amount, the final maturity date, and amortization schedule *without further action* of the Board of Commissioners, and to complete the certificate of the Authority Pricing Committee.
- (c) The Lease and the Indenture, substantially in the form presented at this meeting of the Board of Commissioners, are hereby approved. The Lease and the Indenture, are authorized to be executed by the President of the Board Commissioners and the Secretary of the Authority upon the approval of the Series 2026A Bonds’ terms by the Authority Pricing Committee at such time, if any, as they deem appropriate, or executed or attested to by other officers of Authority in substantially the form on file, but with all such changes therein, not inconsistent with the applicable law, as may be approved by the officers executing the same, which approval shall be conclusively evidenced by execution thereof.

8. Findings. The Board of Commissioners does hereby determine as follows:

- (a) The Authority is authorized to enter into the Indenture and the Lease;
- (b) The financing provided under the Series 2026A Bonds is intended to, and will, in the judgment of the Board of Commissioners, promote public welfare by providing funds for the Project; and
- (c) The Series 2026A Bonds and the interest accruing thereon do not constitute an Indebtedness of the Authority within the meaning of any constitutional or statutory limitation of Indebtedness and do not constitute or give rise to a pecuniary liability or a charge against the general credit or taxing powers of Authority, and neither the full faith and credit nor the taxing powers of the City nor the Authority is pledged for the payment of the Series 2026A Bonds or interest thereon.

9. Special Obligations; Security; Authorization to Execute and Deliver Indenture and Bonds. The Series 2026A Bonds shall be special obligations of the Authority payable primarily from the rental payments paid by City to the Authority. As security for the payment of the principal of, premium, if any, and interest on the Bonds, pro rata and without preference of any one Bond over any other Series 2026A Bonds, the Board of Commissioners hereby authorizes and directs

the President and Secretary to execute the Indenture in substantially the form on file with the Authority, and to deliver the Indenture to the Trustee, and hereby authorizes and directs the execution of the Series 2026A Bonds, and hereby provides that the Indenture shall provide the terms and conditions, covenants, rights, obligations, duties and agreements of the Holders (as defined in the Indenture and hereinafter referred to as "Holders") of the Bonds, the Authority and the Trustee as set forth therein.

10. Authorization to Execute and Deliver Ground Lease and Lease. The President and the Secretary are hereby authorized and directed to execute, attest and deliver the Lease (together with the Indenture, collectively the "Bond Documents") in substantially the forms on file with the Authority. All of the provisions of the Bond Documents, when executed and delivered as authorized herein, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect according to the terms thereof from the date of execution and delivery thereof.

11. Termination upon Payment or Discharge. Upon payment or discharge of the Series 2026A Bonds, in accordance with the terms of the Bond Documents, the Authority's interest in the Project and real estate on which the Project is located shall terminate.

12. Binding Obligations; No Personal Liability. All covenants, stipulations, obligations and agreements of the Authority contained in this Resolution and contained in the Bond Documents shall be deemed to be the covenants, stipulations, obligations and agreements of the Authority to the full extent authorized or permitted by law, and all such covenants, stipulations, obligations and agreements shall be binding upon the Authority. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Authority or the Board of Commissioners thereof by the provisions of this Resolution or by the Bond Documents, shall be exercised or performed by the Authority by such members of the Board of Commissioners, or such officers, board, body or agency thereof as may be required by law to exercise such powers and to perform such duties.

No covenant, stipulation, obligation or agreement herein contained or contained in the Bond Documents shall be deemed to be a covenant, stipulation, obligation or agreement of any member of the Board of Commissioners, or any officer, agent or employee of the Authority in that person's individual capacity, and neither the Board of Commissioners of the Authority nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

13. Sole and Exclusive Benefit. Except as herein otherwise expressly provided, nothing in this Resolution or in the Indenture, expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation other than the Authority or the Trustee, any right, remedy or claim, legal or equitable, under and by reason of this Resolution or any provision hereof or of the Indenture or any provisions thereof, this Resolution, the Indenture and all of their provisions being intended to be and being for the sole and exclusive benefit of the Authority and the Holders from time to time of the Bonds issued under the provisions of this Resolution and the Indenture.

14. Provisions Held Separate and Apart; Binding Contracts. In case any one or more of the provisions of the Series 2026A Bonds, this Resolution, or the Bond Documents shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Resolution, the Bond Documents, or the Series 2026A Bonds, but this Resolution, the Bond Documents and the Bonds shall be construed and endorsed as if such illegal or invalid provision had not been contained therein. The terms and conditions set forth in the Bond Documents, the pledge of revenues derived from the Project, the creation of the funds provided for in the Indenture, the provisions relating to the handling of the proceeds derived from the sale of Bonds pursuant to the Indenture and the handling of said revenues and other monies are all commitments, obligations and agreements on the part of the Authority contained in the Indenture, or the invalidity of the Bond Documents, shall not affect the commitments, obligations and agreements on the part of the Authority to create such funds and to handle said revenues, other monies and proceeds of the Series 2026A Bonds for the purposes, in the manner and according to the terms and conditions fixed in the Indenture, it being the intention hereof that such commitments on the part of the Authority are as binding as if contained in this Resolution separate and apart from the Indenture or the Lease.

15. Bond Recital. The Bonds shall contain a recital that they are issued pursuant to the Act, and such recital shall be conclusive evidence of the validity of the Series 2026A Bonds and the regularity of the issuance thereof, and that all acts, conditions and things required by the laws of the State of Minnesota relating to the adoption of this Resolution, to the issuance of the Series 2026A Bonds and to the execution of the Bond Documents to happen, exist and be performed precedent to and in the enactment of this Resolution, and precedent to the Series 2026A Bonds, the execution of the Bond Documents have happened, exist and have been performed as so required by law.

16. Performance. The officers, attorneys, engineers and other agents or employees of the Authority are hereby authorized to do all acts and things required of them by or in connection with this Resolution and the Bond Documents, for the full, punctual and complete performance of all the terms, covenants and agreements contained in the Series 2026A Bonds, the Bond Documents, and this Resolution.

17. Furnishing of Certificates and Proceedings. The President and the Secretary and other officers of the Authority are authorized and directed to prepare and furnish to the Purchasers certified copies of all proceedings and records of the Authority relating to the Series 2026A Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality of the Series 2026A Bonds as such facts appear from the books and records in the officers' custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Authority as to the truth of all statements contained therein.

18. Negative Covenant as to Use of Proceeds and Project. The Authority hereby covenants not to use the proceeds of the Bonds or to use the Project, or to cause or permit them to be used, in such a manner as to cause the Bonds to be "private activity bonds" within the meaning of Sections 103 and 141 through 150 of the Code.

19. Continuing Disclosure. The Authority is the issuer of the Series 2026A Bonds. However, it is not an "obligated person" subject to the disclosure requirements under the SEC Rule 15c212(b)(5) (the "Rule") because (i) the Bonds are limited obligations of the Authority and are payable from lease payments to the Authority from the City, and (ii) financial information and operating data set forth in the Official Statement relates only to the City. The City has agreed, in accordance with the provisions of the Rule, promulgated by the Securities and Exchange Commission (the "Commission") pursuant to the Securities Exchange Act of 1934, as amended, and a Continuing Disclosure Undertaking (the "Undertaking") hereinafter described:

(a) to provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") by filing at www.emma.msrb.org in accordance with the Rule, certain annual financial information and operating data in accordance with the Undertaking, as the terms of the Undertaking as provided therein may be modified from time to time;

(b) to provide or cause to be provided to the MSRB notice of the occurrence of certain events with respect to the Bonds in not more than ten (10) business days after the occurrence of the event, in accordance with the Undertaking;

(c) to provide or cause to be provided to the MSRB notice of a failure to provide the annual financial information with respect to the City described in the Undertaking, in not more than ten (10) business days following such occurrence;

(d) its covenants pursuant to the Rule set forth in this paragraph and in the Undertaking is intended to be for the benefit of the Holders of the Bonds and shall be enforceable on behalf of such Holders; provided that the right to enforce the provisions of these covenants shall be limited to a right to obtain specific enforcement of the City's obligations under the covenants.

20. Rebate; Tax Exempt Status of the Bonds. The Authority shall comply with requirements necessary under the Code to establish and maintain the exclusion from gross income under Section 103 of the Code of the interest on the Series 2026A Bonds, including without limitation (i) requirements relating to temporary periods for investments, (ii) limitations on amounts invested at a yield greater than the yield on the Bonds, and (iii) the rebate of excess investment earnings to the United States. The Authority expects to satisfy the 24-month exemption for gross proceeds of the Bonds as provided in Section 1.148-7(d)(1) of the Regulations. The President and Secretary are hereby authorized and directed to make such elections as to arbitrage and rebate matters relating to the Bonds as they deem necessary, appropriate or desirable in connection with the Bonds, and all such elections shall be, and shall be deemed and treated as, elections of the Authority.

21. **No Designation of Qualified Tax-Exempt Obligations.** **The Authority will not designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.**

22. Modifications to Documents. The approval hereby given to the various documents referred to herein includes approval of such additional details therein as may be necessary and

appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the attorney to the Authority and the Authority officials authorized herein to execute said documents prior to their execution; and said Authority officials are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officer or officers of the Authority herein authorized shall be conclusive evidence of the approval of such documents in accordance with the terms hereof. In the absence of the President or Secretary any of the documents authorized by this Resolution to be executed by the Acting President or the Acting Secretary, respectively.

23. Repealer. All prior resolutions and other acts or proceedings of this Board of Commissioners which are in any way inconsistent with the terms of this Resolution are hereby amended to the extent necessary to give full force and effect to this Resolution. Nothing herein contained shall be deemed to modify, amend, violate, repudiate, or repeal any provision or covenant contained in the Bonds, or any resolution pursuant to which the Series 2026A Bonds have been issued and is outstanding, to the extent that a modification, amendment, violation, repudiation, or repealer would impair the obligation or contract owed to any holders of any of the Series 2026A Bonds or would otherwise be invalid or ineffective.

24. Headings. Headings in this Resolution are included for convenience of reference only and are not a part hereof, and shall not limit or define the meaning of any provision hereof.

25. Minnesota Law Applies. Except as expressly preempted by federal law, this Authorizing Resolution shall be controlled by the laws of the State of Minnesota, and as a result, any claim, demand, or cause of action arising under the terms of this Resolution shall be brought in an appropriate venue in the State of Minnesota.

26. Authentication of Transcript. The officers of the Authority are hereby authorized and directed to prepare and furnish to the Purchasers of the Series 2026A Bonds and to Bond Counsel certified copies of all proceedings and records relating to the Series 2026A Bonds to show the facts relating to the legality and marketability of the Bonds, as the same appear from the books and records in their custody and control or as otherwise know to them, and all such certified copies, affidavits and certificates, including any heretofore furnished, shall be deemed representations of the City as to the correctness of all statements therein.

27. Electronic Signatures. The electronic signature of a party or individual to the various Bond Documents, Related Documents, this Resolution and all other documents arising out of or relating to the Bond transaction shall be deemed as valid as an original signature of such party or individual and shall be effective to bind such party or individual. For purposes hereof: (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf"), or other replicating image attached to an electronic mail or internet message; or (iii) a digital signature of an authorized representative of any party provided by AdobeSign or DocuSign (or such other digital signature provider as specified by such party).

Passed: February 2, 2026.

President

Attest:

Secretary

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____, and upon vote being taken thereon the following voted in favor thereof: _____, and the following voted against the same: _____, whereupon the resolution was declared duly passed and adopted.

CERTIFICATE

STATE OF MINNESOTA)
)
COUNTY OF CLAY)

I, the undersigned, being the duly qualified and acting Secretary of the Moorhead Economic Development Authority, hereby certify that I have carefully compared and attached the foregoing extract of minutes of a meeting of the Board of Commissioners held February 2, 2026, with the original thereof on file and of record in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to a Resolution Providing for the Issuance and Sale of Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation).

Dated this ___ day of February, 2026.

Secretary

Exhibit A
Terms of Proposal

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

TERMS OF PROPOSAL

\$25,465,000*

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF MOORHEAD, MINNESOTA

**LEASE REVENUE BONDS, SERIES 2026A
(CITY OF MOORHEAD, MINNESOTA LEASE OBLIGATION)**

(BOOK ENTRY ONLY)

Proposals for the above-referenced obligations (the "Bonds") will be received by the Economic Development Authority of the City of Moorhead, Minnesota (the "Authority") on Tuesday, March 10, 2026 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("BTMA"), 30 East 7th Street, Suite 3025, Saint Paul, MN 55101, after which time proposals will be opened and tabulated. Consideration for award of the Bonds will be by a designated pricing committee (the "Pricing Committee") follow the opening of proposals.

SUBMISSION OF PROPOSALS

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

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

OR

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

*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly Advisory Group, LP. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm and provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.
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DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on February 1 and August 1 of each year, commencing February 1, 2027. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

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

2028	\$855,000	2032	\$1,040,000	2036	\$1,260,000	2040	\$1,490,000	2044	\$1,770,000
2029	\$895,000	2033	\$1,090,000	2037	\$1,325,000	2041	\$1,550,000	2045	\$1,855,000
2030	\$940,000	2034	\$1,145,000	2038	\$1,375,000	2042	\$1,620,000	2046	\$1,940,000
2031	\$990,000	2035	\$1,200,000	2039	\$1,430,000	2043	\$1,695,000		

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

BOOK ENTRY SYSTEM

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

TRUSTEE

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

OPTIONAL REDEMPTION

The Authority may elect on February 1, 2036, and on any day thereafter, to redeem Bonds due on or after February 1, 2037. Redemption may be in whole or in part and if in part at the option of the Authority and in such manner as the Authority shall determine. If less than all Bonds of a maturity are called for redemption, the Authority will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

EXTRAORDINARY REDEMPTION

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

SECURITY AND PURPOSE

The Bonds will be special, limited obligations of the Authority payable solely from rental payments (the "Rental Payments") to be received by the Authority from the City of Moorhead, Minnesota (the "City") and Moorhead Public Service ("MPS") pursuant to a Lease Agreement between the Authority, the City and MPS dated March 1, 2026. The Bonds are issued pursuant to a Trust Indenture between the Authority and the Trustee dated March 1, 2026 (the "Indenture"); a resolution of the Authority dated February 2, 2026 (the "Authority Resolution"); and a concurring resolution of the City dated January 26, 2026 (the "City Resolution"). The Bonds do not constitute a debt for which the faith and credit or taxing powers of the City, or the State of Minnesota will be pledged. The City's obligation under the Lease is subject to annual appropriation. The proceeds of the Bonds will be used to (i) finance renovations to the City's existing City Hall and (ii) pay costs of issuance on the Bonds.

NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

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

BIDDING PARAMETERS

Proposals shall be for not less than \$25,465,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the proposal must be 98.0% or greater.

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

No proposal can be withdrawn or amended after the time set for receiving proposals on the Sale Date unless the meeting of the Authority scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional proposals will be accepted.

ESTABLISHMENT OF ISSUE PRICE

In order to provide the Authority with information necessary for compliance with Section 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder (collectively, the "Code"), the Purchaser will be required to assist the Authority in establishing the issue price of the Bonds and shall complete, execute, and deliver to the Authority prior to the closing date, a written certification in a form acceptable to the Purchaser, the Authority, and Bond Counsel (the "Issue Price Certificate") containing the following for each maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity): (a) the interest rate; (ii) the reasonably expected initial offering price to the "public" (as said term is defined in Treasury Regulation Section 1.148-1(f) (the "Regulation")) or the sale price; and (iii) to the extent the hold-the-offering-price rule applies, pricing wires or equivalent communications supporting such offering or sale price. [However, such Issue Price Certificate may indicate that the Purchaser has purchased the Bonds for its own account in a capacity other than as an underwriter or wholesaler, and currently has no intent to reoffer the Bonds for sale to the public.] Any action to be taken or documentation to be received by the Authority pursuant hereto may be taken or received on behalf of the Authority by BTMA.

The Authority intends that the sale of the Bonds pursuant to this Terms of Proposal shall constitute a “competitive sale” as defined in the Regulation based on the following:

- (i) the Authority shall cause this Terms of Proposal to be disseminated to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (ii) all bidders shall have an equal opportunity to submit a bid;
- (iii) the Authority reasonably expects that it will receive bids from at least three bidders that have established industry reputations for underwriting municipal bonds such as the Bonds; and
- (iv) the Authority anticipates awarding the sale of the Bonds to the bidder who provides a proposal with the lowest true interest cost, as set forth in this Terms of Proposal (See “AWARD” herein).

Any bid submitted pursuant to this Terms of Proposal shall be considered a firm offer for the purchase of the Bonds, as specified in the proposal. The Purchaser shall constitute an “underwriter” as said term is defined in the Regulation. By submitting its proposal, the Purchaser confirms that it shall require any agreement among underwriters, a selling group agreement, or other agreement to which it is a party relating to the initial sale of the Bonds, to include provisions requiring compliance with the provisions of the Code and the Regulation regarding the initial sale of the Bonds.

If all of the requirements of a “competitive sale” are not satisfied, the Authority shall advise the Purchaser of such fact prior to the time of award of the sale of the Bonds to the Purchaser. **In such event, any proposal submitted will not be subject to cancellation or withdrawal.** Within twenty-four (24) hours of the notice of award of the sale of the Bonds, the Purchaser shall advise the Authority and BTMA if 10% of any maturity of the Bonds (and, if different interest rates apply within a maturity, to each separate CUSIP number within that maturity) has been sold to the public and the price at which it was sold. The Authority will treat such sale price as the “issue price” for such maturity, applied on a maturity-by-maturity basis. The Authority will not require the Purchaser to comply with that portion of the Regulation commonly described as the “hold-the-offering-price” requirement for the remaining maturities, but the Purchaser may elect such option. If the Purchaser exercises such option, the Authority will apply the initial offering price to the public provided in the proposal as the issue price for such maturities. If the Purchaser does not exercise that option, it shall thereafter promptly provide the Authority and BTMA the prices at which 10% of such maturities are sold to the public; provided such determination shall be made and the Authority and BTMA notified of such prices whether or not the closing date has occurred, until the 10% test has been satisfied as to each maturity of the Bonds or until all of the Bonds of a maturity have been sold.

GOOD FAITH DEPOSIT

To have its proposal considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the Authority in the amount of \$254,650 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the Authority nor BTMA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the Authority may, at its sole discretion, reject the proposal of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

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

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

AWARD

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

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

BOND INSURANCE AT PURCHASER'S OPTION

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

CUSIP NUMBERS

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

SETTLEMENT

On or about 2026, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Ohnstad Twichell, P.C. of West Fargo, North Dakota, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the Authority or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the Authority, or its agents, the Purchaser shall be liable to the Authority for any loss suffered by the Authority by reason of the Purchaser's non-compliance with said terms for payment.

CONTINUING DISCLOSURE

On the date of actual issuance and delivery of the Bonds, the Authority will execute and deliver a Continuing Disclosure Undertaking (the "Undertaking") whereunder the Authority will covenant for the benefit of the owners of the Bonds to provide certain financial and other information about the Authority and notices of certain occurrences to information repositories as specified in and required by SEC Rule 15c2-12(b)(5).

OFFICIAL STATEMENT

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

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

Dated February 2, 2026

BY ORDER OF THE BOARD OF DIRECTORS

/s/ Amy Thorpe
Economic Development Program Administrator

LEASE-PURCHASE AGREEMENT

BETWEEN

MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY

as Lessor and

CITY OF MOORHEAD, MINNESOTA

as Lessee

Dated as of April 1, 2026

This Instrument Drafted By:
Ohnstad Twichell, PC
444 Sheyenne St.
West Fargo, ND 58078

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THIS LEASE-PURCHASE AGREEMENT (the "Lease") is dated as of April 1, 2026, and is between the Moorhead Economic Development Authority, a public body corporate and politic, as Lessor (the "Lessor") and City of Moorhead, Minnesota, a municipal corporation and political subdivision of the State of Minnesota, as Lessee (the "Lessee").

WITNESSETH:

WHEREAS, the Lessee is authorized by law to lease real and personal property as are needed to carry out its governmental functions; and

WHEREAS, Lessee has determined that it is necessary for it to lease from Lessor under this Lease certain real and personal property (the "Project") for purposes of financing the Project; and

WHEREAS, the Lessor is willing to finance the acquisition and betterment of the Project and to lease, or (in the case of the Land) sublease, the Project to Lessee, and the Lessee is willing to rent the same from Lessor, all pursuant to this Lease.

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

ARTICLE I

DEFINITIONS AND EXHIBITS

Section 1.1. Definitions. Each term defined in the Indenture which is used but not otherwise defined herein shall have the same meaning in this Lease as is prescribed for that term in the Indenture. Unless the context otherwise clearly requires, the terms defined in this Section shall, for all purposes of this Lease, have the meanings herein specified.

Act: Collectively, the Lessor Powers Act and the Lessee Powers Act, as amended from time to time.

Additional Rental Payments: The same as defined in Section 5.3 hereof.

Bond Closing: The date the Bonds are issued and delivered to the original purchaser.

Bond Counsel: The firm of Ohnstad Twichell, P.C., West Fargo, North Dakota, or any other attorney or firm of attorneys nationally recognized as experienced in matters relating to the tax-exempt financing of projects within the City and acceptable to the Lessor and the Lessee.

Bond Fund: The Bond Fund created pursuant to Section 5.02 of the Indenture.

Bond Resolution: The resolution adopted by the Lessor's Board of Commissioners, its governing body, on February 2, 2026, authorizing the issuance and sale of the Series 2026A Bonds, as the same may be amended, modified or supplemented by any amendments or modifications thereof.

Bonds: The Series 2026A Bonds.

Business Day: Any day other than a Saturday, Sunday, legal holiday or a day on which banking institutions in the city in which the principal corporate office of the Trustee is located are authorized by law or executive order to be closed.

City: The City of Moorhead, Minnesota.

Code: The Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder.

Completion Date: The date described in Section 3.5, evidencing completion of the Project.

Construction Fund: The Construction Fund created pursuant to Section 4.02 of the Indenture for the purpose of accounting for proceeds of the Bonds used to pay Project Costs.

Contractor: Any contractor from which Lessee has ordered or will order or with which Lessee has contracted or will contract for the acquisition, construction and installation of any portion of the Project.

County: County of Clay, Minnesota.

Date of Original Issuance: March 19, 2026.

Environmental Law: The Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 *et seq.*; the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*; the Hazardous Materials Transportation Act, 49 U.S.C. App. §1804 *et seq.*, the Federal Water Pollution Control Act, 33 U.S.C. §1251 *et seq.*, the Clean Water Act, 33 U.S.C. §1321 *et seq.* the Clean Air Act, 42 U.S.C. §7401 *et seq.*, the Minnesota Environmental Response and Liability Act, Minnesota Statutes, Chapter 115B, the Minnesota Petroleum Tank Release Cleanup Act, Minnesota Statutes, Chapter 115C, and any other federal, state, county, municipal, local or other statute, law, ordinance or regulation which may relate to or deal with human health or the environment, all as may be from time to time amended.

Fiscal Year: The fiscal year of the Lessee, commencing January 1 of a given year and extending through December 31 of the same year.

Governmental Unit: A "governmental unit" within the meaning of Section 141 of the Code.

Hazardous Substances: Asbestos, urea-formaldehyde, polychlorinated biphenyls ("PCBs"), nuclear fuel or material, chemical waste, radioactive material, explosives, known carcinogens, petroleum products and by-products and other dangerous, toxic or hazardous pollutants, contaminants, chemicals, materials or substances listed or identified in, or regulated by, any Environmental Law.

Holder(s): The registered owner(s) of Bonds on the bond register maintained by the Trustee pursuant to the Indenture.

Independent Counsel: An attorney duly admitted to the practice of law before the highest court of the State who is not a full-time employee of Lessor or Lessee.

Independent Engineer: An engineer or engineering firm or an architect or architectural firm qualified to practice the profession of engineering or architecture under the laws of the State and who is not a full-time employee of Lessee or Lessor.

Indenture: The Indenture of Trust, dated as of March 10, 2026, between the Lessor and U.S. Bank Trust Company, National Association, St. Paul, Minnesota, as initial Trustee thereunder, pursuant to which the Series 2026A Bonds are issued.

Interest Payment Date: For the Series 2026A Bonds, each February 1 and August 1, commencing February 1, 2027.

Land: The real property leased to the Lessee under Lease and described in Exhibit A hereto.

Lessor: Moorhead Economic Development Authority, a public body corporate and politic of the State, its successors and assigns.

Lessor Powers Act: Minnesota Statutes, Sections 469.090 through 469.1082, as amended, and all powers granted to the Lessor therein.

Lease: This Lease Agreement and all amendments thereto.

Net Proceeds: Any property insurance proceeds or condemnation award paid with respect to the Project, net of the expenses incurred in the collection thereof.

Non-appropriation: The failure of the governing body of Lessee to appropriate money for any Fiscal Year of Lessee sufficient for the continued performance and discharge by the Lessee of its obligations under this Lease (including Lessee's obligations to make Rental Payments hereunder); provided, that such Non-appropriation shall only be deemed to exist and be effective hereunder if declared in and evidenced by the passage of a resolution of the City Council of the Lessee specifically stating Lessee will no longer appropriate any moneys to pay the Rental Payments due under this Lease for a designated upcoming Fiscal Year and all subsequent Fiscal Years.

Payment Date: Any date on which a Rental Payment is required to be paid as provided in Section 5.1 and as shown on the attached Exhibit B.

Permitted Encumbrances: As of any particular time: (i) liens for taxes and assessments not then delinquent, or which Lessee may, pursuant to provisions of Section 7.3, permit to remain unpaid, (ii) this Lease, the Indenture and amendments hereto or thereto, (iii) Lessor's interest in the Project, (iv) any mechanic's, laborer's, materialmen's, supplier's or vendor's lien or right not filed or perfected in the manner prescribed by law, and any such lien which Lessee may, pursuant to Article VIII, permit to remain unpaid, (v) utility, access, and other easements and rights-of-way, restrictions, and exceptions affecting the Land existing as of the date hereof, (vi) such minor defects, irregularities, encumbrances, easements, rights-of-way, and clouds on title as normally exist with respect to property similar in character to the Land and as do not in the aggregate materially impair the property affected thereby for the purposes for which it was acquired, and (vii) building, zoning, and subdivision laws.

Plans and Specifications: The plans and specifications for the Project as in existence on the date of issuance of the Bonds and approved by the Lessee, together with any additions thereto or modifications thereof approved by all such parties.

Principal Payment Date: For the Series 2026A Bonds, each February 1, commencing February 1, 2028.

Project: The Project Improvements, the Project Equipment and the Land which are being leased to the Lessee pursuant to this Lease and which are more fully described in the attached Exhibit A.

Project Costs or Cost of the Project or Cost: All costs of purchase, construction and installation of the Project including the following:

(a) fees and expenses of surveyors and engineers for estimates, surveys, soil borings, environmental reports, and soil tests and other preliminary investigations and items necessary for the commencement of construction, preparation of plans, drawings and specifications and supervision of construction, as well as for the performance of all other duties of surveyors and engineers in relation to the acquisition, construction, furnishing or equipping of the Project or the making of this Lease;

(b) all costs and expenses of every nature incurred in constructing and furnishing the Project Improvements and purchasing and installing the Project Equipment, including the actual cost of labor, materials, machinery, furnishings and equipment as may be payable to contractors, builders and materialmen in connection with the construction, furnishing and equipping the Project;

(c) the cost of any insurance and performance and payment bonds maintained during the construction of the Project;

(d) expenses of administration, supervision and inspection properly chargeable to the Project; underwriting expenses, legal fees and expenses, fees and expenses of accountants and other consultants, publication and printing expenses and other fees and expenses which are necessary or incidental and to the making of this Lease and the issuance of the Bonds or to the acquisition, purchase, construction, installation, furnishing and equipping of the Project;

(e) all other items of expenses not elsewhere specified in this definition as may be necessary or incident to: (i) the making of the and this Lease; (ii) the construction, installation, equipping and furnishing of the Project; and (iii) the financing thereof;

(f) reimbursement to Lessee or Lessor or those acting for it for any of the above enumerated costs and expenses incurred and paid by them before or after the execution of this Lease (subject to the compliance, if applicable, with the "reimbursement regulations," being Treasury Regulations, Section 1.150-2); and

(g) any other costs of the Project described in Section 3.3.

Project Equipment: All items of machinery, equipment, or other personal property installed or acquired or to be acquired for installation in the Project Improvements or elsewhere on the Land in accordance with the Plans and Specifications and paid for in whole or in part from the proceeds of the Bonds, and all replacements thereof and substitutions therefor made pursuant to Sections 6.6 or 8.5.

Project Improvements: The buildings, structures, improvements and fixtures located on or to be purchased, constructed, renovated, bettered, enlarged and otherwise improved on the Land in accordance with the Plans and Specifications, and all additions, alterations, modifications and improvements thereof made pursuant to Sections 6.6 or 8.5, to be used by the Lessee as a fire and emergency services facility.

Purchase Option Price: The price at which the Lessee may purchase the Project as set forth in Article X.

Rental Payment: The payment due from Lessee to Lessor on each Payment Date during the Term of this Lease, as provided, for the Series 2026A Bonds, in Section 5.1 and shown on the attached Exhibit B (assuming no prepayment or acceleration of the Series 2026A Bonds).

Series 2026A Bonds: The \$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation), dated the Date of Original Issuance.

State: The State of Minnesota.

State and Federal Law or Laws: The Constitution and any law of the State and any rule or regulation of any agency or political subdivision of the State; and any law of the United States, and any rule or regulation of any federal agency.

Lessee: City of Moorhead, a municipal corporation and political subdivision of the State of Minnesota.

Lessee Powers Act: Minnesota Statutes, Section 465.71 and 469.041, as from time to time amended.

Lessee Representative: The City Representative as defined in the Indenture.

Term or Lease Term: The period commencing as of March 10, 2026, and ending on February 1, 2046, subject to earlier termination in accordance with the provisions of this Lease.

Trustee: The Trustee under the Indenture.

Section 1.2. Exhibits.

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

Exhibit A: A description of the Land, Project Improvements and Project Equipment being leased by Lessee pursuant to this Lease.

Exhibit B: A schedule indicating the date and scheduled amount of each Rental Payment (respecting the Series 2026A Bonds) coming due during the Lease Term (assuming no optional prepayment or acceleration).

Exhibit C: Form of Draw Request.

Exhibit D: Terms of Proposal

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.1. Representations, Covenants and Warranties of Lessee. Lessee represents, covenants and warrants as follows:

(a) Lessee is a municipal corporation and a political subdivision duly organized and existing under the Constitution and laws of the State.

(b) Lessee is authorized under the Constitution and laws of the State to execute and deliver this Lease, to acquire, construct, operate and maintain the Project, and to perform all of its obligations provided hereunder and contemplated hereby.

(c) The officers of Lessee executing this Lease have been duly authorized to execute and deliver this Lease, under the terms and provisions of a resolution of Lessee's governing body, or by other appropriate official action.

(d) In authorizing and executing this Lease, Lessee has complied with all open meeting, public bidding and other State and Federal Laws applicable to this Lease and the Lessee and any other laws relating to the indebtedness of the Lessee applicable to this Lease, the sublease of the Land and lease of the Project and the acquisition, construction, operation and maintenance of the Project.

(e) Lessee will not pledge, mortgage or assign this Lease, or its duties and obligations hereunder to any other person, firm or corporation except as provided under the terms of this Lease.

(f) The Project is necessary to the Lessee in order for the Lessee to perform its essential governmental functions and the Project will be used during the Term of this Lease only to carry out the governmental purposes of Lessee.

(g) During the Term of this Lease, Lessee will not take any action (or suffer any action to be taken or circumstance to exist which is within the power of Lessee to prevent) the effect of which would be (1) to cause the interest on the Bonds to become subject to federal income taxation, including, but not limited to, permitting any entity that is not a Governmental Unit to use, directly or indirectly, any portion of the Project in a trade or business so as to impair the tax-exempt status of the Bonds, all within the meaning of Section 141 of the Code, or (2) to cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code.

(h) The Project will comply with all applicable land use, environmental control, building, subdivision, and zoning ordinances, codes and regulations, if any, and will be constructed wholly within the boundaries of the Land. The Land is properly zoned for the purpose of the Project. All taxes, assessments or impositions of any kind with respect to the Land (if any), except current taxes (if any), have been paid in full.

(i) The Land is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the acquisition, construction, operation and maintenance of the Project on the Land..

(j) The Lessee has good and marketable title to the Land, subject only to Permitted Encumbrances.

(k) The execution and delivery hereof, the compliance with the terms and conditions hereof, and the consummation of the transactions contemplated hereby, do not and will not conflict with or result in a breach of the terms, conditions, and provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitute a default under any of the foregoing.

(l) There is no litigation, action, suit or proceeding pending (or to the best of Lessee's knowledge, threatened) before any court, administrative agency, arbitrator or governmental body that challenges (1) the authority of Lessee or its officers or its employees to enter into this Lease or the (2) the proper authorization, approval and/or execution of this Lease and other documents contemplated hereby, (3) the ability of Lessee otherwise to perform its obligations under this Lease or the and the transactions contemplated hereby, or (4) the issuance of the Series 2026A Bonds by the Lessor.

(m) The Lessee has reviewed the Indenture respecting the Series 2026A Bonds and hereby consents to the terms of the Indenture and agrees to be bound by and to discharge any obligations specifically imposed upon the Lessee pursuant to the terms of the Indenture.

(n) The Lessee covenants, notwithstanding any termination of this Lease (whether arising pursuant to an Event of Default, a Non-appropriation or otherwise), that it will use its best efforts to assist the Lessor and/or the Trustee in re-leasing and/or selling the Project.

(o) The Project is a facility essential to the operations of the Lessee and the public safety of the residents of the Lessee.

(p) The Lessee certifies that this Lease is a "triple net" lease that requires the Lessee to pay all expenses, taxes, fees, insurance premiums, rebate payments, and costs associated with the Project and this Lease without the right of offset.

(q) Except as disclosed in the Official Statement, no member of the governing body of the Lessee or any other officer of the Lessee has any significant or conflicting interest, financial, employment or otherwise, in the Lessee or the Project or in the transactions contemplated hereby.

(r) The Lessee does not rely on any warranty of the Lessor or the Trustee, either express or implied, as to the title or condition of the Project or that it will be suitable to the Lessee's needs, and recognizes that the Lessor or the Trustee is not obligated to operate or maintain the Project or to expend any funds thereon, and acknowledges the Lessor and the Trustee have made no such warranty either express or implied.

(s) Except as disclosed in the Official Statement (as defined in the Trust Agreement), to the best of the knowledge of the Lessee, (i) no Hazardous Substances have been generated, treated, stored, transferred from, released or disposed of, or otherwise placed, deposited in or located on the Land, (ii) the Land is not now, and never has been, used as a landfill, dump or other disposal, storage, transfer or handling area for Hazardous Substances for industrial, military or manufacturing purposes, or as a gasoline service station or a facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products, (iii) no above ground or underground tanks have been located under, in or about the Land and subsequently removed or filled, and (iv) to the extent storage tanks currently exist on or under the Land, such storage tanks have been duly registered with all appropriate regulatory and governmental bodies and otherwise are in compliance with applicable federal, state and local statutes, regulations, ordinances, and other regulatory requirements.

(t) Except as disclosed in the Official Statement, to the best of the knowledge of the Lessee, the Land is not located in a flood hazard area and has never been subject to material damage from flooding.

Section 2.2. Representations, Covenants and Warranties of Lessor. Lessor represents, covenants and warrants as follows:

(a) Lessor is a public body corporate and politic and a political subdivision, duly organized and existing under the laws of the State and has power to enter into this Lease and by proper action has duly authorized the execution of this Lease.

(b) The Project constitutes an authorized economic development project under the Act.

(c) The governing body of Lessor has determined that the Project will promote the public interest and welfare of the State of Minnesota and the City and the people thereof through the provision of public facilities required for the purpose of providing various services to the City residents.

(d) The acquisition and construction of the Project, the issuance and sale of the Series 2026A Bonds, the execution and delivery of this Lease and the performance of all covenants and agreements of the Lessor contained in this Lease have been duly authorized by the Bond Resolution.

(e) Lessor has not made, done, executed or suffered and warrants that it will not make, do, execute or suffer any act or thing whereby its Lessor's interest in the Project shall or may be impaired or changed or encumbered, except as provided in the Indenture.

(f) To finance the Cost of the Project, Lessor proposes to issue the Series 2026A Bonds.

(g) There is no litigation pending or to the best of Lessor's knowledge threatened against Lessor relating to the Indenture, the acquisition, equipping, installation, construction or

financing of the Project or to the Series 2026A Bonds or to this Lease or questioning the organization, powers or authority of Lessor to perform its obligations hereunder.

(h) The execution and delivery of this Lease, the fulfillment of or compliance with the terms and conditions hereof, and the consummation of the transactions contemplated hereby do not conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Lessor is now a party or by which Lessor is bound or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Lessor, or upon the Project, except Permitted Encumbrances.

ARTICLE III

ACQUISITION AND CONSTRUCTION OF PROJECT

Section 3.1. Agreement to Construct the Project. Subject to the provisions of Section 3.6, the Lessor hereby makes, constitutes and appoints the Lessee its agent for the purposes of (1) constructing, equipping, bettering, installing and otherwise completing the Project, or causing the same to occur, and, subject to the terms and conditions of this Lease, which terms and conditions the Lessor determines to be necessary, desirable and proper, or (2) providing for and making all decisions with respect to such construction, equipping, installation and completion of the Project. The Lessee hereby agrees to act and do all things on behalf of the Lessor, to perform all acts and agreements of the Lessor hereinabove described in this section and to bring any actions or proceedings against any person which the Lessee might bring with respect thereto as the Lessee shall deem proper; and the Lessee further agrees that it will, in accordance with the requirements set forth in this article, cause the construction, equipping, installation and completion of the Project to occur. The parties hereto agree that, as between the Lessor and the Lessee, the Lessee shall have the sole right of possession and use of the Project for the purpose of causing the construction, installation, completion, operation and maintenance of the Project.

Subject to the provisions in Section 12.2, this appointment of the Lessee as agent, and all authority hereby conferred, are granted and conferred irrevocably in connection with the construction, equipping, installation, operation and maintenance of the Project which shall not be terminated prior thereto by act of the Lessor or of the Lessee. The Lessee agrees that title to Lessee's interest in any equipment, fixtures or other personal property financed by the Bonds which are to be affixed to the Project to be acquired after issuance of Bonds shall pass to the Lessor at the time such equipment, fixtures or other personal property is delivered to the Project. The Lessor hereby assigns to the Lessee all warranties and guarantees of all contractors, subcontractors, suppliers, architects and engineers for the furnishing of labor, materials or equipment or supervision or design in connection with the Project Costs and any rights or causes of action arising from or against any of the foregoing.

The Lessee agrees to cause the Project and all other facilities and equipment necessary in connection therewith to be substantially acquired, constructed and installed on or before August 1, 2027.

Section 3.2. Agreement to Issue Bonds; Application of Bond Proceeds; City Contribution.

(a) In order to provide funds for payment of Project Costs, the Lessor will issue and deliver to the initial purchaser thereof the Series 2026A Bonds, and the Lessor will deposit the proceeds of the Series 2026A Bonds with the Trustee in the Bond Fund, and the Construction Fund as provided in the Indenture.

(b) In order to provide funds for payment of Project Costs, the Lessee will deposit \$ _____ of funds with the Trustee in the Construction Fund, as provided in the Indenture.

Section 3.3. Disbursements from the Construction Fund. The Lessor has, in the Indenture, authorized and directed the Trustee to use the moneys in the Construction Fund to pay, or to reimburse the Lessor or Lessee, as the case may be, for payments made, for the following costs and for the following purposes:

(1) All Project Costs, including the costs of acquiring, constructing, and equipping the Project, including costs of labor and materials and other charges from architects, engineers, contractors, builders and material suppliers in connection with the design, planning, acquisition, installation and construction of the Project, and including the reasonable expenses of any employees of the Lessee performing any such functions (provided said employee costs are properly chargeable as a capital cost of the Project);

(2) Interest accruing upon the Series 2026A Bonds prior to the Completion Date and not covered by proceeds of the Series 2026A Bonds and earnings thereon deposited in the Bond Fund, and any interest which has accrued for any interim financing obtained by the Lessee incident to the acquisition, installation and construction of the Project before the Series 2026A Bonds are delivered to the initial purchaser thereof;

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

(4) The cost of acquisition and installation of equipment for completion or operation of the Project;

(5) Fees and expenses of engineers and architects for surveys and estimates and other preliminary investigations, preparation of plans and specifications, and supervising acquisition, installation and construction, as well as for the performance of all other duties of engineers and architects, as are specifically required in relation to the acquisition, installation and construction of the Project or the issuance of Bonds therefor;

(6) Expenses of administration, supervision and inspection properly chargeable to the Project, any administrative fees of the Lessor, legal expenses and fees, fiscal consultant expenses and fees, financing charges, cost of audits and of preparing, offering and issuing the Bonds, and initial and transaction fees and any expenses of the Trustee, incident to the acquisition, installation, construction and financing of the Project; and also

(7) Any other obligation or expense heretofore or hereafter incurred by the Lessor or the Lessee in connection with the acquisition, installation, equipping and construction of the Project.

All moneys in the Construction Fund (including moneys earned pursuant to the provisions of Section 3.8) remaining after the Completion Date and payment in full of the items provided for in the preceding subsections (1) to (7), inclusive, of this section, then due and payable, shall be deposited in the Bond Fund, as provided in the Indenture, and credited against amounts of Rental

Payments due or to become due; provided that amounts approved by the Lessee Representative, as to Project Costs, shall be retained by the Trustee in the Construction Fund, as directed in writing by the Lessee Representative, for payment of Project Costs not then due and payable but reasonably foreseen.

Each of the payments referred to in this section shall be made only upon the written order of the Lessee Representative as to the Project Costs; provided, that interest accruing on the Bonds during construction may be paid without an order of the Lessee Representative.

Before any of the payments referred to in the preceding subsections of this section (other than (2)) may be made, the Lessee Representative, as to the Project Costs, shall certify to the Trustee with respect to each such payment by submitting the form of Draw Request attached hereto as Exhibit C: (a) that none of the items for which the payment is proposed to be made has theretofore been paid from the Construction Fund. and (b) that each item for which the payment is proposed to be made is or was necessary in connection with the Project and is or was a Project Cost. In the case of any contract providing for the retention of a portion of the contract price, there shall be paid from the Construction Fund only the net amount remaining after deduction of any such portion.

Section 3.4. Obligation of the Parties to Cooperate in Furnishing Documents to Trustee. The Lessor and the Lessee agree to cooperate in furnishing to the Trustee the documents referred to in Section 3.3 that are required to effect payments out of the Construction Fund and to cause such orders to be directed in writing by the Lessee Representative, and to the Trustee as may be necessary to effect payments out of the Construction Fund in accordance with Section 3.3. Such obligation is subject to any provision of this Lease or the Indenture requiring additional documentation with respect to payments and shall not extend beyond the moneys in the Construction Fund available for payment under the terms of the Indenture.

Section 3.5. Establishment of Completion Date. The Completion Date shall be evidenced to the Trustee by a certificate signed by the Lessee Representative stating that construction of the Project has been completed in accordance with the Plans and Specifications and all labor, services, materials and supplies used in such construction, acquisition and installation have been paid for.

Section 3.6. Lessee Required to Pay Project Costs in Event Construction Fund Insufficient. In the event that, after the Series 2026A Bonds have been issued, the moneys in the Construction Fund available for payment of the Project Costs should not be sufficient to pay all costs required to complete the Project in accordance with the Plans and Specifications, the Lessee agrees, for the benefit of the Lessor and the Holders of the Series 2026A Bonds, to complete the Project, and the Lessee shall pay the Costs thereof directly or by causing to be deposited in the Construction Fund such amounts as are necessary and sufficient for payment of the balance of the Project Costs, and to this end Lessee shall promptly perform its obligations. The Lessor does not make any representation or warranty, either express or implied, that the moneys which will be paid into the Construction Fund and which will be available for payment of the Project Costs will be sufficient to pay all such Costs. The Lessee agrees that if after exhaustion of the moneys of the Construction Fund the Lessee should pay any portion of the Project Costs pursuant to the provisions of this Section, Lessee shall not be entitled to any reimbursement therefor from the Lessor, the Trustee,

or the Holders of any of the Series 2026A Bonds or be entitled to any diminution in or postponement of the amounts payable under Section 5.1 or 5.3.

Section 3.7. Remedies to be Pursued Against Contractors and Subcontractors and Their Sureties. In the event of default of any Contractor or subcontractor under any contract made by it in connection with the Project or in the event of breach of warranty with respect to any materials, workmanship, or performance guaranty, the Lessee will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Lessee or the Lessor against the Contractor or subcontractor so in default and against each such surety for the performance of such contract. The Lessee agrees to advise the Lessor of the steps it intends to take in connection with any such default. If the Lessee shall so notify the Lessor, the Lessee may, at its own expense and in its own name or in the name of the Lessor, prosecute or defend any action or proceedings or take any other action involving any such Contractor, subcontractor or surety which the Lessee deems reasonably necessary, and in such event the Lessor hereby agrees to cooperate fully with the Lessee and to take all action necessary to effect the substitution of the Lessee for the Lessor in any such action or proceeding, but at the expense of the Lessee. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing, after deduction of expenses incurred in such recovery, prior to the Completion Date shall be paid into the Construction Fund or, if recovered after the Completion Date and full disposition of the Construction Fund in accordance with Section 3.3, shall be paid into the Bond Fund.

Section 3.8. Investment of Construction Fund Permitted. Any moneys held as a part of the Construction Fund shall, at the written request of the Lessee Representative, be invested or reinvested by the Trustee in Qualified Investments. The type, amount and maturity of such investments shall be as specified by the Lessee Representative. The Trustee may make any and all investments permitted under this section through or from its own bond department or any of its affiliates. The Lessee covenants that the portion of the Construction Fund representing bond proceeds shall be directed to be invested and deposited only for a temporary period pending the need for expenditure to pay Project Costs, and it further covenants that said portion representing bond proceeds shall not be directed to be invested or used in such manner that any of the Series 2026A Bonds would be "arbitrage bonds" for purposes of Section 148 of the Internal Revenue Code and regulations thereunder. The Lessor and Lessee acknowledge that if the Lessee fails to provide written investment directions, such amounts shall be held by the Trustee uninvested, and the Trustee is relying on any such written investment direction as to the suitability and legality of such directed investment and its compliance with the requirements of Section 5.04 of the Indenture.

The Lessor and Lessee acknowledge that regulations of the Comptroller of the Currency grant the Lessor and Lessee the right to receive brokerage confirmations of the security transactions as they occur. The Lessor and Lessee specifically waive such notification to the extent permitted by law and will receive periodic cash transaction statements which will detail all investment transactions.

Section 3.9. Liens and Encumbrances. The Lessee shall pay, before delinquency, all costs for work done or caused to be done by the Lessee which could result in any lien or encumbrance on the Project or any part thereof, shall keep the title to the Project and every part thereof free and

clear of any lien or encumbrance in respect of such work, and shall, to the extent permitted by law, indemnify and hold harmless the Lessor against any claim, loss, costs, demand and legal or other expense, whether in respect of any lien or otherwise, arising out of the supply of materials, services or labor for such work. The Lessee shall immediately notify the Lessor of any claim or lien or other action which affects the title to the Project or any part thereof, and shall cause the same to be removed within five (5) days (or such additional time as the Lessor may permit in writing), failing which the Lessor may take such action as the Lessor deems necessary to remove the same and the entire costs thereof shall be immediately due and payable by the Lessee to the Lessor; provided, however, that the Lessee may in good faith contest any mechanic's lien by appropriate proceedings if (i) the contest does not involve the imminent threat of forfeiture, sale or disturbance of the Project or any part thereof and (ii) the Lessee provides such security as the Lessor or the Trustee, or both may reasonably request. The Lessor shall not, without Lessee's prior written consent, which consent may be withheld in the Lessee's absolute discretion, encumber its interest in the Project or any part thereof except as provided in the Indenture.

Section 3.10. Lessee's Liability. As between Lessee, the Lessor, and the Trustee, the Lessee assumes liability for all risk of loss during the acquisition, construction, installation and operation of the Improvements. The Lessee shall require that each Contractor maintain in force during the entire acquisition, construction and installation period of the Improvements, builder's risk or property damage insurance in an amount at least equal to the full value of all work done and materials and equipment provided or delivered by the Contractor, as well as comprehensive liability insurance, worker's compensation insurance and other insurance required by law or customarily maintained with respect to like projects.

ARTICLE IV

TERM OF LEASE

Section 4.1. Lease Term. Lessor hereby leases the Project to Lessee, and Lessee hereby leases the Project from Lessor upon the terms and conditions set forth in this Lease. This Lease shall be in effect for a Lease Term commencing upon the date of execution hereof and ending on the date the last Rental Payment is due and payable as shown in Exhibit B unless terminated by Lessee at the end of any Fiscal Year of Lessee occurring prior thereto in accordance with Section 4.3, or unless terminated as provided in Section 4.6.

Section 4.2. Possession and Enjoyment. Lessor hereby covenants to provide Lessee during the Term of this Lease with the quiet use and enjoyment of the Project, and Lessee shall during the Term of this Lease peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Lessor, except as expressly set forth in this Lease and the Lessor will, at the request of Lessee and at Lessee's cost, join in any legal action in which Lessee asserts its right to such possession and enjoyment to the extent Lessor lawfully may do so. Lessee may enter into a sub-lease agreement with Moorhead Public Service consistent with the terms set forth in Exhibit D to this Lease.

Section 4.3. Termination by Lessee; Effect of Non-Appropriation. In the sole event of Non-appropriation, Lessee shall have the right to terminate this Lease, in whole but not in part, at the end of any Fiscal Year of Lessee, in the manner and subject to the terms specified in this section and in Sections 4.5 and 4.6. Lessee may effect such termination by giving Lessor and the Trustee a written notice of termination and by paying to Lessor any Rental Payments and any other amounts due pursuant to Section 4.5 which are due and have not been paid, and any other amount due pursuant to Section 4.5 at or before the end of its then current Fiscal Year. Lessee shall give written notice to the Trustee and the Lessor of any such termination not less than ninety (90) days prior to the end of such Fiscal Year. If the Lessor and the Trustee are not delivered a written notice of an event of Non-appropriation with a certified copy of a resolution of the City Council the Lessee stating that Lessee will no longer appropriate any moneys to pay the Rental Payments due under this Lease, not less than ninety days prior to the end of a fiscal year then an event of Non-appropriation is deemed not to have occurred. In the event of termination of this Lease as provided in this section, Lessee shall convey to Lessor and release its interest under this Lease in the Project in accordance with Section 12.3 immediately after termination of this Lease.

Section 4.4. Intent to Continue Lease Term; Appropriations and Property Taxes. Lessee presently intends to continue this Lease for its entire Term and to pay all Rental Payments. The Lessee covenants that the chief financial official and/or other appropriate official of the Lessee will include in the officer's annual budget for each Fiscal Year and thereby request an appropriation by Lessee's City Council of an amount sufficient to meet Lessee's obligations under this Lease. To provide sufficient funds to pay the Rental Payments due hereunder, subject to the provisions in Section 4.3, Lessee shall include in each annual budget an appropriation sufficient, and shall levy such taxes as may be necessary, when combined with any other appropriated and available funds, to make the Rental Payments. Upon request of the Trustee or the Lessor, the Lessee shall provide such annual budget.

Section 4.5. Effect of Termination. Upon any termination of this Lease as described in Section 4.3, Lessee shall not be responsible for the payment of any additional Rental Payments coming due with respect to succeeding Fiscal Years. If Lessee does not deliver possession of the Project to Lessor in accordance with Section 12.3 and convey to Lessor or release its interest under this Lease in the Project immediately upon the termination of this Lease, the termination shall nevertheless be effective, but Lessee shall be responsible for the payment of damages in an amount equal to the amount of the Rental Payments coming due which are attributable to the number of days after termination of this Lease during which Lessee fails to take such actions and for any other loss suffered by Lessor as a result of Lessee's failure to take such actions as required. Termination of this Lease for any reason shall not terminate Lessee's obligations under Sections 2.1, 6.5 or 6.6 or relieve Lessee from any liability for the nonperformance of any covenant in those sections or for any inaccuracy in the representations contained in Section 2.1.

Section 4.6. Termination of Lease Term. The Term of this Lease will terminate upon any termination hereof by Lessee described in Section 4.3, upon a default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII, or upon the Lessee's exercise of its option to purchase the Project pursuant to Article X and Lessee's payment of the Purchase Option Price. Upon Lessee's purchase of the Project, this Lease shall terminate and the Lessee thereupon shall become entitled to the Project **AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE**, except that the Project shall not be subject to any lien or encumbrance created by or arising through Lessor, other than Permitted Encumbrances. To evidence the foregoing, the Lessor shall, at the request and expense of Lessee, execute such documents as the Lessee reasonably determines are required to convey and release to the Lessee, any and all of Lessor's remaining right, title and/or interest in and to the Project.

ARTICLE V

RENTAL PAYMENTS

Section 5.1. Rental Payments. Subject to Lessee's exercise of its option to purchase the Project or prepay in part Rental Payments pursuant to Article X, and payment of the Purchase Option Price, Lessee shall:

(a) On or before the date identified on Exhibit B pay the Rental Payments as set forth on Exhibit B.

(b) The Lessee shall have a credit against each Rental Payment to the extent of any investment earnings which are available and which are in excess of amounts otherwise required to pay principal of or interest on the Series 2026A Bonds.

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

Section 5.2. Place of Payment of Rental Payments; Assignment by Lessor. In accordance with Section 11.1 of this Lease and the Indenture, the Lessor is assigning its rights, title, interests and privileges, including the right to receive Rental Payments hereunder, to the Trustee to secure payment of the principal and interest on the Bonds. The Rental Payments provided for in Section 5.1 shall be paid directly to the Trustee at its corporate trust office for the account of Lessee for deposit in the Bond Fund, as provided in the Indenture.

Section 5.3. Additional Rental Payments. The Lessee shall pay Additional Rental Payments as follows:

(a) To the Trustee, for itself or remittance to the paying agents, promptly after being billed, until the principal of and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the provisions of the Indenture, (i) an amount equal to the annual fee of the Trustee as trustee, for the ordinary services of the Trustee rendered and its ordinary expenses incurred under the Indenture during the preceding billing period, (ii) the fees and charges of paying agents, authenticating agents, and registrars on the Bonds for acting as paying agent, authenticating agent, and registrar as provided in the Indenture, as and when the same become due, and (iii) the fees and charges of the Trustee for necessary extraordinary services rendered by it and extraordinary expenses incurred by it under the Indenture, as and when the same become due, other than the fees and charges which were required by reason of the gross negligence or willful default of the Trustee under the Indenture; provided, that the Lessee may, without creating a default hereunder, contest in good faith the necessity for any such extraordinary services and extraordinary expenses and the reasonableness of any such fees, charges or expenses; and

(b) To the Trustee or Lessor, as the case may be, upon demand, any amounts advanced by the Trustee for the account of the Lessee or the Lessor under the Indenture or advanced by the Lessor under this Lease; and

(c) To the Finance Director of City of Moorhead, or other appropriate authority or official for the account of the Lessee and before the same become delinquent or any penalty attaches, all taxes, special assessments, or other governmental charges imposed on or with respect to the Project or any part thereof, subject to Section 7.3; and

(d) To the Lessor, all reasonable expenses incurred by the Lessor in connection with the transactions contemplated hereby which are not otherwise required to be paid by the Lessee under the terms of this Lease; and

(e) All other costs and expenses specifically required to be paid by the Lessee or Lessor under the terms of this Lease or the Indenture.

(f) To the Lessor, upon its request, any amount of arbitrage profit required to be rebated to the United States under Section 6.07 of the Indenture.

Section 5.4. Rental Payments to be Unconditional. Except as provided in Section 4.3, the obligation of Lessee to make Rental Payments required hereunder, and to perform and observe all other covenants and agreements of Lessee contained herein, shall be absolute and unconditional in all events and the obligation to make such Rental Payments shall remain notwithstanding any dispute between Lessee and Lessor or any other person unless the Lessor shall violate the Lessee's right to quiet enjoyment of the Project to such a degree that Lessee no longer enjoys its right of possession to the Project. Lessee shall make all Rental Payments and other payments required hereunder when due and shall not withhold any Rental Payment or other payment pending final resolution of such dispute and Lessee shall not assert any right of setoff or counterclaim against its obligation to make such Rental Payments or other payments required under this Lease. Lessee shall have the right pursuant to Section 7.3 to in good faith contest taxes, special assessments, utility or other charges in accordance with the provisions of Section 7.3. However, nothing herein shall be construed to release Lessor from the performance of its obligations hereunder; and if Lessor should fail to perform any such obligation, Lessee may institute such legal action against Lessor as Lessee may deem necessary to compel the performance of such obligation or to recover damages therefor.

Section 5.5. Current Expense. The obligations of Lessee under this Lease, including its obligation to pay the Rental Payments due with respect to the Project, in any Fiscal Year for which this Lease is in effect, shall constitute a current expense of Lessee for such Fiscal Year. The Lessee's obligations hereunder shall be from year to year only and shall not constitute an indebtedness, liability or mandatory payment obligation of Lessee in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision herein shall be construed or interpreted as creating a general obligation or other indebtedness of the Lessee within the meaning of any constitutional or statutory debt limitation. Except for the lien herein created in the Project and the proceeds thereof, nothing herein shall be construed to pledge or to create a lien on any taxes or on any other class or source of money of the Lessee, nor shall any provision herein restrict the future

issuance of any bonds of the Lessee or obligations payable from any class or source of Lessee moneys.

ARTICLE VI

INSURANCE AND INDEMNIFICATION

Section 6.1. Liability Insurance. The Lessee shall, at its own expense, cause comprehensive liability and property damage insurance to be carried and maintained with respect to the activities to be undertaken by and on behalf of the Lessee in connection with the use of the Project substantially the same as insurance carried by the Lessee with respect to other governmental activities.

Section 6.2. Property Insurance. The Lessee shall cause casualty and property damage insurance to be carried and maintained with respect to the Project in an amount at least equal to the replacement value of the Project with a deductible not to exceed the deductible carried by the Lessee with respect to other similar governmental buildings (except that during construction of the Project, builders risk insurance, full value of completed structure - all risk coverage, may be substituted for property insurance required for that portion of the Project). Such coverage must apply exclusively to the Project and must be available to repair/rebuild the Project under all circumstances after the occurrence of an insured peril. Full payment of insurance proceeds up to the required policy dollar limit in connection with damage to the Project shall, under no circumstances, be contingent on the degree of damage sustained at other facilities owned or leased by the Lessee. The policy must explicitly waive any co-insurance penalty. The Net Proceeds of insurance required by this section will be applied to the prompt repair, restoration or replacement of the Project or to the prepayment of Rental Payments as provided herein. Any Net Proceeds not needed for those purposes will be paid to the Lessee.

Section 6.3. Worker's Compensation Insurance. If required by State law, Lessee shall carry Worker's Compensation Insurance covering all employees on, in, near or about the Project, and upon request, shall furnish to Lessor certificates evidencing such coverage throughout the Term of this Lease.

Section 6.4. Requirements For All Insurance. All insurance policies (or riders or endorsements to existing policies) required by this Article shall be taken out and maintained with responsible insurance companies organized under the laws of one of the states of the United States and qualified to do business in the State and rated A by Best or in the two highest categories of Standard and Poor's and Moody's and shall contain a provision that the insurer shall not cancel or revise coverage thereunder without giving written notice to the insured parties at least thirty (30) days before the cancellation or revision becomes effective. All insurance policies or riders required by Sections 6.1 and 6.2 shall name Lessee, Lessor and Trustee as insured parties and, with respect to the property insurance, shall also name the Lessor and Trustee as loss payees. During the period of completion of the Project, the requirement that Lessor and Trustee be named as an insured party under the liability insurance may be satisfied by having Lessor and Trustee named as additional insureds under the liability insurance policy carried by the general Contractor. Lessee shall annually deposit with the Trustee a certificate of the Lessee stating that the insurance it carries for the Project is in full force and effect and complies with Article VI of this Lease, and the Trustee shall be authorized to conclusively rely on such certificate. The Trustee has no duty or obligation to determine the sufficiency of such insurance requirements. Before the expiration of any such

policy (or rider), Lessee shall furnish to Lessor evidence that the policy has been renewed or replaced by another policy conforming to the provisions of this Article.

Section 6.5. Indemnification; Hazardous Substance.

(1) Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Project or any portion thereof and for injury to or death of any person or damage to any property, in any manner arising out of or incident to any possession, use, operation or condition of the Project or any portion thereof, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others. To the maximum extent permitted by law, Lessee hereby assumes responsibility for and agrees to indemnify, protect, save and keep harmless Lessor and the Trustee and their officers, directors, employees, agents, successors and assigns from and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorney's fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor or the Trustee that in any way relate to or arise out of the possession, use, operation or condition of the Project or the financing related thereto, unless caused by Lessor, the Trustee or their agents.

(2) To the maximum extent permitted by law, the Lessee hereby agrees to defend, indemnify and hold harmless Lessor, the Trustee and their officers, employees, directors, agents, successors and assigns (hereinafter collectively referred to as the "Indemnitees") from and against, and shall reimburse each such Indemnitees for any and all loss, claim, liability, damage, judgment, penalty, injunctive relief, injury to person, property or natural resources, cost, expense, action or cause of action arising in connection with or as the result of any past, present or future existence, use, handling, storage, transportation, manufacture, release or disposal of any Hazardous Substance in, on or under the Land, whether foreseeable or unforeseeable, regardless of the source, the time of occurrence or the time of discovery (hereafter collectively referred to as "Loss"). The foregoing indemnification against Loss includes, without limitation, indemnification against all costs in law or in equity of removal, response, investigation, or remediation of any kind, and disposal of such Hazardous Substances, all costs of determining whether the Land is in compliance with, and of causing the Land to be in compliance with, all applicable Environmental Laws, all costs associated with claims for damages to persons, property, or natural resources, and the Indemnitees' reasonable attorneys' and consultants' fees, court costs and expenses incurred in connection with any thereof.

(3) The obligations of Lessee to indemnify the Indemnitees shall survive satisfaction and payment in full of the Bonds, and termination of this Lease or the Lessor or Trustee reacquiring possession of the Land under the Lease. The rights of the Indemnitees hereunder shall be in addition to any other rights and remedies which the Indemnitees may have against the Land and the Lessee under this Lease or any other document or at law or in equity.

(4) Notwithstanding anything in this Lease to the contrary, if Lessor should, after subleasing the Land to the Lessee as provided herein, subsequently terminate this Lease (the date on which this event occurs being the "Termination Date"), the indemnifications described in this section shall not apply to any Loss incurred by Lessor or the Trustee as a direct result of affirmative

actions of the Lessor or the Trustee after Lessor or the Trustee has terminated this Lease if such affirmative actions of the Lessor or the Trustee are the sole and direct cause of the introduction and initial release of a Hazardous Substance in, on or under the Land; provided, however, that the Lessee shall bear the burden of proof that the introduction and initial release of such Hazardous Substance (i) occurred subsequent to the Termination Date, (ii) did not occur as a result of any action of the Lessee, and (iii) did not occur as a result of a continuing migration or release of any Hazardous Substance introduced prior to the Termination Date in, on, under or near the Project.

(5) Except as expressly provided for in this section, the indemnifications provided herein shall remain in full force and effect, including, without limitation, with respect to Hazardous Substances which are discovered or released in, on or under the Land after the Termination Date, and with respect to the continuing migration or release of any Hazardous Substance previously introduced in, on, under or near the Land. The foregoing limitations shall not affect or impair any rights, remedies or claims the Lessor or the Trustee may have outside the scope of this indemnity, at law or in equity, with respect to the Lessee or others.

Section 6.6. Damage to or Destruction or Condemnation of Project. If after the execution of this Lease all or any part of the Project is lost, stolen, condemned, destroyed or damaged, or taken by condemnation, Lessee shall either (i) as soon as practicable after such event restore and/or replace (as in the case may be required), or cause to be restored and/or replaced, the same at Lessee's sole cost and expense such restoration or replacement to be of equal or greater value to the Project or the applicable portion thereof immediately prior to the time of the loss occurrence or condemnation, whereupon such restoration or replacement shall be substituted in this Lease by appropriate endorsement, if necessary or (ii) at its option redeem the Bonds in whole but not in part. By way of example but not limitation, restoration shall include any demolition, clearance or other clean-up or safety measures reasonably required in connection with any casualty, destruction or other loss of any portion of the Project. The Net Proceeds payable with respect to the loss may be applied towards the costs of such replacement or restoration.

ARTICLE VII

OTHER OBLIGATIONS OF LESSEE

Section 7.1. Use; Permits. Lessee shall exercise due care in the construction, use, operation and maintenance of the Project, and shall not install, use, operate or maintain the Project improperly, carelessly, in violation of any State and Federal Law, or for a purpose or in a manner contrary to that contemplated by this Lease. Lessee shall obtain (or cause to be obtained) all permits and licenses necessary for the construction, operation, possession and use of the Project. Lessee shall comply with all State and Federal Laws applicable to the construction, use, possession and operation of the Project, and if compliance with any such State and Federal Law requires changes or additions to be made to the Project, such changes or additions shall be made by Lessee at its expense.

Section 7.2. Maintenance of Project by Lessee. Lessee shall, at its own expense, maintain, preserve and keep the Project in good repair, working order and condition and shall from time to time make all repairs and replacements necessary to keep the Project in such condition. Neither Lessor nor Trustee shall have any responsibility for any of these repairs or replacements.

Section 7.3. Taxes, Other Governmental Charges and Utility Charges. Except as expressly limited by this section, Lessee shall pay (or cause to be paid) all taxes and other charges of any kind which are at any time lawfully assessed or levied against or with respect to the Project, or which become due during the Term of this Lease, whether assessed against Lessee or Lessor. Lessee shall also pay (or cause to be paid) when due all gas, water, steam, electricity, heat, power, telephone, and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and all special assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments Lessee shall only be required to pay (or cause to be paid) such installments, during the Term of this Lease as and when the same become due.

Lessee may, at its own expense and in its own name, in good faith contest any such taxes, assessments, utility and other charges and shall notify the Lessor of such good faith contest and, in the event of any such contest, may permit the taxes, assessments, utility or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom but only if (1) nonpayment of any such items will not materially endanger the interest of Lessor in the Project, nor subject to loss or forfeiture the Project or any part thereof, and (2) Lessee files with the Trustee an opinion of Independent Counsel stating in effect that neither event will occur. If both conditions are not satisfied, Lessee shall promptly pay such taxes, assessments, utility or other charges or provide Lessor with full security against any loss which may result from nonpayment, in form satisfactory to Lessor.

The Lessee, at its expense, shall comply with all applicable laws to the extent any failure to comply would have a material adverse effect on the Project or the Lessor's rights hereunder, or would result in the levying of any criminal or civil penalties on either party, whether or not such compliance requires changes in the Project or property owned by the Lessee or interfere with the

use and enjoyment of the Project or any part thereof. The Lessee will take such actions at its expense, to enable the Lessee to obtain all permits and similar authorizations needed for the use of the Project.

Section 7.4. Advances. If Lessee shall fail to perform any of its obligations under this Article, Lessor may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and Lessee shall be obligated to repay all such advances on demand with interest from the date of the advance to the date of repayment. The interest rate on the advance shall be one hundred (100) basis points greater than (1) the rate of interest at which the Lessor borrowed the money advanced or, (2) if the Lessor did not borrow the money, the rate of four percent (4.0%) per annum.

Section 7.5. Lessor Access to Project. Lessee agrees that Lessor shall have the right at all reasonable times upon reasonable notice to examine and inspect the Project. Lessee further agrees that Lessor shall have such rights of access to the Project as may be reasonably necessary to cause the proper maintenance of any portion of the Project in the event of failure by Lessee to perform its obligations hereunder.

Section 7.6. Transfer of Functions. The Lessee covenants that it will, at all times during the Term of this Lease, use the Project to the fullest extent possible in the governmental functions of the Lessee. The Lessee further covenants that, to the extent it may lawfully do so under the laws of the State of Minnesota, and to the extent it would not obviate the Lessee's right to terminate this Lease at the end of any Fiscal Year, it will not transfer any governmental functions from the Project to any other location during the Term of this Lease and will not otherwise eliminate or diminish the use of the Project by the Lessee in its governmental functions unless the Lessee promptly replaces such governmental functions with other functions or programs of the Lessee which will be substituted at the Project for the transferred functions for the remaining Term of this Lease.

ARTICLE VIII

TITLE

Section 8.1. Title. During the Term of this Lease title to the Project and any and all repairs, replacements, substitutions and modifications to it under Sections 6.6 or 8.5 shall be in the Lessor. Upon any termination of this Lease described in Section 4.3 or upon a default by Lessee and Lessor's election to terminate this Lease pursuant to Article XII, Lessee shall have no further interest in the Project under this Lease. In such event Lessee shall execute and deliver to Lessor such documents as Lessor may request to evidence the termination of this Lease; and upon request by Lessor, Lessee shall deliver possession of the Project to Lessor, in accordance with Section 12.3. Upon payment in full of the Rental Payments this Lease shall terminate and the Lessor shall convey and release to the Lessee any and all of Lessor's right, title and/or interest in and to the Project. Upon payment in full of the Rental Payments this Lease shall terminate and the Lessor shall convey and release to the Lessee any and all of Lessor's right, title and/or interest in and to the Project.

Section 8.2. Security Interest. The Lessee hereby pledges, assigns and grants to the Lessor a security interest in all portions of the Project, whether now owned or existing or hereafter acquired or arising, that are deemed personal property or fixtures pursuant to applicable law, the proceeds thereof and all repairs, replacements, substitutions and modifications thereto or thereof made pursuant to Section 8.5 and a security interest in the proceeds of all insurance policies, in order to secure Lessee's payment of all Rental Payments due during the Term of this Lease and the performance of all other obligations herein to be performed by the Lessee. The Lessee will cause to be executed, filed and recorded all instruments, including financing statements and continuation statements, and will perform such acts as are required to establish and maintain a valid and perfected security interest in such portions of the Project. The Trustee shall not be responsible for filing any financing or continuation statement or recording any documents or instruments in any public office at any time or otherwise for perfecting or maintaining the perfection of any lien or security interest in the Trust Estate or under this Lease. The Trustee shall not be responsible for filing or for the sufficiency or accuracy of any financing statements initially filed to perfect security interests granted under this Lease or the Indenture.

Section 8.3. Liens. During the Term of this Lease, Lessee shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, other than the respective rights of Lessor and Lessee as herein provided and Permitted Encumbrances. Except as expressly provided in Section 7.3 and this Article, Lessee shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim if the same shall arise at any time; provided that if any such lien for labor or materials is established against the Project and Lessee shall first notify Lessor of Lessee's intention to do so, Lessee may in good faith contest any such lien, and in such event may permit the lien so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom but only if (1) nonpayment of any such item will not materially endanger the interest of Lessor in the Project and will not subject to loss or forfeiture the Project or any part thereof, and (2) the Lessee files with the Lessor an opinion of Independent Counsel stating in effect that neither event will occur.

Lessee shall reimburse Lessor for any expense incurred by Lessor in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

Section 8.4. Installation of Lessee's Equipment. Lessee may at any time and from time to time, in its sole discretion and at its own expense, install items of fixtures, equipment and other personal property in or upon the Project. All such items shall remain the sole property of Lessee, in which Lessor shall have no interest, and may be modified or removed by Lessee at any time provided that Lessee shall repair and restore on a timely basis any and all damage to the Project resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent Lessee from purchasing items to be installed pursuant to this section under a conditional sale or lease-purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, or from entering into any other loan agreement secured by a lien or security interest in such property provided that no such lien or security interest shall attach to any part of the Project. Lessor and the Trustee shall, at the request and expense of Lessee, execute such releases and other documents as Lessee reasonably determines is necessary to facilitate such purchase or loan and as are consistent with the rights of the parties under this Lease; and as a condition to executing such documents, Lessor and the Trustee may require and conclusively rely upon a written statement of Lessee that the documents comply with the provisions of this section.

Section 8.5. Modification of Project. Subject to Lessee's rights under Section 8.4, Lessee shall, at its own expense, have the right to make repairs to the Project, and to make repairs, replacements, substitutions and modifications to all or any of the parts thereof. All such work and any part or component used or installed to make a repair or as a replacement, substitution or modification, shall thereafter comprise part of the Project and be subject to the provisions of this Lease; provided, however, that an addition to the Project constructed on Lessee Land outside of the then-exterior walls of the Project will not become part of the Project. Such work shall not in any way damage the Project or cause it to be used for purposes other than those authorized under the provisions of State and Federal Law or those contemplated by this Lease; and the Project, upon completion of any such work shall be of value which is not less than the value of the Project prior to the commencement of such work. Any property for which a replacement or substitution is made pursuant to this section may be disposed of by Lessee in such manner and on such terms as are determined by Lessee. Lessor shall also at Lessee's expense execute such other releases from the provisions of this Lease for any replacement equipment as Lessee may reasonably request. For purposes of executing any such amendment or document, Lessor and Trustee may require and conclusively rely upon a written statement of Lessee that such amendment or document complies with the provisions of this section.

Section 8.6. Easements and Utility Access. Lessee may, at Lessee's expense, at any time and from time to time request Lessor to convey an easement affecting the Land to a corporate utility or public body, or any other person, upon written certification by an Independent Engineer that in its opinion the easement is necessary or desirable to provide road or other access or utility service for the Project or other property and will not impair the usefulness of the Project for the purposes contemplated in this Lease and will not destroy the means of ingress therefrom and egress therefrom. No such easement shall result in any abatement of rents or other sums payable by Lessee under this Lease. Lessor will execute the easement and will join in the execution of a

supplement to this Lease and the , providing for the subordination of this Lease and the to any such easement; but the subordination shall not become effective until the following items are filed with, and/or where applicable, executed by, the Lessor:

(1) a copy of the easement (or if Section 8.7 is applicable, release) executed or to be executed by Lessor;

(2) a plat or survey of the Land prepared and certified by a registered Minnesota land surveyor, showing the land to be subjected to the easement as described in the easement (or if Section 8.7 is applicable, the land to be released) and the location in relation thereto of all buildings, structures and permanently installed equipment on the land, and all other easements, roads, tracks and utility installations;

(3) evidence of the authority of the officers executing the lease supplement and easement (or, if Section 8.7 is applicable, the release) on behalf of Lessor and Lessee, including a certified copy of an authorizing resolution of the governing body of Lessor and of Lessee; and (4) the certificate of the Independent Engineer.

Any money received by Lessee for the easement shall be remitted to the Lessor and credited to the Bond Fund. For purposes of executing the instruments described in this section, Lessor and Trustee may require and conclusively rely upon a written statement of Lessee that the provisions of this section have been fully satisfied.

Section 8.7. Release of Unimproved Land. Lessee may, at Lessee's expense, at any time and from time to time request Lessor to release from the provisions of this Lease any part of the Land on which no building, structure or permanently installed equipment is situated, upon written certification by an Independent Engineer stating that in their opinion the Land proposed to be released is not needed for the operation of the Project for the purposes stated in this Lease, and that the release will not impair the usefulness of the Project for these purposes and will not destroy the means of ingress thereto and egress therefrom. Lessor will join in the execution of a supplement to this Lease providing for the release thereof, subject to the following conditions:

(1) the release shall not become effective until the filing with the Lessor of the following items:

(A) the items described in paragraphs (1) to (4), inclusive, of Section 8.6; and

(B) an opinion of Independent Counsel stating that the above documents satisfy the requirements of this section and that the release is in appropriate form for execution by the respective parties; and

(2) the Lessee shall not be entitled to any abatement, reduction, or diminution of any rents payable under this Lease.

Section 8.8. Covenant For the Benefit of the Bondholders. Lessee recognizes the authority of the Lessor to pledge all moneys receivable under this Lease, including any proceeds from the sale of all or a part of the Project, as security for the payment of the principal of and interest and redemption premiums, if any, on the Bonds. Each of the terms and provisions of this Lease is a covenant for the use and benefit of the Holders of the Bonds, so long as any thereof shall remain outstanding; and the Trustee shall be deemed, on behalf of the Bondholders, a third party beneficiary of said terms and conditions; but upon payment in full of the Bonds and of all fees and charges of the Trustee, all references in this Lease to the Bonds shall be ineffective, and no Holder of any of the Bonds shall thereafter have any rights hereunder, save and except those that shall have theretofore vested.

ARTICLE IX

PROJECT WARRANTIES

Section 9.1. Selection of Project. The Project and the Contractors have been and are to be selected by Lessee, and Lessor shall have no responsibility in connection therewith, or with respect to the suitability of the Project for the use intended by Lessee or any delay or failure by the Contractors to construct the Project for use by Lessee.

Section 9.2. Construction and Maintenance of Project. Lessor shall have no obligation to construct, inspect or maintain the Project or any portion thereof under any circumstances, but such actions shall be the obligation of Lessee. The Lessee shall, at its expense, keep the Project in reasonable order and condition in light of the use to which the Project will be put and will repair, restore and rebuild all building enclosures and other structures and improvements located therein to the extended provided for under this Lease.

Section 9.3. Contractors' Warranties. Lessor hereby assigns to Lessee for and during the Term of this Lease, all of its interest in all Contractors' warranties and guarantees, express or implied, issued on or applicable to the Project, and Lessor hereby authorizes Lessee to obtain the customary services furnished in connection with such warranties and guarantees at Lessee's expense.

Section 9.4. Disclaimer of Warranties. THE PROJECT IS LEASED TO LESSEE HEREUNDER AS IS, AND LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE OF THE PROJECT, OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT.

ARTICLE X

PREPAYMENT

Section 10.1. Option to Prepay in Whole or in Part. Lessee may prepay the unpaid Principal Portion of the Rental Payments, in whole or in part and if in part, in multiples of \$5,000, on February 1, 2036, or any day thereafter, at the Purchase Option Price equal to the principal amount of the Bonds outstanding and accrued interest to the next day on which they may be called for redemption, plus past due Rental Payments, and only in the manner provided in this Article.

Section 10.2. Prepayment Upon Event of Damage or Destruction of Project. Lessee may prepay the unpaid Principal Portion of the Rental Payments, in whole but not in part, upon written notice and direction to the Lessor, in the event of damage to or destruction of the Project or any part thereof, at the Purchase Option Price equal to the principal amount of the Bonds outstanding and accrued interest to the redemption date, plus past due Rental Payments, and only in the manner provided in this Article.

Section 10.3. Exercise of Purchase Option. Lessee shall give written notice to Lessor and Trustee of its intention to exercise its purchase option pursuant to Sections 10.1 or 10.2 not less than forty-five (45) days prior to the date on which the option is to be exercised and shall deposit with the Trustee on the date of exercise an amount equal to all Rental Payments and any other amounts then due or past due and the applicable Purchase Option Price. The purchase shall be on the date on which the option is to be exercised at the office of Lessor.

Section 10.4. Release of Lessor's Interest. Upon exercise by Lessee of its option to purchase Lessor's interest in the Project and payment of the Purchase Option Price, this Lease shall terminate and Lessee thereupon shall become entitled to the Project AS IS, WITHOUT WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR FITNESS FOR THE USE CONTEMPLATED BY LESSEE, except that the Project shall not be subject to any lien or encumbrance created by or arising through Lessor other than Permitted Encumbrances. To evidence the foregoing, Lessor and Trustee, as agent for and on behalf of the Bondholders, shall, at the request and expense of Lessee, execute such documents, including, but not limited to, a warranty deed, as Lessee reasonably determines are required to convey and release to Lessee, any and all of their remaining right, title and/or interest in and to the Project.

Section 10.5. Defeasance. Lessee shall have the option to provide for the payment of the Rental Payments (and, if applicable, the Purchase Option Price) by the deposit with the Trustee in escrow on behalf of the holders of the Bonds of cash or securities for which the full faith and credit of the United States are pledged for the payment of principal and interest or which are guaranteed as to payment of principal and interest by the United States, in an amount sufficient (together with interest earnings thereon) to provide for payment of said Rental Payments (and, if applicable, the Purchase Option Price) prior to their respective Payment Dates as provided in Section 5.1 through their final maturity date, or such earlier date upon which an option to purchase would have been exercisable by Lessee; provided that such earlier date is designated by Lessee as the date on which the applicable Purchase Option Price shall be paid; and provided further that Lessee files with

Lessor and Trustee an opinion of Bond Counsel stating in effect that such defeasance will not impair the tax exempt status of the Bonds. Upon exercise by Lessee of this option, this Lease and the shall terminate and, at the request and expense of Lessee, Lessor and Trustee shall convey and release their interest in the Project as provided in Section 10.4. For purposes of executing such release both the Lessor and Trustee may conclusively rely upon a report of an independent certified public accountant stating in effect that the sums held in escrow satisfy the payment requirement set forth in this section.

Section 10.6. Partial Prepayment or Defeasance. Lessee shall have the option to prepay on February 1, 2036, or any date thereafter a portion of any Rental Payment selected by the Lessee and scheduled to become due under this Lease. The Lessee shall also have the option to provide for the payment or prepayment, in increments, of a portion of Rental Payments scheduled to become due under this Lease by depositing in escrow with the Trustee sufficient funds for that purpose, in the manner and subject to the conditions set forth in Section 10.5 as if (a) those Rental Payments to be paid or prepaid were the only Rental Payments then scheduled to become due under this Lease and (b) any of the Rental Payments to be prepaid were the Purchase Option Price.

Section 10.7. Exercise of Partial Prepayment or Defeasance Option. Lessee shall give written notice to Lessor and Trustee of its intention to exercise its option to partially prepay Rental Payments or defease its Rental Payment obligations, in whole or part, as provided in Sections 10.5 and 10.6. Lessee shall give such notice not less than forty-five (45) days prior to the date on which a portion of any Rental Payments are to be prepaid, in whole or part, or the Purchase Option Price is to be paid, and shall deposit with Trustee on the date of exercise the sum required to effect such prepayment or defeasance.

Section 10.8. Credit for Partial Prepayment or Defeasance. If Lessee partially prepays or defeases any Rental Payments under Section 10.6 and thereafter elects to acquire the Project as provided in this Article, the Lessee shall be entitled to credit against the applicable Purchase Option Price an amount equal to a portion of the Rental Payments scheduled to come due after the date as of which the applicable Purchase Option Price is calculated and taken into account at the time such partial prepayment or defeasance occurred.

ARTICLE XI

ASSIGNMENT, SUBLEASING, MORTGAGING AND SELLING

Section 11.1. Assignment by Lessor. Except for Lessor's assignment of this Lease to the Trustee pursuant to the Indenture, Lessor shall not assign this Lease, in whole or in part, and no such purported assignment thereof shall be effective. The Lessor's sole obligation is to provide to the Lessee quiet enjoyment of the Project. Subject to the provisions of the Indenture, any and all of Lessor's rights, title and/or interest in and to this Lease, the Rental Payments and other amounts due hereunder and the Project may only be assigned and reassigned in whole to the Trustee without the consent of the Lessee.

Section 11.2. Assignment and Subleasing by Lessee. Except for a sub-lease to Moorhead Public Service as set forth in Exhibit D, neither this Lease nor Lessee's interest in the Project may be assigned or subleased by Lessee without the written consent of Lessor, and the Trustee and any such assignment or sublease shall not relieve Lessee from its obligations hereunder, including without limitation the obligation to make the Rental Payments hereunder; provided that Lessor's consent to any other sublease shall not be required if (1) the sublease provides that the sublessee will not take any action in derogation of Lessee's obligations hereunder, (2) a copy of the sublease is filed with Lessor and the Trustee, (3) the term of the sublease coincides with the term of this Lease, and (4) either (A) the sublease is to a Governmental Unit or (B) an opinion of Bond Counsel is first filed with the Lessor and the Trustee stating in effect that the sublease will not impair the tax-exempt status of the Bonds.

Section 11.3. Permitted Subleasing by Lessee to MPS. The Lessee is hereby authorized to enter into a sublease to Moorhead Public Service for the first floor of the facilities as more fully set forth in Exhibit D to this Lease.

Section 11.4. Restriction on Mortgage or Sale of Project by Lessee. Lessee will not sell, transfer or convey its interest in the Project or any portion thereof during the Term of this Lease without the written consent of Lessor.

ARTICLE XII

EVENTS OF DEFAULT AND REMEDIES

Section 12.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "events of default" and "default" shall mean, whenever they are used in this Lease, with respect to the Project, any one or more of the following events:

(1) Failure by Lessee to pay any Rental Payment or other payment required to be paid under this Lease at the time specified herein and, except in the case of a failure to pay when due any Rental Payment, the continuation of said failure for a period of seven days.

(2) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied has been given to Lessee by Lessor, unless Lessor shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Lessor will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

(3) The filing by Lessee of a voluntary petition in bankruptcy; or failure by Lessee promptly to lift any execution, garnishment or attachment of such consequence as would impair the ability of Lessee to carry on its governmental or proprietary function; or adjudication of Lessee as a bankrupt; or assignment by Lessee for the benefit of creditors, or the entry by Lessee into an agreement of composition with creditors; or the approval by a court of competent jurisdiction of a petition applicable to Lessee in any proceedings instituted under the provisions of federal bankruptcy laws, or any similar acts which may hereafter be enacted.

(4) The vacation or abandonment by the Lessee of the Project for a period of ninety (90) consecutive days.

The provisions of this section and Section 12.2 are subject to the following limitation: if by reason of force majeure Lessee is unable in whole or in part to carry out its obligations under this Lease with respect to the Project, other than its obligation to pay Rental Payments with respect thereto, which shall be paid when due notwithstanding the provisions of this paragraph, Lessee shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of nature; strikes, lockouts or other labor disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or the State or their respective departments, agencies or officials, or any civil or military authority; insurrections; riots, landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; or any other cause or event not reasonably within the control of Lessee and not resulting from its negligence. Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing Lessee from carrying out its obligations under this Lease; provided that the settlement of strikes,

lockouts and other labor disturbances shall be entirely within the discretion of Lessee and Lessee shall not be required to make settlement of strikes, lockouts and other labor disturbances by acceding to the demands of the opposing party or parties when such course is, in the reasonable judgment of Lessee, unfavorable to Lessee.

Section 12.2. Remedies on Default. Whenever any event of default referred to in Section 12.1 shall have happened and be continuing with respect to the Project, the Lessor, shall have the right, at its option and without any further demand or notice, to take one or any combination of the following remedial steps:

(1) Lessor, with or without terminating this Lease, may declare all Rental Payments due or to become due during the Term of the Lease to be immediately due and payable by Lessee, whereupon such Rental Payments shall be immediately due and payable. If Lessor has not terminated the Lease and has not declared all Rental Payments immediately due and payable and if Lessee has cured the event of default and has paid the late charge provided in Section 12.6, if applicable, the Lessee shall be restored to its former position before the event of default occurred.

(2) Lessor, with or without terminating this Lease, may repossess the Project or any portion thereof by giving Lessee written notice to vacate the Project, whereupon Lessee shall do so in the manner provided in Section 12.3; or in the event Lessee fails to do so within ten (10) days after receipt of such notice, Lessor may enter upon the Project and take possession of the Project and charge Lessee for costs incurred in repossessing such portion of the Project, including reasonable attorneys' fees. Lessee hereby expressly waives any damages occasioned by such repossession.

(3) If the Lessor terminates this Lease and takes possession of the Project or any portion thereof, Lessor shall have the right to lease or sell the Lessor's interests in the Project or any portion thereof, subject to Lessee's fee simple title interest therein, in a commercially reasonable manner at public or private sale in accordance with applicable State laws, and the Lessee agrees to use its best efforts to assist the Lessor in so doing. Lessor shall apply the proceeds of such sale to pay the following items in the following order; (a) all costs incurred in securing possession of the Project and prepayment of the Bonds; (b) all expenses incurred in completing the sale; and (c) the balance of any accrued Rental Payments owed by Lessee.

(4) Lessor may take any other remedy available at law or in equity to require Lessee to perform any of its obligations hereunder.

In no event, however, shall the Lessee be liable under this Article XII for Rental Payments (or the equivalent thereof) in excess of the moneys appropriated by it on a yearly basis (other than for any additional Rental Payments due if the Lessee occupies the Project after termination of this Lease pursuant to Section 4.3).

Section 12.3. Return of Project. Upon the termination of this Lease prior to the payment of all Rental Payments in accordance with Exhibit B, Lessee, shall vacate the Project in the condition, repair, appearance and working order required in Section 7.2, reasonable wear and tear, damage by the elements and insured damage excepted in the following manner as may be specified

by Lessor; (i) by executing such documents as Lessor reasonably deems necessary to transfer all of Lessee's right, title and interest under this Lease in and to the Project to Lessor and (ii) by paying all reasonable costs and expenses whether incurred by the Lessor or Trustee (including attorneys fees) with respect to such transfer of the Property, provided that nothing herein shall limit the rights of the Lessee as fee owner of the Land subject to the rights of the Lessor under the Lease. If Lessee refuses to return the Project in the manner designated, Lessor may repossess the Project and charge to Lessee the costs of such repossession or pursue any remedy described in Section 12.2.

Section 12.4. No Remedy Exclusive. No remedy conferred upon or reserved to Lessor by this Article is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient by Lessor or the Trustee.

Section 12.5. Agreement to Pay Attorneys' Fees and Expenses. In the event either party to this Lease should default under any of the provisions hereof and the non-defaulting party or Trustee should employ attorneys and/or incur other expenses for the collection of moneys or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the non-defaulting party or Trustee, as the case may be, the reasonable fees and expenses of such attorneys and/or such other reasonable expenses so incurred by the non-defaulting party or Trustee.

Section 12.6. Late Charge. Whenever any event of default referred to in Section 12.1, clause (i), hereof shall have happened and be continuing with respect to the Project, Lessor shall have the right, at its option and without any further demand or notice, to require a late payment charge equal to four percent (4.0%) of the delinquent amount or such lesser amount as may be permitted by Minnesota law if four percent (4.0%) exceeds the applicable limit under Minnesota law, and Lessee shall be obligated to pay the same immediately upon receipt of Lessor's written invoice therefor; provided, however, that this section shall not be applicable if or to the extent that the application thereof would affect the validity of this Lease.

Section 12.7. Effect of Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE XIII

ADMINISTRATIVE PROVISIONS

Section 13.1. Notices. All notices, certificates, legal opinions or other communications hereunder shall be sufficiently given and shall be deemed given if personally delivered or if telecopied or delivered by overnight express mail, with a copy to be sent by first class U.S. mail, postage prepaid, to the addresses specified in Section 13.07 of the Indenture; provided that Lessor and Lessee, by notice given hereunder, may designate different addresses to which subsequent notices, certificates, legal opinions or other communications will be sent.

Section 13.2. Financial Information. Lessee shall annually provide Lessor and, upon request, the Trustee, with current financial statements and budgets, and such other financial information relating to the ability of Lessee to continue this Lease as may be requested by Lessor or the Trustee. The Trustee will have no duty to review or analyze any such financial statements. The Trustee will not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner therein. Compliance by the Lessee with its continuing disclosure obligation under the Authorizing Resolution and Continuing Disclosure Undertaking, as required by Rule 15c2-12 of the Securities and Exchange Commission promulgated pursuant to the Securities Exchange Act of 1934, as amended, will be deemed sufficient to satisfy the requirements of this Section 13.2.

Section 13.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Lessor and Lessee and their respective successors and assigns.

Section 13.4. Severability. In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 13.5. Amendments, Changes and Modifications. This Lease may be amended or any of its terms modified only by written document duly authorized, executed and delivered by Lessor and Lessee.

Section 13.6. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provision, Article, Section or Clause of this Lease.

Section 13.7. Further Assurances and Corrective Instruments. Lessor and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be, or for otherwise carrying out the expressed intention of this Lease.

Section 13.8. Execution In Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 13.9. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.

IN WITNESS WHEREOF, Lessor and Lessee have respectively caused this Lease to be duly executed in their names and on their behalf by their duly authorized representatives.

MOORHEAD ECONOMIC
DEVELOPMENT AUTHORITY
Lessor

By _____
Its President

By _____
Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF CLAY)

The foregoing instrument was acknowledged before me on _____, 2026, by _____ and _____, the President and the Secretary, respectively, of the Moorhead Economic Development Authority, a public body corporate and politic of the State of Minnesota, on behalf of said Authority.

Notary Public

Signature and Notary page to Lease Agreement.

CITY OF MOORHEAD, MINNESOTA
Lessee

By _____
Its Mayor

By _____
Its City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF CLAY)

The foregoing instrument was acknowledged before me on _____, 2026, by _____ and _____, the Mayor and City Manager, respectively, of City of Moorhead, Minnesota, a municipal corporation and political subdivision of the State of Minnesota, on behalf of said City.

Notary Public

Signature and Notary page to Lease Agreement.

EXHIBIT A

**DESCRIPTION OF LAND, PROJECT
IMPROVEMENTS AND PROJECT EQUIPMENT**

Part I

Land

The real property located in the City of Moorhead, Clay County, Minnesota with the following legal description:

Lot 3, Block 6, Moorhead Downtown Addition, Clay County, Minnesota,
according to the recorded plat thereof.

Part II

Project Improvements

All buildings, structures, improvements and fixtures located on or to be purchased, constructed, renovated, bettered, enlarged, and otherwise improved on the Land (more specifically defined in Section 1.1 of this Lease).

Part III

Project Equipment

All items of machinery, equipment and other personal property installed or to be acquired for installation in the Project (more specifically defined in Section 1.1 of this Lease).

EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

**Moorhead Economic Development Authority
\$25,465,000 Lease Revenue Bonds, Series 2026A
(City of Moorhead, Minnesota Lease Obligation)**

[To be inserted after bond sale].

EXHIBIT C

DRAW REQUEST CERTIFICATE

I, _____ of City of Moorhead, Minnesota hereby requisition from the Construction Fund created by a Indenture of Trust (the "Indenture"), dated as of March 10, 2026, between the Moorhead Economic Development Authority (the "Authority") and U.S. Bank Trust Company, National Association, as Trustee, relating to the issuance by the Authority of \$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation) and in accordance with Section 3.3 of the Lease Agreement dated March 10, 2026 between the Authority and City of Moorhead, Minnesota (the "Lease"), the sums indicated in Exhibit A to be paid to the parties listed therein in payment and/or reimbursement for payment for the work described therein. A copy of each bill setting forth each item of Project Cost to be paid or reimbursed (and in the case of reimbursement evidence of payment of such item of Cost) as herein provided is attached hereto and incorporated herein by reference.

I HEREBY CERTIFY THAT:

- (a) each item of Project Cost for which payment or reimbursement is herein requested was necessary in connection with the Project and has not formed the basis for any previous payment from the Construction Fund;

- (b) with respect to all Project Cost items incurred under any construction contract providing for the retention of a portion of the contract price, the total amount certified for payment or reimbursement of such Project Costs does not exceed the net contract price after deducting any portion to be withheld.

City Representative

Schedule of Amounts Due and Payable From Construction Fund Directly to Named Payees:

<u>Name and Address of Payee</u>	<u>Payment Requested</u>	<u>Work Done by Payee</u>
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Schedule of Amounts Due and Payable To City From Construction Fund as Reimbursement for Payment by City:

<u>Name and Address of Payee</u>	<u>Work Done by City</u>	<u>Paid by City</u>	<u>Reimbursement Requested</u>
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EXHIBIT D

INDENTURE OF TRUST

BETWEEN

MOORHEAD ECONOMIC DEVELOPMENT AUTHORITY
as Issuer

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

Dated as of April 1, 2026

This Instrument Drafted By:

Ohnstad Twichell, PC
444 Sheyenne Street
West Fargo, ND 58078

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of April 1, 2026, is by and between the Moorhead Economic Development Authority, a public body corporate and politic of the State of Minnesota (herein sometimes called the "Issuer"), and U.S. Bank Trust Company, National Association, a national banking association with trust powers (herein sometimes called the "Trustee"):

WITNESSETH:

WHEREAS, the Issuer is authorized under the laws of Minnesota, including Minnesota Statutes, Sections 469.090 through 469.1082, inclusive, as amended, and the powers conferred on the Issuer therein (collectively, the "Issuer Powers Act") to issue revenue bonds in aid of certain projects; and

WHEREAS, the City of Moorhead, Minnesota (the "City") is authorized under Minnesota Statutes, Section 465.71 and 469.041 as amended (the "City Powers Act"), to acquire the interest in real and personal property pursuant to a Lease Agreement, dated as of April 1, 2026 (the "Lease"), and

WHEREAS, the Issuer has agreed to issue its \$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota Lease Obligation), dated as of the Date of Original Issuance (the "Series 2026A Bonds," or the "Bonds"), the proceeds of which will be used to finance the cost of reconstruction of City Hall (the "Project") in the City under the Issuer Powers Act; and

WHEREAS, the Issuer has deemed it advisable to enter into this Indenture and has duly authorized the issuance of the Series 2026A Bonds as provided herein; and

WHEREAS, the proceeds of the Series 2026A Bonds, together with any other required funds, **will** be used for the specific authorized purpose of providing funds to pay Project Costs; and

WHEREAS, the Lease requires that, from and after the date hereof, the City make Rental Payments to the Issuer thereunder in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the Series 2026A Bonds, when due; and

WHEREAS, the execution and delivery of this Indenture and the Lease and the issuance of the Series 2026A Bonds have been authorized by the Board of Commissioners, the governing body of the Issuer, pursuant to a resolution adopted by the Board of Commissioners on February 2, 2026 (the "Bond Resolution"); and

WHEREAS, the issuance of the Bonds by the Issuer has been approved by the City Council of the City of Moorhead, Minnesota, on January 26, 2026; and

WHEREAS, the execution and delivery of the Lease has been authorized by the City Council, the governing body of the City, pursuant to a resolution adopted by the City Council on January 26, 2026; and

WHEREAS, the Project is essential to the operations of the Issuer and the City and

WHEREAS, the form of the Series 2026A Bonds is in substantially the form attached hereto as Exhibit B; and

WHEREAS, the Trustee hereby accepts the trust created by this Indenture and in evidence thereof has joined in the execution hereof.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

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

I.

All of the rights, title and interests and privileges of the Issuer in, to and under the Lease, except for the rights of the Issuer under Sections 5.3(c), 6.5, 12.5 and 12.6 of the Lease.

II.

A first lien on and pledge of (i) the moneys and investments in the Bond Fund covenanted to be created and maintained under this Indenture and (ii) moneys and investments in the Construction Fund not used to pay Project Costs.

III.

The option and any and all other property of every name and nature from time to time hereafter by delivery or by writing of any kind conveyed, assigned or transferred, or in which a security interest is granted, by the Issuer or the City or by anyone on behalf of them or with their written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same to the terms hereof, and all insurance proceeds and condemnation awards or other moneys represented by "Trust Moneys" (as defined in Section 5.01).

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

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

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

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

ARTICLE I DEFINITIONS AND INTERPRETATION

Section 1.01 Definitions. Unless the context otherwise requires, the terms defined in this article and in the recitals and succeeding articles of this Indenture shall, for all purposes of this Indenture and of any indenture supplemental hereto, have the meanings herein specified; and any term defined in the Lease which is used but not otherwise defined herein shall have the meaning in this Indenture as is prescribed for that term in the Lease.

Act: collectively the Issuer Powers Act and the City Powers Act, as amended from time to time.

Additional Bonds: any additional bonds issued pursuant to the terms and conditions of Section 2.11.

Additional Rental Payments: rent payable for the purposes provided for in Section 5.3 of the Lease.

Beneficial Owner: means the person for which a DTC Participant holds an interest in the Bonds as shown on the books and records of the DTC Participant.

Board: the Board of Commissioners, the governing body, of the Issuer.

Bond Counsel: means Ohnstad Twichell or any other attorney or firm of attorneys nationally recognized as experienced in matters relating to the tax-exempt financing of projects within the City and acceptable to the City and the Issuer.

Bond Fund: the Bond Fund created under Section 5.02.

Bond Register: the register maintained by the Trustee pursuant to Section 2.04.

Bond Resolution: the Parameters Resolution adopted by the Board on February 2, 2026, authorizing the issuance and sale of the Series 2026A Bonds, as the same may be amended, modified or supplemented.

Bonds: the Series 2026A Bonds and any Additional Bonds.

Cede & Co.: means, initially, Cede & Co., as nominee of DTC and any successor or subsequent such nominee designated by DTC respecting DTC's functions as book-entry depository for the Bonds.

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

Certified Resolution: a copy of a resolution of the Board, certified by the Issuer's Executive Director or other appropriate official to have been duly adopted by the Board and to be in full force and effect on the date of such certification.

City: means the City of Moorhead, a municipal corporation and political subdivision of the State of Minnesota.

City Representative: the Mayor or the City Manager, or any other person at any time designated to act in on behalf of the City by written certificate furnished to the Issuer and the Trustee, containing the specimen signature of such person and signed on behalf of the City by its Mayor or the City Manager.

Continuing Disclosure Undertaking: means the Continuing Disclosure Undertaking by the City, dated as of April 2, 2026.

City: the City of Moorhead, Minnesota, a municipal corporation and political subdivision of the State of Minnesota.

Co-Trustee: any co-trustee as permitted pursuant to Section 8.18.

Collateral Document: collectively, the Lease and any other security instruments now or hereafter given to the Trustee by the Issuer or the City to secure the Bonds.

Completion Date: the date certified as provided in Section 3.5 of the Lease.

Construction Fund: the Construction Fund created under Section 4.02.

Construction Period: the period between the beginning of construction of the Project or the date on which the Series 2026A Bonds are first delivered to the purchaser thereof, whichever is earlier, and the Completion Date.

Date of Original Issuance: April 2, 2026.

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

DTC: means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, or any successor book-entry securities depository for the Bonds appointed pursuant to Section 2.09.

DTC Participant: means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds or securities as depository.

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

Financial Newspaper: The *FM Extra* or any other newspaper or journal of general circulation in the English language in Moorhead, Minnesota.

Fiscal Year: the fiscal year of the City, currently being the 12-month period commencing on January 1 in each year and ending on December 31, of the same year.

Funds: the Bond Fund and the Construction Fund.

Government Obligations: direct obligations of the United States of America or obligations the full and timely payment of the principal of and any interest on which is unconditionally guaranteed by the United States of America.

Holder, Bondholder or Owner: the person or persons in whose name any Bond shall be registered.

Indenture: this Indenture of Trust, and any amendments or supplements hereto.

Independent: any person who is not an officer or a full-time employee of the Issuer or the City.

Independent Counsel: an Independent attorney duly admitted to practice law before the highest court of any state.

Independent Engineer: an Independent engineer or engineering firm or an Independent architect or architectural firm qualified to practice the profession of engineering or architecture under the laws of the State of Minnesota.

Interest Payment Date: for the Series 2026A Bonds, each August 1 and February 1 commencing February 1, 2027.

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

Issuer: the Moorhead Economic Development Authority.

Issuer Powers Act: Minnesota Statutes, Sections 469.090 to 469.1082 and all powers referenced therein as from time to time amended.

Issuer Representative: the President or the Executive Director of the Issuer and any other person or persons at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee, containing the specimen signature of such person and signed on behalf of the Issuer by its President or Executive Director.

Land: the real property leased to the City under the Lease and described in Exhibit A hereto.

Lease: the Lease Agreement, dated as of April 1, 2026, by and between the Issuer, as Lessor, and the City, as Lessee.

Opinion of Counsel: a written opinion of counsel (who need not be Independent Counsel unless so specified) appointed by the Issuer or City.

Outstanding: used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.03 pertaining to Bonds held by the Issuer or the City) all Bonds theretofore authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds for the payment or redemption of which funds or direct obligations of or obligations fully guaranteed by the United States of America in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given pursuant to Article III, or provision satisfactory to the Trustee shall have been made for the giving of such notice, all as provided in Article X; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the terms of Section 2.07 pertaining to replacement of Bonds.

Project Costs: the costs defined in the Lease.

Purchaser: [_____].

Qualified Investments: obligations in which the Issuer is authorized by law to invest, subject to the further limitation that they also constitute one of the following:

A. governmental bonds, notes, bills, mortgages (excluding high-risk mortgagebacked securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress;

B. any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service at the time of investment;

C. any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service at the time of investment;

D. a general obligation of the Minnesota housing finance agency which is a moral obligation of the State of Minnesota and is rated "A" or better by a national bond rating agency at the time of investment;

E. commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy (270) days or less at the time of investment;

F. time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States' banks;

G. agreements or contracts for guaranteed investment contracts if issued or guaranteed by United States' commercial banks, domestic branches of foreign banks, United States' insurance companies, or their Canadian subsidiaries, the credit quality of short- and long-term unsecured debt of the issuer's or guarantor's of which must be rated in one of the two highest categories by a nationally recognized rating agency; and should the issuer's or guarantor's credit quality be downgraded below "A", the government entity must have withdrawal rights;

H. agreements or contracts for shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in Minnesota Statutes, Sections 118A.04 and 118A.05;

I. agreements or contracts for units of a short-term investment fund established and administered pursuant to Regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in Minnesota Statutes, Sections 118A.04 and 118A.05;

J. agreements or contracts for shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of Rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or

K. agreements or contracts for shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than thirteen (13) months.

Ratings of Qualified Investments referred to herein shall be determined at the time of purchase of such Qualified Investments, and the Trustee shall have no duty or obligation to monitor the ratings of Qualified Investments after the initial purchase of such Qualified Investments, including at the time of reinvestment of earnings thereof.

Rebate Expert: Bond Counsel or any other person experienced in matters relating to compliance with the rebate requirements under Section 148(f) of the Code, selected by the Issuer.

Rebate Fund: any "Rebate Fund" created by the Trustee under Section 6.07.

Regular Record Date: the meaning given that term in Section 2.05.

Rental Payments: rental payments payable by the City under Article V of the Lease.

Representation Letter: means such letter of representations to DTC or other documentation required by DTC as a condition to its acting as book-entry depository for the Bonds together with any replacement thereof or amendment or supplement thereto (and including any structured procedures or policies referenced therein or applicable thereto) respecting the procedures and other matters relating to DTC's role as book-entry depository for the Bonds.

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

Series 2026A Bonds: the \$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation), dated the Date of Original Issuance, of the Issuer authorized by this Indenture and the Bond Resolution and described in Section 2.01.

Special Record Date: has the meaning set forth in Section 2.05.

Trustee: U.S. Bank Trust Company, National Association, St. Paul, Minnesota, or the successor thereto at the time serving as such trustee under this Indenture.

Trust Funds: the funds established under this Indenture, other than the Rebate Fund.

Trust Estate: the property and funds described in the granting clauses of this Indenture, including the Trust Funds.

Section 1.02 Additional Provisions as to Interpretation. All references herein to "articles," "sections" and other subdivisions are to the corresponding articles, sections or subdivisions of this Indenture; and the words "herein", "hereof", "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof. The terms defined in this article shall include the plural as well as the singular.

Whenever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or funds in the necessary amount to pay or redeem any Bonds, the amount so to be deposited or held shall be the principal amount of such Bonds and all unpaid interest thereon to maturity, except that in the case of Bonds which are to be redeemed prior to maturity and in respect of which there shall have been furnished to the Trustee proof satisfactory to it that notice of such redemption on a specified redemption date has been duly given or provision satisfactory to the Trustee shall be made for such notice, the amount so to be deposited or held shall be the principal amount of such Bonds and interest thereon to the redemption date, together with the redemption premium, if any.

Any terms defined in the Lease but not defined herein shall have the same meaning herein unless the context hereof clearly requires otherwise.

This Indenture is governed by and shall be construed in accordance with the laws of the State of Minnesota.

IT IS THE SPECIFIC PURPOSE AND INTENT OF THIS INDENTURE, AND ANY OTHERS ANCILLARY HERETO, THAT THE ISSUER SHALL UNDERGO NO EXPENSE OF WHATEVER NATURE, KIND OR VARIETY. THE TRUSTEE AND THE ISSUER (AND THE CITY) DO SPECIFICALLY AGREE THAT THE CITY SHALL PAY ANY AND ALL EXPENSES AND FEES OF THE TRUSTEE RELATING DIRECTLY OR INDIRECTLY TO THE PROJECT IN ANY FASHION WHATEVER. IN THE EVENT ANY CONFLICT OF LANGUAGE SHALL BE NOW OR SUBSEQUENTLY DETERMINED, THIS PROVISION SHALL IN ALL RESPECTS GOVERN THE FISCAL RESPONSIBILITIES OF BOTH THE ISSUER AND THE CITY.

ARTICLE II

FORM, EXECUTION AND REGISTRATION OF BONDS

Section 2.01 Form, Maturities and Denomination of Series 2026A Bonds. The Series 2026A Bonds shall be designated "Moorhead Economic Development Authority, \$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, Minnesota, Lease Obligation)". The form of the Series 2026A Bonds shall be substantially in the form set forth in Exhibit B. The Series 2026A Bonds shall be in printed form in the denomination of \$5,000, or any integral multiple thereof, initially numbered R-1 upwards, and shall be dated the Date of Original Issuance. The Series 2026A Bonds issued in exchange for or transfer of other Series 2026A Bonds shall bear interest from the date to which interest has been paid on the Series 2026A Bonds being surrendered for exchange on transfer. The Series 2026A Bonds shall bear interest payable semiannually on August 1 and February 1 of each year, commencing February 1, 2027 (each an "Interest Payment Date"). The principal or redemption price (if applicable) of the Series 2026A Bonds shall be payable to the Holder upon presentation and surrender at the office of the Trustee, except as otherwise provided in Section 2.09. The Series 2026A Bonds shall be payable in such coin or currency of the United States of America as may at the time be legal tender for the payment of public and private debts, and interest on Series 2026A Bonds shall be paid by check or draft mailed to the Holder at the Holder's address. The Regular Record Date for the payment of interest on the Series 2026A Bonds payable on any Interest Payment Date shall be the fifteenth day (whether or not a Business Day) of the calendar month preceding each Interest Payment Date. The Series 2026A Bonds shall be in the aggregate principal amount of \$25,465,000, shall mature on February 1 in the years and amounts and shall bear interest at the rates per annum, according to years of maturity, as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
2028	\$ 855,000		2038	\$1,430,000	
2029	\$ 895,000		2039	\$1,430,000	
2030	\$ 940,000		2040	\$1,490,000	
2031	\$ 990,000		2041	\$1,550,000	
2032	\$1,040,000		2042	\$1,620,000	
2033	\$1,090,000		2043	\$1,695,000	
2034	\$1,145,000		2044	\$1,770,000	
2035	\$1,200,000		2045	\$1,855,000	
2036	\$1,260,000		2046	\$1,940,000	
2037	\$1,325,000				

Section 2.02 Execution of Bonds. The Bonds shall be executed in the name of the Issuer by the manual or facsimile signatures of the President and Executive Director of the Issuer, and said signatures shall be authenticated by the manually executed signature of a Responsible Officer of the Trustee, which is hereby designated and appointed as authenticating agent, paying agent, registrar, and transfer agent for the Bonds. The official seal of the Issuer shall be omitted from the Bonds, as permitted by law. In the event that any of the officers who shall have signed any of the Bonds shall cease to be officers of the Issuer before the Bonds shall have been authenticated or

delivered by the Trustee, issued by the Issuer, or transferred or exchanged, such Bonds may nevertheless be authenticated, delivered, and issued, and upon such authentication, shall be binding upon the Issuer as though those officers who signed and sealed (if not omitted) the same had continued to be such officers of the Issuer; and, also, any Bond may be (but shall not be required to be) signed on behalf of the Issuer by such person who, at the actual date of execution of such Bond, shall be the proper officer of the Issuer, notwithstanding that on the date of such Bond such person shall not have been such an officer of the Issuer. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Series 2026A Bonds to the Trustee for authentication.

Section 2.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless a Responsible Officer of the Trustee shall manually endorse and execute on such Bond a certificate of authentication substantially in the form of the Trustee's certificate set forth in Exhibit B hereto. Such Trustee's certificate upon any Bond executed on behalf of the Issuer shall be conclusive evidence that the Bond so authenticated has been duly issued under this Indenture and that the Holder thereof is entitled to the benefits of this Indenture.

No Bonds shall be authenticated by the Trustee except in accordance with this article.

The Trustee shall not be required to authenticate any Bond or Bonds unless provided with the documents referred to in Section 2.08.

Section 2.04 Registration, Transfers and Exchange. As long as any of the Bonds issued hereunder shall remain outstanding, the Trustee shall, on behalf of the Issuer, maintain and keep at the office of the Trustee, acting in its capacity as paying agent and registrar for Bonds, records for the payment of the principal of and interest on such Bonds, as in this Indenture provided, and for the registration and transfer of such Bonds, and shall also keep at said office of the Trustee books for such registration and transfer. The Issuer does hereby appoint the Trustee, and its successors in the trust from time to time, as its agent to maintain said office and agency at the office of the Trustee.

Upon surrender for transfer of any fully registered Bond at the office of the Trustee with a written instrument of transfer or authorization for exchange, in form and with guaranty of signature satisfactory to the Trustee, duly executed by the Holder or the Holder's duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, the Issuer shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more fully registered Bonds of the same series, of any authorized denominations and of a like aggregate principal amount, interest rate and maturity; provided that until termination of the book-entry only system pursuant to Section 2.10, the Bonds may only be registered in the name of DTC or its nominee. Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC. The execution by the Issuer of any Bond of any denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

Except as the right of exchange may be limited as to Bonds of any series, fully registered Bonds, upon surrender thereof at the office of the Trustee, may, at the option of the Holder thereof,

be exchanged for an equal aggregate principal amount of fully registered Bonds of the same series, maturity and interest rate of any authorized denominations.

In all cases in which the privilege of exchanging Bonds or transferring fully registered Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. For every such exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. Notwithstanding any other provision of this Indenture, the cost of preparing each new Bond upon each exchange or transfer, and any other expenses of the Issuer or the Trustee incurred in connection therewith (except any applicable tax, fee or other governmental charge) shall be paid by the City pursuant to the Lease. The Issuer and the Trustee shall not be obligated to make any such exchange or transfer of Bonds during the fifteen (15) days next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of Bonds. The Issuer and Trustee shall not be required to make any transfer or exchange of any Bonds called for redemption.

Transfers are subject to the requirements of the Depository as long as the Bonds are held in Book-Entry Form.

Section 2.05 Payment of Interest on Series 2026A Bonds; Interest Rights Preserved. Interest on the Bonds which is payable on any Interest Payment Date shall be paid to the person in whose name that Bond is registered at the close of business on the fifteenth day (whether or not a Business Day) of the month preceding said Interest Payment Date (the "Regular Record Date").

Any interest on a Bond which is payable, but which is not punctually paid or duly provided for, on any Interest Payment Date ("Defaulted Interest") shall forthwith cease to be payable to the Holder thereof as of the relevant Regular Record Date and shall instead be paid by the Issuer as provided below:

The Issuer may elect to make payment of any Defaulted Interest on Bonds to the persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Section provided and not otherwise to be deemed part of the Trust Estate. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest, in accordance with the written direction of the Issuer, which shall be not more than fifteen or less than ten (10) days prior to the date of the proposed payment and not less than ten (10) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee

shall promptly notify the Issuer of such Special Record Date and, in the name of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first class postage prepaid, to each Holder of a Bond affected thereby at the Holder's address, as it appears in the registration books, not less than ten (10) days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the affected Bonds are registered on such Special Record Date.

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

Section 2.06 Ownership of Bonds. The Issuer and the Trustee and their respective successors may deem and treat the person in whose name any Bond shall be registered as the absolute owner thereof for all purposes, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary. Payment of or on account of the principal of and interest on any such Bond shall be made only to or upon the order of the registered owner thereof (subject to the provisions hereof respecting the Regular Record Date and, if applicable, any Special Record Date), but such registration may be changed as above provided.

Section 2.07 Replacement of Mutilated, Destroyed, Stolen or Lost Bonds. In case any Outstanding Bond shall become mutilated, destroyed, stolen or lost, the Issuer shall execute and the Trustee shall authenticate and deliver in exchange therefor or replacement thereof a new Bond of like tenor, number and amount as the Bond so mutilated, destroyed, stolen or lost, upon surrender of such Bond, if mutilated, or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Trustee that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Trustee and the Issuer with indemnity satisfactory to it and complying with such other reasonable regulations as the Trustee may prescribe and paying such reasonable expenses as the Trustee and the Issuer may incur in connection therewith. In the event any such Bond shall have matured, instead of issuing a new Bond, the Issuer may pay the same without surrender thereof.

Section 2.08 Conditions for Authentication of Series 2026A Bonds. The Trustee shall not authenticate and deliver the Series 2026A Bonds unless there shall have been delivered to the Trustee the following:

- (a) A certified copy of the Bond Resolution authorizing the issuance of the Series 2026A Bonds and the execution and delivery by the Issuer of this Indenture, and the Lease.
- (b) Executed counterparts of this Indenture, the Lease, and the Continuing Disclosure Undertaking.
- (c) A certified copy of the resolution of the City Council of the City authorizing the execution and delivery of the Lease and approving the terms of this Indenture.

(d) The manually signed approving opinion of Ohnstad Twichell, P.C., as Bond Counsel for the Issuer, concerning the validity and legality of the Series 2026A Bonds and exemption of interest thereon from federal income taxation under the Internal Revenue Code and exemption from State of Minnesota income taxation under Minnesota Statutes.

(e) Such further certifications, documents and Opinions of Counsel as the Issuer, the Purchaser, or Bond Counsel may require, the satisfaction of such requirements to be conclusively evidenced by the delivery of the opinion of Bond Counsel referred to in paragraph (d) above. The Trustee shall have no duty or obligation to review the contents thereof and shall receive such items solely as a repository on behalf of the bondholders.

Section 2.09 Book-Entry Only System. DTC will act as securities depository for the Bonds. The Bonds shall be issued in the form of a separate single fully registered bond for each separate maturity of the Bonds. Upon initial issuance, the ownership of the Bonds shall be registered in the Bond Register in the name of Cede & Co., as the nominee of DTC.

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

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

Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the transfer provisions in Section 2.04, references to "Cede & Co." in this section shall refer to such new nominee of DTC.

Notwithstanding the provisions of this Indenture to the contrary (including without limitation surrender of Bonds, registration thereof, and Authorized Denominations), as long as the Bonds are in book-entry form, full effect shall be given to the Representation Letter and the

procedures and practices of DTC thereunder. Neither the Trustee nor any agent shall have any responsibility or liability for any actions taken or not taken by DTC.

Section 2.10 Termination of Book-Entry Only System. DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Issuer and discharging its responsibilities with respect thereto under applicable law. The Issuer may terminate the services of DTC with respect to the Bonds if it determines that DTC is no longer able to carry out its functions as security depository as contemplated herein.

Upon the termination of the services of DTC as provided in the preceding paragraph, the Issuer shall take all reasonable and diligent steps as may be necessary to find an alternate bookentry depository, but if (and only if) no such substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable or customary terms, then the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in whatever name or names the Bondholders shall designate at that time, in accordance with Section 2.04. To the extent that the Beneficial Owners are designated as the transferee by the Bondholders, in accordance with Section 2.04 the Bonds will be delivered in appropriate form, content and Authorized Denomination to the Beneficial Owners.

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

Section 2.11 Issuance of Additional Bonds.

After the delivery of the Series 2026A Bonds, the Issuer and the City may from time to time, upon the conditions stated in this section, agree upon and approve the issuance and delivery of Additional Bonds for completing, improving, expanding or modifying the Project, including the refunding of any Bonds, payable equally and ratably from the revenues of the Project pledged and appropriated hereunder with the Bonds, but bearing such date or dates and interest rate or rates and with such maturities and redemption dates and premiums as may be agreed upon. Every series of such Additional Bonds shall be authorized by an amendment to the Lease and a supplement to this Indenture, establishing the terms thereof, providing for any additional facilities to be financed by the Additional Bonds as part of the Project, and providing for Additional Rental Payments sufficient to pay the interest when due for such Additional Bonds, and to pay and redeem all such Additional Bonds at or before maturity as provided in such supplement to this Indenture. Each series of Additional Bonds shall be executed, authenticated and delivered as provided in this Article II upon filing with the Issuer original executed counterparts of the supplement to the Indenture and the amendment to the Lease, together with such additional certificates, opinions and other documents described in Section 2.08 as Bond Counsel determines to be applicable. No such Additional Bonds, however, shall be issued unless the following conditions are met:

(a) The Lease shall be in effect, and no "event of default", as such term is defined in the Lease, shall exist thereunder; and

(b) The Issuer shall have been furnished an opinion of Bond Counsel to the effect that the issuance of the Additional Bonds will not impair the tax-exempt status of the interest on the Bonds; and

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

(d) There shall have been furnished to the Issuer a certificate of a City Representative to the effect that the proceeds of the Additional Bonds, together with any additional funds supplied or to be supplied by the City will be sufficient to complete the cost of the improvement, expansion or modification of the Project or the cost of the refunding, as the case may be.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01 Redemption of Series 2026A Bonds.

(a) Optional Redemption. The Series 2026A Bonds maturing on February 1, 2037, and thereafter, are subject to prior redemption at the option of the Issuer, upon the written direction of the City, on February 1, 2036, and on any date thereafter, at a redemption price equal to par plus accrued interest to date of redemption. Redemption may be in whole or in part, and if in part, the Issuer shall determine the amount of Bonds of each maturity to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the Bonds of that maturity shall be chosen by lot by the Trustee.

(b) Mandatory Redemption. Bonds maturing on February 1 in the year _____ (the "Term Bonds") shall be redeemed by lot on February 1 in the following years and principal amounts, at their principal amount, without any premium, plus accrued interest thereon to such redemption date (after any credits are made as provided below):

Mandatory Redemption Schedule

February 1, [_____]	Term Bond (inclusive)	Year	Principal Amount
			\$
	(maturity)		

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bonds then outstanding.

The Issuer may, at its option to be exercised on or before the fifteenth day next preceding any date specified in the Mandatory Redemption Schedule above, deliver to the Bond Registrar written notice, which shall (i) specify a principal amount of such Term Bonds previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Bond Registrar and not theretofore applied as a credit against any redemption of Bonds pursuant to the above Mandatory Redemption Schedule, and (ii) instruct the Bond Registrar to apply the principal amount of such Term Bonds so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer. Each such Term Bond so delivered or previously redeemed or purchased and cancelled shall be credited by the Bond Registrar against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

(c) Calamity Redemption. All Bonds, in whole but not in part, are subject to redemption and prior payment at the option of the City, upon the written notice and direction to the Issuer, at

the principal amount thereof plus accrued interest on any date in the event of damage to or destruction of the Project or any part thereof to the extent provided in Section 6.6 of the Lease.

(d) Notice of Redemption. Notice of any such redemption shall be mailed as provided in Sections 3.02 and 3.03. On or prior to the date fixed for redemption, funds shall be deposited with the Trustee sufficient to pay the Bonds called and accrued interest thereon. Upon the happening of the above conditions, any Bonds thus called shall not bear interest after the call date, and except for the purpose of payment by application of the funds so deposited, shall no longer be protected by the Indenture.

Section 3.02 Written Notice to Trustee. If the Bonds are to be redeemed pursuant to Section 3.01, and written notice of an election to redeem Bonds shall have been given by the Issuer to the Trustee, at least forty-five (45) to sixty (60) days prior to the redemption date, the Trustee shall prepare a notice in the name of the Issuer describing the outstanding Bonds to be redeemed, the date of redemption, and the redemption price.

Section 3.03 Mailing of Notice. Notice of redemption shall be mailed by the Trustee, not less than thirty (30) days and not more than sixty (60) days before the redemption date, by first class mail to the Holders of all Bonds which are to be redeemed, at their last addresses appearing upon the Bond Register.

Section 3.04 Deposit for Redemption. On or prior to the date fixed for redemption, there shall be deposited with the Trustee, in cash, an aggregate amount which shall be sufficient to pay the redemption price on the Bonds to be redeemed, and interest thereon to the redemption date; and there shall be deposited, or arrangements shall be made with the Trustee to deposit, with the Trustee a sum sufficient to pay the proper expenses and charges of the Trustee in connection with such redemption. Upon deposit with the Trustee of the aggregate amount of such redemption price and interest pursuant to this section, such moneys shall be set aside by the Trustee and held by it for the account of the respective Holders of the Bonds being redeemed.

Section 3.05 Payment of Redeemed Bonds. After notice of redemption shall have been given as provided in Section 3.03, the Bonds specified in such notice shall become due and payable on the redemption date. Payment of the redemption price thereof shall be made to or upon order of the Holder, upon the surrender of the Bonds. Any installment of interest maturing on or prior to the redemption date shall be payable to the Holders of Bonds registered as such on the relevant Regular Record Dates according to the terms of such Bonds and the provisions of Section 2.05, and the notice of redemption herein provided for may so state. If redemption moneys are available for the payment of all of the Bonds duly called for redemption on the redemption date, the Bonds so called shall cease to draw interest after the redemption date, and such Bonds shall not be deemed to be Outstanding hereunder for any purpose, except that the Holders thereof, on presentation, as herein provided, shall be entitled to receive payment of the redemption price thereof from the moneys set aside by the Trustee as aforesaid.

Section 3.06 Cancellation of Redeemed Bonds. All Bonds so redeemed, shall forthwith be cancelled and destroyed by the Trustee in accordance with the customary practices of the Trustee

and applicable record retention requirements; and no further Bonds shall be executed or authenticated or issued hereunder in exchange or substitution therefor.

Section 3.07 Partial Redemption of Bonds. If less than all of the Bonds of a particular maturity at the time Outstanding are to be called for prior redemption, the amount of Bonds or portions thereof of such maturity to be redeemed shall be selected by the Issuer at the direction of the City, provided that within any particular maturity, the Bonds to be redeemed shall be selected by the Trustee by random selection. The Trustee shall call for redemption in accordance with the foregoing provisions as many Bonds or portions thereof as will, as nearly as practicable, exhaust the moneys available therefor. Particular Bonds or portions thereof shall be redeemed only in integral multiples of principal amount of \$5,000.

In the case of Bonds of denominations greater than \$5,000, if less than all of such Bonds of a given stated maturity then Outstanding are to be called for redemption, then for all purposes in connection with redemption each \$5,000 of principal amount of such Bonds shall be treated as though it were a separate Bond of the denomination of \$5,000 bearing one of the numbers borne by such Bond. If it is determined that one or more, but not all of the \$5,000 units of principal amount represented by any such Bond is to be called for redemption, then upon notice of intention to redeem such \$5,000 unit or units, the Holder of such Bond shall surrender such Bond to the Trustee (1) for payment of the redemption price (including the redemption premium, if any, and interest to date fixed for redemption) of the \$5,000 unit or units of principal amount called for redemption and (2) exchange for a new Bond or Bonds of the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, which shall be executed, authenticated and delivered to the Holder thereof without charge therefor. If the Holder of any such Bond of a denomination greater than \$5,000 shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the \$5,000 unit or units of principal amount called for redemption (and to that extent only). Interest shall cease to accrue on the portion of the principal amount of such Bond represented by such \$5,000 unit or units of principal amount on and after the date fixed for redemption, provided that funds sufficient for the payment of the redemption price shall have been deposited with the Trustee and shall be available for the redemption of said \$5,000 unit or units on the date fixed for redemption, and in such event, such Bond shall not be entitled to the benefit or security of this Indenture to the extent of the portion of its principal amount (and accrued interest thereon to the date fixed for redemption and applicable premium, if any) represented by such \$5,000 unit or units of principal amount.

Section 3.08 Conditional Redemption of Bonds. Notwithstanding any provisions in this article to the contrary, the Issuer may condition redemption of Bonds on receipt of sufficient monies no later than the Business Day next preceding the redemption date. This condition shall be stated in the notice of redemption, and if for any reason the monies are not received by such Business Day, the redemption shall be automatically cancelled, interest shall continue to accrue and be entitled to the benefits of this Indenture on and after the date on which the Bonds were to be redeemed and the Trustee shall promptly mail notice of said cancellation by first class mail to the Holders of all Bonds which were to be redeemed, at their last address appearing upon the Bond Register, and return to the Holders any Bonds surrendered by them for redemption.

ARTICLE IV

BOND PROCEEDS; CONSTRUCTION FUND

Section 4.01 Deposit of Series 2026A Bond Proceeds. The Issuer shall deposit, or shall direct the Purchaser to deposit, the net proceeds of the sale of the Series 2026A Bonds:

(a) with the Trustee to the credit of the Bond Fund from the net proceeds of the sale of the Series 2026A Bonds, the sum of \$ _____ for the payment of capitalized interest on the Series 2026A Bonds on _____; and

(b) with the Trustee to the credit of the Construction Fund the sum of \$ _____, being the balance of the net proceeds of the Series 2026A Bonds.

Section 4.02 Establishment of Construction Fund. The Issuer hereby establishes a trust account with the Trustee designated the Construction Fund, and there shall be deposited with the Trustee to the credit of the Construction Fund (i) those proceeds of the Series 2026A Bonds described in Section 4.01(b) and (ii) those funds of the City in the amount of \$2,000,000. As provided in Section 4.05, Construction Period income and profit from the investment of moneys in the Construction Fund shall be credited to the Construction Fund. The Issuer has no obligation hereunder or under the Act to deposit any moneys in the Construction Fund or apply moneys to Project Costs except proceeds of Bonds or funds made available therefor by the City.

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

Section 4.03 Project Costs Defined. For the purposes of this article, the Project Costs shall include, without intending thereby to limit or restrict any proper definition of such cost under any applicable laws or sound accounting practice, the Project Costs as defined in the Lease and as further described in Section 3.3 of the Lease.

Section 4.04 Payments from Construction Fund. Payments shall be made by the Trustee from the Construction Fund to the City or its order, as the case may be, upon receipt of the statements set forth in Section 3.3 of the Lease and the Draw Request Certificate attached to the Lease as Exhibit C, which may be submitted by fax or by email in a PDF format. All payments made from the Construction Fund shall be presumed by the Trustee to be made for the purposes certified in said statement, and the Trustee shall not be required to see to the application of any payments made from the Construction Fund. Such written request shall be submitted no more often than twice a month.

None of the funds in the Construction Fund shall be used for any purposes other than the payment or reimbursement of Project Costs and, if authorized hereby and applicable, the payment of principal of, premium (if any) on and interest on the Bonds.

The Trustee shall not be bound to make an investigation into the facts or matters stated in any Draw Request Certificate of the City. The Trustee shall not be responsible for determining whether the funds on hand in the Construction Fund are sufficient to complete the Project. The Trustee shall not be responsible to collect lien waivers.

Section 4.05 Deposit and Investment of Excess Moneys. The Trustee shall invest the moneys on deposit in the Construction Fund, at the written direction of the City, in Qualified Investments. In the absence of written direction delivered to the Trustee from the City, the Trustee shall hold such amounts uninvested without liability of interest. The Trustee shall, from time to time, if required to make payments pursuant to a Draw Request Certificate, cause any such investments to be sold or otherwise be converted into cash, whereupon the proceeds derived from such sale or conversion shall be deposited into the Construction Fund for application thereunder. Any interest or profit derived from investments shall be credited to the Construction Fund. The Trustee shall have no liability whatsoever for any loss, fee, tax or other charge incurred in connection with any investment, reinvestment, sale or liquidation of an investment hereunder. Investments permitted under this section may be purchased from the Trustee or from any of its affiliates. The City shall not direct any portion of the Construction Fund representing proceeds of the Bonds to be invested or used in such manner that any of the Bonds would be "arbitrage bonds" under Section 148 of the Internal Revenue Code and regulations thereunder; provided that the Trustee has no duty to monitor the yield on any directed investment or any obligation to limit the yield on any investment the Issuer directs the Trustee to make. Neither the Trustee nor the Issuer shall be liable for any loss resulting from any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment.

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

Section 4.06 Application of Balance in Construction Fund. When a Certificate of the City Representative prepared pursuant to Section 3.5 of the Lease shall have been furnished to the Trustee, any balance in the Construction Fund (after reserving such amount as the City Representative shall deem necessary for the payment of any remaining amounts due or to become due for Project Costs, and after returning to the City any contingent funds which may have been deposited by the City into the Construction Fund as additional funds to finance the total Project Costs and found to be unnecessary for such purpose) shall be deposited in the Bond Fund and shall be credited against the next Rental Payments due under the Lease.

ARTICLE V

DISPOSITION OF TRUST MONEYS

Section 5.01 "Trust Moneys" Defined. All moneys received by the Trustee,

- (a) upon the release of property from the lien of this Indenture, or
- (b) as compensation for, or proceeds of sale of, any part of the Trust Estate taken by eminent domain or purchased by, or sold pursuant to an order of, a governmental authority or otherwise disposed of, or
- (c) as proceeds of insurance upon any part of the Trust Estate, or
- (d) as elsewhere herein provided to be held and applied under this article, or required to be paid to the Trustee and whose disposition is not elsewhere herein otherwise specifically provided for, including, but not limited to the investment income of all Trust Funds and accounts held by the Trustee under this Indenture (other than the Rebate Fund), or
- (e) as proceeds from the sale of the Series 2026A Bonds, or
- (f) as Rental Payments, or as otherwise payable under the Lease,

(all such moneys being herein sometimes called "Trust Moneys") shall be held by the Trustee as a part of the Trust Estate, and, upon the exercise by the Trustee of any remedy specified in Article VIII, such Trust Moneys shall be applied in accordance with Section 7.04, except to the extent that the Trustee is holding in trust, moneys and/or Government Obligations for the payment of any Bonds which are no longer deemed to be Outstanding under the provisions of Article X, which moneys and/or Government Obligations shall be applied only as provided in Article X. Prior to the exercise of any such remedy, all or any part of the Trust Moneys shall be held, invested, withdrawn, paid or applied by the Trustee, from time to time, as provided in this article and in Article X.

Section 5.02 Bond Fund. The Issuer hereby establishes with the Trustee and shall maintain, so long as any of the Bonds are Outstanding, with the Trustee a separate trust account to be designated "Public Project Lease Revenue Bond Fund" (the "Bond Fund") into which the following deposits shall be made:

- (a) All payments by the City as Rental Payments under Section 5.1 of the Lease.
- (b) All other moneys received by the Trustee from the City when accompanied by directions of the City that such moneys are to be paid into the Bond Fund or used for purposes for which moneys in the Bond Fund may be used. If the City so directs, such monies shall be credited against Rental Payments due or to become due.

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

The moneys and investments in the Bond Fund are irrevocably pledged to and shall be used by the Trustee, from time to time, to the extent required, for the payment of principal of, and interest on the Bonds, as and when such principal and interest shall become due and payable.

Section 5.03 Investment of Funds. Any moneys held as a part of the Construction Fund and/or Bond Fund shall be invested or reinvested by the Trustee upon the request and written direction of the City Representative in any Qualified Investment. In the absence of written direction delivered to the Trustee from the City, the Trustee shall hold such amounts uninvested. The type, amount and maturity of Qualified Investments shall conform to the instructions, if any, in the request of the City Representative. Investments permitted under this section may be purchased from the Trustee or from any of its affiliates. Obligations so purchased shall be deemed at all times to be a part of the Construction Fund or the Bond Fund, as applicable, but may from time to time be sold or otherwise converted into cash for application thereunder, whereupon the proceeds derived from such sale or conversion shall be credited to the Construction Fund or the Bond Fund, as the case may be. Any interest accruing on and any profit realized from such investment shall be credited to the Trust Fund from which the investment has been made (except as otherwise provided in Section 5.03(f)). The Trustee shall redeem or sell, at the best price obtainable, any obligations so purchased, whenever it shall be necessary to do so in order to provide moneys to meet any payment from the Trust Fund. Neither the Trustee nor the Issuer shall be liable for any loss, fee, tax or other charge incurred in connection with any such investment, nor from failure to preserve rights against endorsers or other prior parties to instruments evidencing any such investment.

Monies credited to any account or fund maintained hereunder, including the Construction Fund, which are uninvested pending disbursement or receipt of proper investment directions or as directed herein, may be deposited to and held in a non-interest bearing demand deposit account established with the Commercial Banking Department of the Trustee or with any bank affiliated with the Trustee, without the pledge of securities to or other collateralization of such deposit accounts.

The Trustee shall be entitled to conclusively rely on the written investment direction of the City as to the legality and the suitability of such directed investments and such written direction shall be deemed to be a certification that such directed investments constitute Qualified Investments. The Trustee shall have no responsibility whatsoever to determine whether any investments made pursuant to this Indenture are or continue to be Qualified Investments. The Issuer acknowledges that regulations of the Comptroller of the Currency grant the Issuer the right to receive brokerage confirmations of the security transactions as they occur. The Issuer specifically waives such notification to the extent permitted by law and will receive periodic cash transaction statements that will detail all investment transactions.

Section 5.04 Return on Investments.

(a) In directing investments pursuant to Section 3.8 of the Lease and this Indenture, the City will not instruct the Trustee to use the proceeds of the Bonds or other sums pledged to the

payment of the Bonds, directly or indirectly, to acquire any securities or obligations the acquisition of which would cause any of the Bonds to be an "arbitrage bond" as defined in Section 148 of the Code, and for this purpose the City, in order to restrict yield on investments, may direct invest in SLGS (and accordingly is hereby authorized to act as agent of the Issuer for such purpose). The Trustee has no duty to monitor the yield on any directed investment or any obligation to limit the yield on any investment the Issuer directs the Trustee to make. The Trustee shall be fully protected in relying on the written direction of the City with respect to whether the acquisition of any securities or obligations would have the effect prohibited by this section.

(b) The City acknowledges that it will not direct the Trustee to invest moneys in any Trust Funds which would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code. If at any time the moneys in all Trust Funds exceed, (i) amounts invested for an initial temporary period until the moneys are needed for the purpose for which the Bonds were issued, (ii) investments of a bona fide debt service fund, and (iii) investments of a reserve which meet the requirement of Section 148(d)(1) of the Code, then moneys in excess of such amounts shall be invested at the direction of the City pursuant to Section 3.8 of the Lease in Qualified Investments consisting of (A) bonds issued by the United States Treasury, (B) other investments permitted under regulations, or (C) obligations which are (a) not issued by, or guaranteed by, or insured by, the United States or any agency or instrumentality thereof or (b) not federally insured deposits or accounts, all within the meaning of Section 149(b) of the Code. The Trustee shall be fully protected in relying on the written investment directions of the City and shall only make investments as so directed.

Section 5.05 Computation of Balances in Trust Fund. In computing the assets of any Trust Fund established hereunder, investments and accrued but unpaid interest thereon shall be deemed a part thereof, and such investments, shall be valued at par value, or at the redemption price thereof, if then redeemable at the option of the holder.

ARTICLE VI

PARTICULAR COVENANTS OF THE ISSUER

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

Section 6.01 Payment of Bonds. The Issuer will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture and the Bond Resolution and in each and every Bond executed, authenticated and delivered hereunder; will pay or cause to be paid, from payments of Rental Payments by the City and other amounts received in respect of the Project or available under this Indenture, the principal of, premium (if any) on and interest on every Bond issued hereunder on the dates, at the places and in the manner prescribed in the Bonds in any coin or currency which, on the respective dates of payment of such principal and interest, is legal tender for the payment of public and private debts; and other than as provided in Section 3.04, will cause such amounts received to be deposited with the Trustee fifteen (15) days prior to the due date of each installment of principal and interest and prior to the maturity of any Bond in amounts sufficient to pay such installment (to the end that the Trustee may cause to be placed in any other bank the payment specified herein and in the Bonds, on time, money required for payment of principal and interest); provided, however, that the principal of and interest on any Bond is not and shall not be deemed to represent a debt or pledge the full faith or credit of the Issuer or the City or grant to the Holder of any Bond any right to have the Issuer or the City levy any taxes or appropriate any funds to the payment of principal of or interest on the Bonds, such payment to be made solely and only out of the moneys received pursuant to the Lease and this Indenture, including the funds and accounts established and maintained with the Trustee pursuant to the requirements of this Indenture and appropriated to the payment of the Bonds by the Indenture.

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

Section 6.03 Authority of the Issuer. The Issuer is duly authorized under the Constitution and laws of the State of Minnesota to issue the Bonds, to finance the acquisition, equipping, and betterment of the Project, to execute this Indenture and assign and pledge to the Trustee the Trust Estate, including the Project and the Rental Payments, and to make the covenants as herein provided.

Section 6.04 Concerning the Lease. The Issuer will cause and permit the Trustee to take such action as may be necessary or advisable to enforce the covenants, terms and conditions of the Lease if such action shall, in the Trustee's discretion and upon consultation with counsel as provided in Section 8.02 hereof, be deemed to be in the best interest of the Bondholders. The Issuer shall do or cause to be done all things on its part to be performed under the Lease so that the obligations of the City thereunder shall not be impaired or excused.

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

Section 6.06 Liens. Other than conveyances allowed by the provisions of Sections 8.6 and 8.7 of the Lease, the Issuer and Trustee agree they will not mortgage, sell or otherwise encumber their interests in the Project during the term of the Lease, except as such liens may constitute Permitted Encumbrances (as defined in the Lease).

Section 6.07 Rebate. The Issuer will:

(a) pay to the United States, as a rebate, an amount equal to the sum of (i) the excess of (a) the aggregate amount earned on all nonpurpose obligations (other than investments attributable to an excess described in this clause), over (b) the amount which would have been earned if all nonpurpose obligations were invested at a rate equal to the yield on the Bonds, plus (ii) any income attributable to the excess described in clause (i), at the times and in the amounts required by Section 148(f) of the Code, all within the meaning of Section 148(f) of the Code;

(b) maintain records of the interest rate borne by the Bonds and the investments of the Trust Funds and earnings thereon in adequate detail to enable the Issuer to calculate the amount of any rebate required to be made to the United States;

(c) pay the rebate to the United States at times and in installments which satisfy Section 148(f) of the Code and the regulations, at least once every five (5) years and within sixty (60) days after the day on which the last of the Bonds is redeemed;

(d) calculate the amount to be rebated at least every five (5) years and within thirty (30) days after the day on which the last of the Bonds is redeemed and furnish the Trustee with such calculations within fifteen (15) days of the time they are made (or ten (10) days if the thirty (30)-day deadline applies);

(e) cause such calculations to be retained until six (6) years after the retirement of the last Bond; and

(f) cause the rebate to be calculated as provided in the applicable Treasury Regulations, or any successor Treasury Regulations, including taking into account the gain or loss on the disposition of nonpurpose investments including gross earnings on investments in the Funds.

For purposes of carrying out the provisions of this section, both the Issuer and the Trustee may in good faith conclusively rely upon a written opinion of a Rebate Expert stating in effect that the rebate calculations referred to in the opinion are in compliance with Section 148(f) of the Code.

The Trustee shall have no obligation to (i) make any rebate calculations or (ii) require that the Issuer deposit with the Trustee in a Rebate Fund any rebate amount, if any, determined under Section 148(f)(2)(A) of the Internal Revenue Code. Such Rebate Fund shall not be part of the Trust Estate. The Trustee shall cooperate with the Issuer in determining the amount of any rebate and shall conclusively rely upon a written opinion of a Rebate Expert stating in effect that the rebate calculations referred to in the opinion are in compliance with Section 148(f) of the Internal Revenue Code.

Section 6.08 Post Issuance Compliance. The Issuer will comply with the City's Post Issuance Compliance Policies and Procedures.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.01 Events of Default. Each of the following events is hereby defined as, and is declared to be and to constitute, an "Event of Default" (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any decree or order of any court or any order, rule or regulation of any administrative or governmental body):

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

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

(c) if the Issuer should default in the performance, or breach, of any covenant or warranty of the Issuer contained in this Indenture (other than a covenant or warranty a default in whose performance or whose breach is elsewhere in this section specifically dealt with), and continuance of such default or breach (i) for a period of thirty (30) days after there has been given, by registered or certified mail, to the Issuer by the Trustee, or to the Issuer and the Trustee by the Holder or Holders of at least twenty-five percent in aggregate principal amount of the Bonds then Outstanding, a written notice specifying such default or breach and requiring it to be remedied provided that if such default cannot be cured within such thirty (30) day period through the exercise of diligence but can be wholly cured, the failure of the Issuer to remedy such default within such thirty (30) day period shall not constitute an event of default hereunder if the Issuer shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch and provides the Trustee with a certification to that effect; or

(d) if an event of default shall occur under Section 12.1 of the Lease; or

(e) if any Non-appropriation should occur under the Lease.

Section 7.02 Enforcement of Covenants and Conditions. Upon the occurrence and continuation of an event of default (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture and use the same degree of care and skill in their exercise as a prudent person would exercise and use in the circumstances in the conduct of their own affairs. The Trustee shall not be liable for any action taken or omitted by it in the performance of its duties under this Indenture except for its own negligence or willful misconduct.

Upon the occurrence of an Event of Default, the Trustee may, and shall upon the written request of the Holders of a majority in aggregate principal amount of Outstanding Bonds, by written notice to the Issuer, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment shall, without further action, become and be immediately due and payable, notwithstanding anything in this Indenture or in the Bonds to the contrary.

At any time after such a declaration of acceleration has been made, but before the Trustee has exercised any other remedy specified herein or in the Lease, the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, by written notice to the Issuer and the Trustee, may rescind and annul such declaration and its consequences if:

(a) there has been paid to or deposited with the Trustee by or for the account of the Issuer, or provision satisfactory to the Trustee has been made for the payment of, a sum sufficient to pay

(1) all overdue installments of interest on all Bonds,

(2) the principal of (and premium, if any, on) any Bonds which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by the Bonds,

(3) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate borne by the Bonds, and

(4) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(b) all Events of Default, other than the non-payment of the principal of Bonds which have become due solely by such acceleration, have been cured or waived as provided herein.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

Upon the happening and continuance of an Event of Default, in addition to the acceleration of the Bonds, the Trustee may (subject to the provisions of Section 8.06 hereof), and shall upon the written request by registered or certified mail to the Trustee of the Holders of a majority in aggregate principal amount of outstanding Bonds:

(a) proceed to protect and enforce its rights by a suit or suits in equity or at law, either for the specific performance of any covenant or agreement contained herein or in the Lease or the Bonds, or in aid of the execution of any power herein or therein granted, or for the enforcement of any other appropriate legal or equitable remedy;

(b) with respect to the Project Equipment, exercise any remedies available to a secured party under the Uniform Commercial Code as then in effect in the State of Minnesota;

(c) exercise any remedies available to the Trustee under the Lease or any other Collateral Document.

In the event of a sale under this Indenture, whether by virtue of judicial proceedings or advertisement or otherwise, the Trust Estate may, at the option of the Trustee if directed in writing by the Holders of a majority in aggregate principal amount of Outstanding Bonds, be sold as one parcel and as an entirety or in such parcels, manner and order as the Trustee, as directed in writing by the Holders of a majority in aggregate principal amount of Outstanding Bonds, may elect.

Notwithstanding the foregoing, the Trustee need not proceed upon any such written request of the Bondholders, as aforesaid, unless such Bondholders shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Section 7.03 Trustee May File Proofs of Claims. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or the City or the property of the Issuer or the City, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer and/or the City for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceedings, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements, and advances of the Trustee, its agents and counsel.

Section 7.04 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Indenture or any Collateral Document, shall, after payment of the cost and expenses of the proceedings resulting in the collection of such moneys, including any proceedings undertaken by the Issuer, and of the expenses, liabilities and advances incurred or made by the Trustee or Issuer, and after such funds shall have been applied as may be specifically required pursuant to this Indenture or any Collateral Document (e.g., to the restoration and replacement of any portion of the Project following casualty thereto or other loss thereof, as

described in Section 6.6 of the Lease), and after payment of all taxes, assessments or liens prior to the lien of this Indenture (including reasonable fees and disbursements of the Trustee), except any taxes, assessments or liens subject to which any sale or other disposition of the Trust Estate or part thereof shall have been made, be deposited in the Bond Fund, and all moneys in the Bond Fund maintained with the Trustee shall be applied as follows:

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

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

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

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

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

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

Section 7.05 Right of Trustee to Act Without Possession of Bonds. All rights of action (including the right to file proof of claim) under this Indenture, the Lease, or under any of the Bonds, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Holders of the Bonds hereby secured, and any recovery of judgment shall be for the equal benefit of the Holders of the Outstanding Bonds, subject to the provisions of Section 6.02 with respect to extended Bonds and claims for interest.

Section 7.06 Control by Bondholders. The Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding shall have the right, during the continuance of an Event of Default,

(a) to require the Trustee to proceed to enforce this Indenture or any Collateral Document, either by judicial proceedings for the enforcement of the payment of the Bonds or the foreclosure of this Indenture or the enforcement of any other remedy; and

(b) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder, or under any Collateral Document; provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture,

(2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction,

(3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(4) the Trustee shall be indemnified as provided in Section 8.06.

Section 7.07 Limitation on Suits by Bondholders. No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for any other remedy hereunder, unless a Default has occurred of which a Responsible Officer has been notified; nor unless also such Default shall have become an Event of Default and the Holders of not less than a majority in aggregate principal amount of Bonds Outstanding hereunder shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; nor unless also they shall have offered to the Trustee indemnity as provided hereinafter; and such notification, request and offer of indemnity are hereby declared in every such case to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for enforcement or for any other remedy hereunder; it being understood and intended that no one or more Holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Indenture by the Holder's action or to enforce any right hereunder except

in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Holders of all Bonds outstanding hereunder. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce and bring suit for the payment of the principal of and interest on any Bond at and after the maturity thereof or to pay the principal of and interest on each of the Bonds issued hereunder to the respective Holders thereof at the time and place in said Bonds expressed, in accordance with the terms of the Bonds.

Section 7.08 Waiver by Bondholders. The Trustee, upon the written request of the Holders of a majority in aggregate principal amount of the Bonds at the time Outstanding hereunder, shall waive any Default hereunder and its consequences, except a Default in the payment of the principal of the Bonds at the date of maturity specified therein; provided, however, that a Default in the payment of interest on the Bonds shall not be waived unless, prior to such waiver, all arrears of interest and all expenses of the Trustee shall have been paid or shall have been provided for by deposit with the Trustee of a sum sufficient to pay the same. In case of any such waiver, the Issuer, the Trustee and the Holders of the Bonds shall be restored to their former positions and rights hereunder respectively. No such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 7.09 Remedies Cumulative, Delay Not To Constitute Waiver. No remedy by the terms of this Indenture or the Lease, conferred upon or reserved to the Trustee (or to the Bondholders) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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

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

Section 7.10 Restoration of Rights Upon Discontinuance of Proceedings. In case the Trustee or Bondholders shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or Bondholders, then and in every such case the Issuer, the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder with respect to the Trust Estate, and all rights, remedies and powers of the Trustee and the Bondholders shall continue as if no such proceedings had been taken.

Section 7.11 Suits to Protect the Trust Estate and Other Property. Subject to Section 8.06, the Trustee shall have the power, but shall not be required to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture, the Lease or any other Collateral

Document, and such suits and proceedings as the Trustee may deem expedient to protect its interests and the interests of the Bondholders in the Trust Estate and in the issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of, or compliance with, such enactment, rule or order would impair the security hereunder or thereunder or be prejudicial to the interest of the Bondholders or the Trustee.

ARTICLE VIII CONCERNING THE TRUSTEE

Section 8.01 Acceptance of Trust and Prudent Performance Thereof. The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no duties shall be implied. The Trustee shall, during the existence of any Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of their own affairs.

The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder, except Default in the deposits or payments specified herein, unless the Responsible Officer shall be specifically notified in writing of such Default by the City, by the Issuer or by the Holders of a majority in aggregate principal amount of Bonds Outstanding hereunder, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume that there is no Default, except as aforesaid.

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

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

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

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

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

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

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

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

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

(a) the Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties and the Trustee shall be under no duty to make any investigations or inquiry into any statements contained or matters referred to in any such instrument;

(b) any request, direction, election, order, certification or demand of the Issuer or the City shall be sufficiently evidenced by an instrument signed by an Issuer Representative or a City Representative, as the case may be (unless otherwise in this Indenture specifically prescribed), and any resolution of the Issuer may be evidenced to the Trustee by a Certified Resolution;

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

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

(e) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent in the form of a manually signed document by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Issuer shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated

persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding that such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

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

The Trustee shall not be responsible for and makes no representation as to the legality, effectiveness or sufficiency of any security document or for the creation, perfection, priority or protection of any lien securing the bonds. The Trustee shall not be responsible for filing any financing or continuation statement or recording any documents or instruments in any public office at any time or otherwise for perfecting or maintaining the perfection of any lien or security interest in the trust estate it being understood that the Issuer shall be obligated to make such filings on behalf of the Trustee.

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

Section 8.05 Money Held in Trust. Money held by the Trustee hereunder is held in trust but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as specifically provided herein. In no event shall the Trustee be liable for incidental, special, indirect, consequential or punitive damages or penalties (including but not limited to lost profits), even if the Trustee has been advised of the likelihood of such damages or penalty regardless of the form of action.

Section 8.06 Obligation of Trustee. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall be under no obligation to institute any suit, exercise the option, or to take any proceeding under this Indenture, or to enter any appearance or in any way defend in any suit in which it may be defendant, or to take any steps in the execution of the trusts hereby created or in the enforcement of any rights and powers hereunder, until it shall be indemnified to its satisfaction against any and all costs and expenses, outlays and counsel fees and other anticipated disbursements and against all liability except to the extent determined by a court of competent jurisdiction to have been caused solely by its own gross negligence or willful misconduct; the Trustee may, nevertheless, begin suit, or appear in and defend suit, or do anything else in its judgment proper to be done by it as such Trustee, without indemnity, and in such case the Trustee shall be reimbursed for all costs and expenses, outlays and counsel fees and other reasonable disbursements properly incurred in connection therewith. If the Issuer shall fail to make such reimbursement from funds provided by the City, the Trustee may reimburse itself from any moneys in its possession under the provisions of this Indenture (other than moneys used to discharge Bonds under Article X) and shall be entitled to a preference therefor over any of the Bonds or claims for interest Outstanding hereunder.

Section 8.07 Notice to Bondholders. The Trustee shall give to the Holders of the Bonds whose names and addresses are known to it written notice of all Defaults known to the Trustee by virtue of actual knowledge of a Responsible Officer, within thirty (30) days after the occurrence of an Event of Default unless such Default shall have been cured before the giving of such notice; provided that, except in the case of Default in the payment of principal and interest on any of the Bonds; and further provided that no such notice shall be given unless and until any such Default becomes an Event of Default.

Section 8.08 Intervention in Judicial Proceedings. In any judicial proceeding to which the Issuer or the City is a party and which in the opinion of the Trustee has a substantial bearing on the interest of owners of Bonds issued hereunder, the Trustee may intervene on behalf of Bondholders and shall do so if requested in writing by the owners of at least fifty-one percent in the aggregate principal amount of Bonds outstanding hereunder. The rights and obligations of the Trustee under this Section are subject to the approval of the court having jurisdiction in the premises.

Section 8.09 Further Investigation by Trustee. The resolutions, opinions, certificates and other instruments provided for in this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be in full warrant, protection and authority to the Trustee for its actions hereunder; but the Trustee may, in its unrestricted discretion, and shall, if requested in writing so to do by the Holders of not less than fifty-one percent in aggregate principal amount of Bonds Outstanding hereunder, cause to be made such independent investigation as it may see fit, and in that event may decline to release any property, or pay over cash, or take other action unless satisfied by such investigation of the truth and accuracy of the matters so investigated. The expense of such investigation shall be paid by the Issuer from funds provided by the City, or, if paid by the Trustee, shall be repaid to it with interest at the lesser of seven percent per annum or the maximum rate permitted by law, by the Issuer from funds provided by the City or from the Trust Estate.

Section 8.10 Trustee to Retain Financial Records. The Trustee shall retain all financial statements furnished by the Issuer or the City in accordance with this Indenture so long as any of the Bonds shall be Outstanding. Provided, the Trustee shall have no duty to review or analyze any such financial statements. The Trustee shall not be deemed to have notice of any information contained therein or event of default which may be disclosed in any manner therein.

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

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

Section 8.13 Appointment of Trustee. There shall at all times be a Trustee hereunder which shall be an association or corporation organized and doing business under the laws of the United States or any State thereof, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, and subject to supervision or examination by Federal or State authority. If such association or corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such association or corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this section, and another association or corporation is eligible, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.16.

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

Section 8.15 Resignation or Removal of Trustee. The Trustee may resign and be discharged from the trusts created by this Indenture by giving to the Issuer thirty (30) days' notice in writing, and to the Bondholders thirty (30) days' notice by first class mail at its, her or his address as set forth on the registration books of such resignation, specifying a date when such resignation shall take effect. Such resignation shall take effect on the date specified in such notice, unless previously a successor trustee shall have been appointed by the Bondholders as hereinafter provided, in which event such resignation shall take effect immediately on the appointment of such successor trustee.

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

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

If, in a proper case, no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this section within forty-five (45) days after a vacancy shall have occurred in the office of Trustee, the Holder of any Bond hereby secured or any retiring Trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee. Every such Trustee appointed pursuant to the provisions of this section shall be a trust company or bank having trust powers and having a reported capital and surplus not less than \$50,000,000, if there be such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

Section 8.17 Transfer of Rights and Property to Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer or of its successor execute and deliver an

instrument transferring to such successor all the estate, properties, rights, powers and trusts of such predecessor hereunder, and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any assignment, conveyance or instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor trustee the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such assignments, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all assignments, conveyances and other instruments provided for in this article shall, at the expense of the City, be forthwith filed and/or recorded by the successor Trustee in each recording office where the Indenture shall have been filed and/or recorded.

Section 8.18 Co-Trustee.

(a) At any time or times, for the purpose of meeting any legal requirements of any jurisdiction in which any part of the Trust Estate may at the time be located, the Issuer and the Trustee shall have power to appoint one or more persons approved by the Trustee either to act as Co-Trustee or Co-Trustees, jointly with the Trustee of all or any part of the Trust Estate, or to act as separate Trustee or separate Trustees of all or any part of the Trust Estate, and to vest in such person or persons, in such capacity, such title to the Trust Estate or any part thereof, and such rights, powers, duties, trusts or obligations as the Issuer and the Trustee may consider necessary or desirable, subject to the remaining provisions of this section.

(b) Upon the request of the Trustee or of the Holders of at least twenty-five percent in aggregate principal amount of Bonds outstanding hereunder, the Issuer shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint the Co-Trustee. If the Issuer shall not have joined in such appointment within fifteen (15) days after the receipt by it of a request so to do, or in case an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

(c) The Issuer shall execute, acknowledge and deliver all such instruments as may be required by any such Co-Trustee or separate trustee for more fully confirming such title, rights, powers, trusts, duties and obligations to such Co-Trustee or separate Trustee.

(d) Every Co-Trustee appointed hereunder shall act subject to the following conditions and provisions, namely:

(1) The Bonds shall be authenticated and delivered and all rights, powers, trusts, duties and obligations by this Indenture conferred upon the Trustee in respect of the custody, control or management of moneys, papers, securities and other personal property shall be exercised, solely by the Trustee.

(2) All rights, powers, trusts, duties and obligations conferred or imposed upon the Trustee hereunder shall be conferred or imposed upon and exercised or performed by the Trustee, or by the Trustee and Co-Trustee or by a separate Trustee or separate Trustees

jointly, if so provided in any instrument appointing such Co-Trustee or separate Trustee or Trustees, except to the extent that, under the law of any jurisdiction in which any particular act or acts are to be performed, the Trustee shall be incompetent or unqualified to perform such act or acts or incompetent to bring suit to enforce the Lease, in which event such act or acts shall be performed by the Co-Trustee or separate Trustee or Trustees.

(3) Any request in writing by the Trustee to any Co-Trustee or separate Trustee to take or to refrain from taking any action hereunder shall be sufficient warrant for the taking, or the refraining from taking, of such action by the Co-Trustee or separate Trustee.

(4) Any Co-Trustee or separate Trustee may delegate to the Trustee the exercise of any right, power, trust, duty or obligation, discretionary or otherwise.

(5) The Trustee at any time, by an instrument in writing, with the concurrence of the Issuer, may accept the resignation of or remove any Co-Trustee or separate Trustee appointed under this section and in case an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such Co-Trustee or separate Trustee without the concurrence of the Issuer. Upon the request of the Trustee, the Issuer shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal.

(6) No Trustee hereunder shall be personally liable by reason of any act or omission of any other Trustee hereunder.

(7) Any demand, request, direction, appointment, removal, notice, consent, waiver or other action in writing delivered to the Trustee shall be deemed to have been delivered to each such Co-Trustee or separate Trustee.

(8) Any moneys, papers, securities or other items of personal property received by any such Co-Trustee or separate Trustee hereunder shall forthwith, so far as may be permitted by law, be turned over to the Trustee.

(e) Upon the acceptance in writing of such appointment by any Co-Trustee or any separate Trustee, the Co-Trustee or separate Trustee shall be vested with such title to the Trust Estate or any part thereof, and with such rights, powers, duties and obligations, as shall be specified in any instrument of appointment jointly with the Trustee (except insofar as local law makes it necessary for any such Co-Trustee or separate Trustee to act alone) subject to all the terms of this Indenture. Every such acceptance shall be filed with the Trustee. Any Co-Trustee or separate Trustee may, at any time by an instrument in writing, constitute the Trustee, such Co-Trustee's or separate Trustee's attorney-in-fact and agent, with full power and authority to do all acts and things and to exercise all discretion on such Co-Trustee's or separate Trustee's behalf and in such Co-Trustee's or separate Trustee's name.

(f) In case any Co-Trustee or separate Trustee shall die, become incapable of acting, resign or be removed, the title to the Trust Estate, and all rights, powers, trusts, duties and

obligations of said Co-Trustee or separate Trustee shall, so far as permitted by law, vest in and be exercised by the Trustee unless and until a successor Co-Trustee or separate Trustee shall be appointed in the manner herein provided.

Section 8.19 Appointment of Successor or Alternate Paying Agents. In the event the initial Trustee shall also have been appointed paying agent for the Bonds, a successor Trustee shall become successor paying agent with respect to such Bonds unless otherwise provided in the instrument appointing such successor Trustee. If any paying agent other than the initial Trustee shall resign or become incapable of acting, or shall be removed under a supplemental indenture entered into pursuant to the terms hereof, the Trustee may appoint a successor paying agent which is a bank or trust company qualified to act as paying agent under the Act and which is willing to accept the office on reasonable and customary terms approved by an Authorized Issuer Representative. The Trustee may appoint successor paying agents. "Paying Agent" as used in this section refers to the bank or trust company named in the form of Bond provided for the Bonds in Exhibit B hereto, where principal of and interest on Bonds may be paid.

Section 8.20 Indemnification. To the extent authorized by law, the City shall indemnify and hold harmless the Trustee against any and all loss, damage, claims, expense and liability arising out of or in connection with the acceptance of administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim (whether asserted by the Issuer, City, any Bondholder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder except to the extent that such loss, damage, claim, expense or liability is determined by a court of competent jurisdiction to have been caused solely by Trustee's gross negligence or willful misconduct.

ARTICLE IX

CONCERNING THE BONDHOLDERS

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

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

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

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

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

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

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

(a) to give any notice to the Issuer, the City, or the Trustee, or to give any direction to the Trustee, or to make any request of the Trustee, or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Bondholders pursuant to any of the provisions of Article VII;

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

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

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

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

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

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

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

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

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

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

(f) At any meeting of Bondholders, the presence of persons owning Bonds in an aggregate principal amount sufficient under the appropriate provision of this Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. Any meeting of Bondholders duly called pursuant to this section may be adjourned from time to time by vote of the Holders (or proxies for the Holders) of a majority in aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum shall be present; and the meeting may be held as so adjourned without further notice.

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

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

ARTICLE X

PAYMENT, DEFEASANCE AND RELEASE

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

(a) pay or cause to be paid the principal of and premium, if any, and interest on the Bonds at the time and in the manner stipulated therein and herein, or

(b) provide for the payment of principal and premium, if any, of the Bonds and interest thereon by depositing with the Trustee at or at any time before maturity amounts sufficient either in cash or in direct obligations of or obligations the principal of and interest on which is fully guaranteed by the United States of America the principal and interest on which when due and payable (or redeemable at the option of the Holder thereof) and without consideration of any reinvestment thereof shall be sufficient to pay the entire amount due or to become due thereon for principal and premium, if any, and interest to maturity of all the Bonds Outstanding, or

(c) deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption of all of the Outstanding callable Bonds not surrendered or to be surrendered to it for cancellation has been given or waived as provided in Article III, or that arrangements satisfactory to the Trustee have been made insuring that such notice will be given or waived, or (2) a written instrument executed by the Issuer under its official seal (if required by law) and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Issuer, or (3) file with the Trustee a waiver of such notice of redemption signed by the Holders of all of such Outstanding Bonds, and in any such case, deposit with the Trustee before the date on which such Bonds are to be redeemed, as provided in Article III, the entire amount of the redemption price, including accrued interest, and premium, if any, either in cash or direct obligations of or obligations the principal of and interest on which is fully guaranteed by the United States of America (which do not permit the redemption thereof at the option of the issuer) in such aggregate face amount, bearing interest at such rates and maturing at such dates as shall be sufficient to provide for the payment of such redemption price on the date such Bonds are to be redeemed, and on such prior dates when principal of and interest on the Outstanding callable Bonds is due and payable, or

(d) surrender to the Trustee for cancellation all Bonds for which payment is not so provided, and shall also pay all other sums due and payable hereunder by the Issuer, then and in that case, the Trustee shall deliver to the Issuer or the City such release from the lien of the Indenture as the Issuer or City may reasonably request, and all the Trust Estate shall revert to the Issuer and the City as their interests may appear, and the entire estate, right, title and interest of the Trustee and of the owners of the Bonds shall thereupon cease, determine and become void: and the Trustee in such case, upon the cancellation of all Bonds for the payment of which cash or securities shall not have been deposited in accordance with the provisions of this Indenture, shall, upon receipt of a written request of the Issuer and of a Certificate of the Issuer and an Opinion of Counsel as to compliance with conditions precedent, and at City's cost and expense, execute to the Issuer, or its order, proper instruments acknowledging satisfaction of this Indenture and surrender to the Issuer and the City, as their interests appear, all cash and deposited securities, if any (other than cash or

securities for the payment of the Bonds and interest thereon), which shall then be held hereunder as a part of the Trust Estate.

In case of any discharge of the lien of the Indenture pursuant to paragraphs (b) or (c) there shall be submitted to the Trustee an Opinion of Counsel, which opinion may be based upon a ruling or rulings of the Internal Revenue Service, to the effect that the interest on the Bonds being discharged will not be subject to federal income taxation under Section 103 of the Internal Revenue Code, notwithstanding the discharge of the Indenture.

Some but not all Outstanding Bonds may be discharged by any of the methods set forth in clauses (a), (b), (c) or (d) as if such Bonds constituted the entire series of Outstanding Bonds.

Section 10.02 Bonds Deemed Not Outstanding After Deposits. When there shall have been deposited at any time with the Trustee in trust for the purpose of discharging the Bonds as provided in Section 10.01, cash or direct obligations of or obligations fully guaranteed by the United States of America the principal and interest on which shall be sufficient to pay the principal of any Bonds (and premium, if any) when the same become due, either at maturity or otherwise, or at the date fixed for the redemption thereof and to pay all interest with respect thereto at the due dates for such interest or to the date fixed for redemption, for the use and benefit of the Holders thereof, then upon such deposit all Bonds shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the funds so deposited, and Bonds shall be deemed not to be Outstanding hereunder; and it shall be the duty of the Trustee to hold the cash and securities so deposited for the benefit of the Holders of the Bonds, and from and after such date, redemption date or maturity, interest on Bonds thereof called for redemption shall cease to accrue.

Section 10.03 Unclaimed Money to be Returned. Any moneys deposited with the Trustee pursuant to the terms of this Indenture, for the payment or redemption of Bonds which remain unclaimed by the Holders of the Bonds for a period of two (2) years and eleven (11) months after the due date or the date fixed for redemption of the same, as the case may be, shall, upon the written request of the City, and if the Issuer or any successor to the obligations of the Issuer under the Indenture and the Bonds shall not at the time, to the knowledge of the Trustee, be in default with respect to any of the terms and conditions contained in the Indenture or in the Bonds, be paid to the City, and the Holders of the Bonds shall thereafter look only to the City for payment and then only to the extent of the amounts so received without interest thereon; provided, however, that within thirty (30) days prior to the expiration of said period, the Trustee, before being required to make any such repayment, may, at the expense of the City, cause to be published in a suitable Financial Newspaper, a notice that after a date named therein said moneys will be returned to the City.

ARTICLE XI

SUPPLEMENTAL INDENTURES

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

(a) To correct or amplify the description of the Trust Estate, or to assign, convey, pledge or transfer and set over unto the Trustee, subject to such liens or other encumbrances as shall be therein specifically described, additional property or properties for the equal and proportional benefit and security of the Holders and owners of all Bonds at any time issued and Outstanding under this Indenture;

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

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

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

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

(f) To make any other change which is not materially prejudicial to the Holders of any Bonds affected thereby;

(g) To permit the issuance of Additional Bonds as provided in Section 2.11;

(h) To revise the legal description of the Land in connection with an easement, utility access, or release of unimproved Land permitted under Sections 8.6 and 8.7 of the Lease.

The Trustee may conclusively rely on an opinion of Bond Counsel or Independent Counsel regarding whether a supplemental indenture under this Section 11.01 is permissible hereunder or does not materially prejudice the Holders of the Bonds.

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

Section 11.03 Rights of Trustee. In executing any amendment or supplemental indenture, the Trustee shall receive and will be fully protected in conclusively relying upon a certificate and an opinion of counsel stating that the execution of such amendment or supplemental indenture is authorized and permitted by this Indenture and is the legal, valid and binding obligation of the Issuer enforceable against it in accordance with its terms. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the trustee's own rights, duties or immunities under this indenture or otherwise.

Section 11.04 Modification of Indenture with Consent of Bondholders. Subject to the terms and provisions contained in this section and in Section 11.01, the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; provided, however, that, notwithstanding any other provision of this Indenture, nothing herein contained shall permit or be construed as permitting, without the consent of the Holders of all Outstanding Bonds, (a) an extension of the maturity of any Bond issued hereunder, or (b) a reduction in the principal amount of any Bond or the redemption premium or the rate of interest thereon, or (c) other than Additional Bonds authorized under Section 2.11 hereof, the creation of a lien upon or a pledge of revenues ranking prior to or on a parity with the lien or pledge created by this Indenture, or (d) a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (e) a reduction in the aggregate principal amount of the Bonds required to consent to supplemental indentures or amendments to the Lease or any other Collateral Document, or (f) a reduction in the aggregate principal amount of the Bonds required to waive an Event of Default.

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

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

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

Section 11.06 Rights of City Unaffected. Anything herein to the contrary notwithstanding, a supplemental indenture under this article which adversely affects the rights of the City under the Lease, so long as the Lease is in effect, shall not become effective unless and until the City consents to the execution and delivery of such supplemental indenture. The Trustee shall cause notice of the proposed execution and delivery of any such supplemental indenture to the execution and delivery of which the City has not already consented, together with a copy of the proposed supplemental indenture, to be mailed to the City at least thirty (30) days prior to the proposed date of execution and delivery of any such supplemental indenture.

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

ARTICLE XII

AMENDMENTS TO THE LEASE OR OTHER COLLATERAL DOCUMENT

Section 12.01 Amendments to the Lease or Not Requiring Consent of Bondholders. The Issuer and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Lease or other Collateral Document as may be required (i) by the provisions of the Collateral Document and this Indenture, (ii) in connection with the financing of any additions or expansions of the Project so long as such amendments do not affect the obligation of the City to make Rental Payments, as they become due and payable thereunder or otherwise materially adversely affect the rights of the existing Bondholders, (iii) for the purpose of curing any ambiguity or formal defect or omission, (iv) for the issuance of Additional Bonds as provided in Section 2.11, (v) to revise the legal description of the Land in connection with an easement, utility access, or release of unimproved Land permitted under Sections 8.6 and 8.7 of the Lease, or (vi) in connection with any other change therein which, is not to the material prejudice of the Holders of the Bonds. The Trustee may rely on an opinion of Bond Counsel or Independent Counsel regarding whether an amendment to the Lease or other Collateral Documents under this Section 12.01 is permissible hereunder or does not materially prejudice the Holders of the Bonds.

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

Section 12.03 No Amendment May Reduce Rental Payments. Under no circumstances shall any amendment to the Lease reduce the Rental Payments thereunder without the consent of the Holders of all the Bonds Outstanding.

Section 12.04 Rights of Issuer and City. The Issuer has no duty or obligation to consent to any proposed amendment to the Lease and may, at the expense of the City request and receive an opinion of such counsel as the Issuer may select in connection with any matter relating to a proposed amendment to the Lease. Any consents required of the City hereunder shall be of no further force and effect if the Lease is not in full force and effect.

ARTICLE XIII

MISCELLANEOUS

Section 13.01 Covenants of Issuer Bind Successors and Assigns. All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the Issuer, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

Section 13.02 Immunity of Officers. No recourse for the payment of any part of the principal of or interest on any Bond or for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds shall be had against any officer, member or agent of the Issuer or its Board, the City or its governing body, as such, all such liability being hereby expressly released and waived as a condition of and as a part of the consideration for the execution of this Indenture and the issuance of the Bonds.

Section 13.03 No Benefits to Outside Parties. Nothing in this Indenture, express or implied, is intended or shall be construed to confer upon or to give to any person or corporation, other than the City, the parties hereto and the Holders of the Bonds issued hereunder, any right, remedy or claim under or by reason of this Indenture or covenant, condition or stipulation thereof; and the covenants, stipulations and agreements in this Indenture contained are and shall be for sole and exclusive benefit of the City, the parties hereto, their successors and assigns, and the Holders of the Bonds.

Section 13.04 Separability of Indenture Provisions. In case any one or more of the provisions contained in this Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Indenture, but this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 13.05 Execution of Indenture in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 13.06 Headings Not Controlling. The headings of the several Articles and Sections hereof are inserted for the convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 13.07 Notices etc., to Trustee, Issuer and City. Any request, demand, authorization, direction, notice, consent of Bondholders or other document provided or permitted by this Indenture shall be sufficient for any purpose under this Indenture or the Lease when personally delivered, delivered by overnight express mail, or mailed by first class mail, postage prepaid, or by electronic means which produces receipt of transmission (except as otherwise provided in this Indenture) (with a copy to the other parties) at the following addresses (or such other address as may be provided by

any party by notice), or telecopied, to be followed immediately by first class mail, and shall be deemed to be effective upon receipt:

To the Issuer: Moorhead Economic Development Authority
City Hall

Moorhead, Minnesota 56560
Attention: Executive Director

To the Trustee: U.S. Bank Trust Company, National Association
111 Fillmore Avenue East
St. Paul, Minnesota 55107
Attention: Corporate Trust Department

To the City: City of Moorhead, Minnesota
City Hall

Moorhead, Minnesota 56560
Attention: City Manager

[Signature pages to follow]

IN WITNESS WHEREOF, the Issuer has caused this Indenture to be executed in its name by its President and Executive Director, and the Trustee, to evidence its acceptance of the trust hereby created, has caused this Indenture to be executed in its name by authorized officer(s) of the Trustee, all as of the day and year first above written.

MOORHEAD ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its: President

By: _____
Its: Executive Director

STATE OF MINNESOTA)
) ss.
CLAY COUNTY)

The foregoing instrument was acknowledged before me on March ____, 2026, by _____ and _____, the President and the Executive Director, respectively, of the Moorhead Economic Development Authority, a public body corporate and politic of the State of Minnesota, on behalf of said Authority.

Notary Public

(SEAL)

Signature and Notary page to Indenture of Trust

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION
Trustee

By _____
Its Vice President

STATE OF MINNESOTA)
) ss.
RAMSEY COUNTY)

The foregoing instrument was acknowledged before me on March __, 2026, by _____, the Vice President of U.S. Bank Trust Company, National Association, on behalf of said national association.

Notary Public

(SEAL)

Signature and Notary page to Indenture of Trust

EXHIBIT A

LEGAL DESCRIPTION OF LAND

The real property located in the City of Moorhead, Clay County, Minnesota with the following legal description:

Lot 3, Block 6, Moorhead Downtown Addition, Clay County, Minnesota, according to the recorded plat thereof.

EXHIBIT B

(Form of Series 2026A Bond)

UNITED STATES OF AMERICA
STATE OF MINNESOTA
COUNTY OF CLAY

MOORHEAD ECONOMIC DEVELOPMENT
AUTHORITY

No. R-__ \$ _____

Lease Revenue Bond, Series 2026A
(City of Moorhead, Minnesota, Lease with Obligation)

Interest Rate	Maturity Date	Date of Original Issue	CUSIP
_____ %	February 1, 20__	March __, 2026	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The Moorhead Economic Development Authority, a public body politic and corporate of the State of Minnesota (the "Issuer"), for value received, hereby promises to pay from its Public Project Lease Revenue Bond Fund to the registered owner named above, or registered assigns, the principal sum stated above on the maturity date specified above (unless subject to and duly called for earlier redemption) upon the presentation and surrender hereof and to pay to the registered owner hereof interest on such principal sum, until paid, from such Fund at the interest rate specified above from the Date of Original Issue specified above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as specified below, semiannually on each February 1 and August 1 commencing February 1, 2027 (each, an "Interest Payment Date"). Principal and interest are payable in lawful money of the United States of America by U.S. Bank Trust Company, National Association, in St. Paul, Minnesota, or its successor as Trustee under the Indenture hereinafter described. Interest shall be based on a 360-day year consisting of twelve (12) months of thirty (30) days each and shall be paid on each Interest Payment Date by check or draft mailed to the person in whose name this Bond is registered (the "Holder") at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month preceding such Interest Payment Date at the address set forth on the registration books maintained by the Trustee, as registrar for the Bonds. Any such interest not punctually paid or provided for will cease to be payable on such regular record dates and such defaulted interest shall be paid to the person in whose name this Bond shall be registered at the close of business on a special record date for the payment of such defaulted interest established by the Trustee pursuant to the Indenture.

B-1

Each capitalized term which is used but not otherwise defined in this Bond shall have the meaning given to that term pursuant to the Indenture or the Lease.

So long as this Bond is immobilized in global book-entry form registered in the name of the nominee of DTC, as defined in the Indenture, payments of principal of, premium, if any, and interest on this Bond shall be made as provided in the Representation Letter, as defined in the Indenture, and surrender of this Bond shall not be required for payment of the redemption price upon a partial redemption of this Bond or for optional or mandatory purchases of this Bond or portions thereof. Until termination of the book-entry only system pursuant to the Indenture, Bonds may be registered only in the name of DTC or its nominee, and notwithstanding express provisions of this Bond providing other or contrary results, the Representation Letter (which includes the applicable practices and procedures of DTC) shall apply to this Bond.

This Bond is issued pursuant to Minnesota Statutes, Sections 469.090 through 469.1082 and in conformity with the provisions, restrictions and limitations thereof, in aid of financing a certain project thereunder. This Bond does not constitute an indebtedness of the Issuer, within the meaning of any constitutional or statutory limitation, does not give rise to a charge against the general credit, properties or taxing powers of the Issuer or the City of Moorhead, Minnesota (the "City") and does not grant to the Holder any right to have the Issuer or the City levy any taxes or appropriate any funds for the payment of the principal hereof or interest hereon. This Bond is payable solely from the moneys received under the Lease hereinafter described, or held by the Trustee in a Fund appropriated to the payment of the Bonds under the Indenture, including payments of Rental Payments to be made by the City under the Lease.

This Bond is one of an issue in the aggregate principal amount of \$25,465,000, each in the denomination of \$5,000, or an integral multiple thereof, and numbered from R-1 upwards, all of like tenor, except as to number, denomination, interest rate, maturity and redemption privilege, and all issued for the purpose of financing the costs of acquisition and betterment of a fire and emergency services facility (the "Project"). The Project is to be leased to the City by the Issuer pursuant to a Lease Agreement, dated as of March 30, 2026 (the "Lease"). Pursuant to an Indenture of Trust, dated as of March 30, 2026 (the "Indenture"), executed and delivered by the Issuer and the Trustee, the Issuer has assigned to the Trustee its rights and interests in the Lease, including its rights to rental payments from the City but excluding certain rights to payment of expenses and indemnification. Reference is made to the Lease and the Indenture, copies of which are on file with the Trustee, for a complete description of the agreements and covenants contained therein.

The Bonds are issued pursuant to a resolution ("the Bond Resolution") adopted by the governing body of the Issuer on March 9, 2026, and the Indenture. The Bonds are equally and ratably secured by the Lease, the Indenture, and the Bond Resolution. The obligation of the City under the Lease to make Rental Payments sufficient to pay the principal of and interest on the Bonds, when due, is a limited obligation of the City which can be terminated, by non-appropriation, at the end of any fiscal year of the City. More specifically, the City has the right to cancel and terminate the Lease at the end of any fiscal year of the City if the City Council, the governing body of the City, determines not to appropriate moneys sufficient to pay the Rental Payments coming due in the next fiscal year.

All the Bonds maturing on February 1, 2033, and thereafter, are subject to prior redemption at the option of the Issuer, upon direction of the City, on February 1, 2032, and on any date thereafter, at a redemption price equal to par plus accrued interest to date of redemption.

Redemption may be in whole or in part, and if in part, the Issuer shall determine the amount of Bonds of each maturity to be prepaid; and if only part of the Bonds having a common maturity date are called for prepayment, the Bonds of that maturity shall be chosen by lot by the Trustee.

(a) Bonds maturing on February 1 in years [_____] (the "Term Bonds") shall be redeemed by lot on February 1 in the following years and principal amounts, at their principal amount, without any premium, plus accrued interest thereon to such redemption date (after any credits are made as provided below):

Mandatory Redemption Schedule

February 1, [_____] Term Bond (inclusive) Year Principal Amount
\$ (maturity)

or, if less than such amount is then outstanding, an amount equal to the aggregate principal amount of the Bonds then outstanding.

The Issuer may, at its option to be exercised on or before the fifteenth day next preceding any date specified in the Mandatory Redemption Schedule above, deliver to the Bond Registrar written notice, which shall (i) specify a principal amount of such Term Bonds previously redeemed (otherwise than pursuant to the above Mandatory Redemption Schedule) or purchased and cancelled by the Bond Registrar and not theretofore applied as a credit against any redemption of Bonds pursuant to the above Mandatory Redemption Schedule, and (ii) instruct the Bond Registrar to apply the principal amount of such Term Bonds so delivered or previously redeemed or purchased and cancelled for credit against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer. Each such Term Bond so delivered or previously redeemed or purchased and cancelled shall be credited by the Bond Registrar against the principal installments to be prepaid pursuant to the Mandatory Redemption Schedule and selected by the Issuer.

Prior to the date on which any Bond or Bonds are directed by the Issuer to be redeemed in advance of maturity, the Issuer will cause notice of the call thereof for redemption identifying the Bonds to be redeemed to be mailed to the Bond Registrar and all Bondholders, at the addresses shown on the Bond Register. All Bonds so called for redemption will cease to bear interest on the specified redemption date, provided funds for their redemption have been duly deposited.

Notice of any such redemption shall be given to the Holder of each Bond called by first class mail, addressed to the Holder at the Holder's address as it appears on the registration books maintained by the Trustee, not earlier than sixty (60) days and not later than thirty (30) days prior to the date fixed for redemption. Prior to the date fixed for redemption, there are required to be

deposited with the Trustee sufficient funds to pay the Bonds to be redeemed. Upon the happening of the above conditions, Bonds thus called for redemption shall not bear interest after the call date and, except for the purpose of payment from the funds so deposited, shall no longer be protected by the Indenture.

To effect a partial redemption of Bonds having a common maturity date, the Trustee shall select, using such method of selection set forth in the Indenture, an amount equal the principal amount of such Bonds to be redeemed. If a Bond is to be redeemed only in part, it shall be surrendered to the Trustee (with, if the Trustee so requires, a written instrument of transfer in form satisfactory to the Trustee duly executed by the Holder thereof or by the Holder's attorney, duly authorized in writing) and the Issuer shall execute (if necessary) and the Trustee shall authenticate and deliver to the Holder of such Bond, without service charge, a new Bond or Bonds of the same series having the same stated maturity and interest rate and of any authorized denomination or denominations, as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond so surrendered.

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

The Bonds may become subject to acceleration and prepayment upon the occurrence of an Event of Default or upon the occurrence of a Non-appropriation resulting in a termination of the Lease.

The Bonds are issuable only in fully registered form without interest coupons in denominations of \$5,000 or any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, the Bonds are exchangeable for a like aggregate principal amount of Bonds of a different authorized denomination, as requested by the Holder or the Holder's duly authorized attorney upon surrender thereof to the Trustee.

The Bonds have not been designated by the Issuer as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

It is hereby certified and recited that the issuance of the Bonds and the acquisition and construction of the Project will promote the public welfare and carry out the purposes of the Issuer Powers Act; that all acts, conditions and things required to be done precedent to and in the issuance of this Bond and the issue of which it is a part have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; and that this Bond and the issue of which it is a part do not constitute a debt of the Issuer or the City within the meaning of any constitutional or statutory limitation, except insofar as this Bond shall be payable

from revenues derived from the Lease or as may otherwise be available for such purposes pursuant to the Indenture.

This Bond shall not be valid or become obligatory for any purpose until it shall have been authenticated by the manual execution of the Trustee's Certificate of Authentication.

IN WITNESS WHEREOF, the Moorhead Economic Development Authority, by its Board of Commissioners, has caused this Bond to be executed in its name by the facsimile signatures of its President and Executive Director, the seal of the Issuer having been intentionally omitted as permitted by law, all as of the Date of Original Issue specified above.

Date of Registration

Registrable by: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

Payable at: U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION

TRUSTEE'S CERTIFICATE OF
AUTHENTICATION

MOORHEAD ECONOMIC DEVELOPMENT
AUTHORITY

This Bond is one of the Bonds described
in the Indenture mentioned within.

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION
St. Paul, Minnesota, Trustee

/s/ (do not sign) _____
President

By _____
Authorized Signature

/s/ (do not sign) _____
Executive Director

ABBREVIATIONS

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

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA - _____ as custodian for _____

(Cust)

(Minor)

under the _____ Uniform Transfers to Minors Act

(State)

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ the within Bond and does hereby irrevocably constitute and appoint _____ as attorney to transfer the Bond on the books kept for the registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or any change whatever.

Signature Guaranteed:

Signature(s) must be guaranteed by a national bank or trust company, by a brokerage firm having a membership in one of the major stock exchanges, by any other "Eligible Guarantor Institution" as defined in 17 CFR 240.17 Ad-15(a)(2), or in such other manner as shall be reasonably required by or acceptable to the Trustee, including signatures guaranteed by a member of the Medallion Signature Program.

The Trustee will not effect transfer of this Bond unless the information concerning the transferee requested below is provided.

Name and Address: _____

(Include information for all joint owners
the Bond is held by joint account.)

January 21, 2026



Pre-issuance report for

Moorhead Economic Development Authority, Minnesota

\$25,465,000 Lease Revenue Bonds, Series 2026A (City of Moorhead, MN Lease Obligation) (the “Bonds”)

PREPARED BY
Baker Tilly Municipal Advisors, LLC
30 East 7th Street, Suite 3025
St. Paul, MN 55101

ADVISOR
Chris Hogan | Director
651-223-3034
Chirs.hogan@bakertilly.com

Issue summary

PROPOSED ISSUE

The Moorhead Economic Development Authority (the “Authority”) and the City of Moorhead (the “City”) has under consideration the issuance of Bonds to (i) finance renovations to the existing city hall building and (ii) pay costs of issuance on the Bonds. This document provides information relative to the proposed issuance.

AUTHORITY

The Bonds are being issued pursuant to Minnesota Statutes, Sections 465.71, 469.041 and Sections 469.090 through 469.1082 and Chapter 475; a Trust Indenture (the “Indenture”) by and between the Authority and U.S. Bank National Association, St. Paul, Minnesota (the “Trustee”); a Lease-Purchase Agreement by and between the Authority and the City (the “Lease”); a Sublease by and between the City and Moorhead Public Services (“MPS”); a Bond resolution to be adopted by the Authority (the “Authority Resolution”) on February 2, 2026; and a resolution to be adopted by the City (the “City Resolution”) on January 26, 2026.

SECURITY/SOURCE OF PAYMENT

The Bonds will be special, limited obligations of the Authority payable from rental payments to be received by the Authority from the City pursuant to the Lease. The City’s obligation under the Lease is subject to annual appropriation.

Pursuant to the Sub lease, Moorhead Public Services is obligated to annually pay the City \$250,000 over 20 years (\$5,000,000 total) starting in 2027.

The City will levy taxes to make the lease payments. The City will make their first levy in 2026 for collection in 2027. The February 1, 2027 interest payment net of MPS’s payment will be paid with cash on hand by the City.

FINANCING STRUCTURE

In consultation with the Authority, City and MPS the Bonds are structured over a term of 20 years (19 principal payments) structured around the MPS contributions to result in a level annual levy requirement.

PARAMETER LIMIT

As part of the Parameters Resolution to be adopted by the EDA on February 2, 2026, the authority to award the sale of the Bonds has been delegated to a Pricing Committee, subject to the following parameters: (i) the principal amount may not exceed \$27,000,000, plus any premium, (ii) the true interest cost (TIC) may not exceed 5.50% and (iii) the final maturity date of the Bonds is not later than February 1, 2046.

The Pricing Committee is the President of the EDA Board, the City Manager, and the Assistant City Manager.

Issue terms

BANK QUALIFICATION

The Bonds exceeds the \$10 million limit for tax-exempt obligations in 2026; therefore the Bonds are not designated as bank qualified.

PREMIUM

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

Estimated interest rates applied in the structuring of the Bonds are based on current market conditions and assume a reoffering premium. The underwriter will take their compensation from the reoffering premium and any remaining premium can be used to downsize the issue, applied to additional project needs or deposited to the debt service fund. Our preliminary bond structure has applied the estimated premium to financing project needs thereby reducing the principal amount of the Bonds. Determination of the use of premium, if received, will be made by the City prior to or on the day of sale.

OPTIONAL REDEMPTION

Bonds maturing on February 1, 2036 may be prepaid at a price of par plus accrued interest on or after February 1, 2037.

Rating

An application will be made to Moody’s Investor Services for a rating on the Bonds. The City’s general obligation debt is currently rated Aa2 by Moody’s. The City currently does not have any lease revenue subject to annual appropriation, but we believe it will be rated one notch below the general obligation rating.

Issuance timeline

City Council considers Resolution requesting the Authority to issue the Bonds and enter into a Lease Purchase Agreement	January 26, 2026
Authority Board considers: 1. Parameters Resolution (i) authorizing the sale of the Bonds, (ii) delegating Pricing Committee and (iii) establishing parameters 2. Authorizing the execution and delivery of a Lease Agreement and Indenture of Trust	February 2, 2026
Questions from Moody’s sent to the City	Week of February 16, 2026
Competitive proposals are received	March 10, 2026 @ 10 am

Pricing Committee awards sale of the Bonds	March 10, 2026 (Following the Sale)
Settlement of the bond and receipt of proceeds	April 2, 2026

Post issuance

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

ARBITRAGE/REBATE

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

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

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

CONTINUING DISCLOSURE

Secondary disclosure requirements result from an SEC requirement that underwriters provide ongoing disclosure information to investors. The City, as the obligated person, will commit to providing the information needed to comply under a continuing disclosure agreement. The City and the Authority has contracted with Baker Tilly to provide post issuance compliance services for the Bonds related to arbitrage and continuing disclosure.

Finance team

The issuance of the Bond will require the work of various other public finance professionals. Fees for these professionals shall be paid by proceeds of this issuance unless directed otherwise by the Authority and City. The following professionals and their role have been identified below:

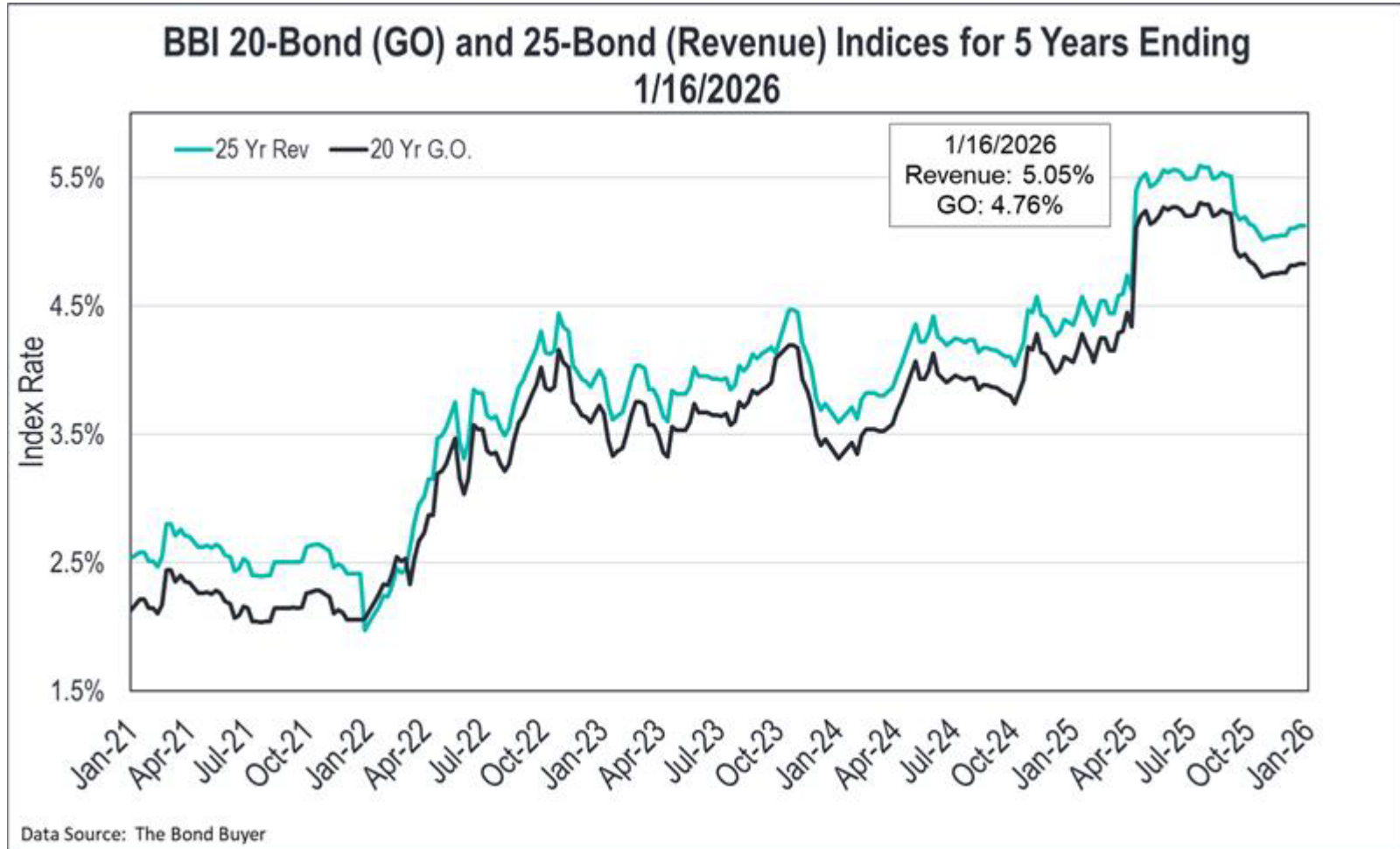
Bond Counsel: Ohnstad Twichell
Municipal Advisor: Baker Tilly Municipal Advisors, LLC
Trustee: US Bank

Attachments

1. Bond Buyer Index
2. Bond Schedules
 - a. Sources & Uses
 - b. Pricing Summary
 - c. Net DS Schedule

Attachment 1) Bond Buyer Index

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



Attachment 2) Bond Schedules

\$25,465,000

Economic Development Authority of the City of Moorhead, MN

Lease Revenue Bonds, Series 2026A (City of Moorhead, MN Lease Agreement)

Sources & Uses

Dated 04/02/2026 | Delivered 04/02/2026

Sources Of Funds

Par Amount of Bonds	\$25,465,000.00
Reoffering Premium	908,236.80
Total Sources	\$26,373,236.80

Uses Of Funds

Deposit to Project Construction Fund	26,000,000.00
Total Underwriter's Discount (0.800%)	203,720.00
Costs of Issuance	169,350.00
Rounding Amount	166.80
Total Uses	\$26,373,236.80

Attachment 2) Bond Schedules

\$25,465,000

Economic Development Authority of the City of Moorhead, MN

Lease Revenue Bonds, Series 2026A (City of Moorhead, MN Lease Agreement)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2028	Serial Coupon	5.000%	3.050%	855,000.00	103.442%	884,429.10
02/01/2029	Serial Coupon	5.000%	3.030%	895,000.00	105.301%	942,443.95
02/01/2030	Serial Coupon	5.000%	3.010%	940,000.00	107.144%	1,007,153.60
02/01/2031	Serial Coupon	5.000%	3.040%	990,000.00	108.739%	1,076,516.10
02/01/2032	Serial Coupon	5.000%	3.100%	1,040,000.00	110.059%	1,144,613.60
02/01/2033	Serial Coupon	5.000%	3.220%	1,090,000.00	110.831%	1,208,057.90
02/01/2034	Serial Coupon	5.000%	3.230%	1,145,000.00	112.155%	1,284,174.75
02/01/2035	Serial Coupon	5.000%	3.320%	1,200,000.00	112.762%	1,353,144.00
02/01/2036	Serial Coupon	5.000%	3.440%	1,260,000.00	112.913%	1,422,703.80
02/01/2037	Serial Coupon	3.740%	3.740%	1,325,000.00	100.000%	1,325,000.00
02/01/2038	Serial Coupon	3.950%	3.950%	1,375,000.00	100.000%	1,375,000.00
02/01/2039	Serial Coupon	4.130%	4.130%	1,430,000.00	100.000%	1,430,000.00
02/01/2040	Serial Coupon	4.320%	4.320%	1,490,000.00	100.000%	1,490,000.00
02/01/2041	Serial Coupon	4.390%	4.390%	1,550,000.00	100.000%	1,550,000.00
02/01/2042	Serial Coupon	4.470%	4.470%	1,620,000.00	100.000%	1,620,000.00
02/01/2043	Serial Coupon	4.580%	4.580%	1,695,000.00	100.000%	1,695,000.00
02/01/2044	Serial Coupon	4.660%	4.660%	1,770,000.00	100.000%	1,770,000.00
02/01/2045	Serial Coupon	4.700%	4.700%	1,855,000.00	100.000%	1,855,000.00
02/01/2046	Serial Coupon	4.750%	4.750%	1,940,000.00	100.000%	1,940,000.00
Total	-	-	-	\$25,465,000.00	-	\$26,373,236.80

Bid Information

Par Amount of Bonds	\$25,465,000.00
Reoffering Premium or (Discount)	908,236.80
Gross Production	\$26,373,236.80
Total Underwriter's Discount (0.800%)	\$(203,720.00)
Bid (102.767%)	26,169,516.80
Total Purchase Price	\$26,169,516.80
Bond Year Dollars	\$309,635.10
Average Life	12.159 Years
Average Coupon	4.5621907%
Net Interest Cost (NIC)	4.3346594%
True Interest Cost (TIC)	4.2567280%

Attachment 2) Bond Schedules

\$25,465,000

Economic Development Authority of the City of Moorhead, MN

Lease Revenue Bonds, Series 2026A (City of Moorhead, MN Lease Agreement)

NET DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	MPS	
					Contributions	Levy Required
02/01/2027	-	-	978,354.16	978,354.16	250,000.00	728,354.16
02/01/2028	855,000.00	5.000%	1,177,951.50	2,032,951.50	250,000.00	1,782,951.50
02/01/2029	895,000.00	5.000%	1,135,201.50	2,030,201.50	250,000.00	1,780,201.50
02/01/2030	940,000.00	5.000%	1,090,451.50	2,030,451.50	250,000.00	1,780,451.50
02/01/2031	990,000.00	5.000%	1,043,451.50	2,033,451.50	250,000.00	1,783,451.50
02/01/2032	1,040,000.00	5.000%	993,951.50	2,033,951.50	250,000.00	1,783,951.50
02/01/2033	1,090,000.00	5.000%	941,951.50	2,031,951.50	250,000.00	1,781,951.50
02/01/2034	1,145,000.00	5.000%	887,451.50	2,032,451.50	250,000.00	1,782,451.50
02/01/2035	1,200,000.00	5.000%	830,201.50	2,030,201.50	250,000.00	1,780,201.50
02/01/2036	1,260,000.00	5.000%	770,201.50	2,030,201.50	250,000.00	1,780,201.50
02/01/2037	1,325,000.00	3.740%	707,201.50	2,032,201.50	250,000.00	1,782,201.50
02/01/2038	1,375,000.00	3.950%	657,646.50	2,032,646.50	250,000.00	1,782,646.50
02/01/2039	1,430,000.00	4.130%	603,334.00	2,033,334.00	250,000.00	1,783,334.00
02/01/2040	1,490,000.00	4.320%	544,275.00	2,034,275.00	250,000.00	1,784,275.00
02/01/2041	1,550,000.00	4.390%	479,907.00	2,029,907.00	250,000.00	1,779,907.00
02/01/2042	1,620,000.00	4.470%	411,862.00	2,031,862.00	250,000.00	1,781,862.00
02/01/2043	1,695,000.00	4.580%	339,448.00	2,034,448.00	250,000.00	1,784,448.00
02/01/2044	1,770,000.00	4.660%	261,817.00	2,031,817.00	250,000.00	1,781,817.00
02/01/2045	1,855,000.00	4.700%	179,335.00	2,034,335.00	250,000.00	1,784,335.00
02/01/2046	1,940,000.00	4.750%	92,150.00	2,032,150.00	250,000.00	1,782,150.00
Total	\$25,465,000.00	-	\$14,126,143.66	\$39,591,143.66	\$5,000,000.00	\$34,591,143.66

Dated	4/02/2026
Delivery Date	4/02/2026
First Coupon Date	2/01/2027

Yield Statistics

Bond Year Dollars	\$309,635.10
Average Life	12.159 Years
Average Coupon	4.5621907%
Net Interest Cost (NIC)	4.3346594%
True Interest Cost (TIC)	4.2567280%
Bond Yield for Arbitrage Purposes	4.1704531%
All Inclusive Cost (AIC)	4.3291785%

IRS Form 8038

Net Interest Cost	4.1834591%
Weighted Average Maturity	11.980 Years

Economic Development Report

Matt Leiseth



Monthly Highlights

Downtown Moorhead Redevelopment

This has been an exciting month for downtown redevelopment. Our strong partnership with Essentia Health continues to grow. In addition to their major investment in the walking loop at the new Library/Community Center, Essentia will be expanding its presence in Moorhead. They plan to make a public announcement on Friday, January 30. We are grateful for this partnership and recognize the importance of prioritizing health and wellness in our community.

Progress across the downtown core remains steady. Construction continues both the Library/Community Center and the 650 Center Avenue project. Work at The Loop is advancing toward a projected April 2026 opening. City Hall remodel is also moving forward, with steel now in place for the new council chambers and community-access spaces on the main floor, while upper floors continue to take shape.

We continue to receive many inquiries about the downtown redevelopment plan. Residents, businesses, and prospective developers are encouraged to visit the project websites [More To Moorhead](#) and [Yes56560](#) for updates and resources.

FMWF Chamber of Commerce

On January 8, the FMWF Chamber hosted its annual *State of the Cities* event, and Moorhead was well represented. Mayor Shelly Carlson—giant scissors in hand—declared 2026 as Moorhead’s “Grand Opening Year,” highlighting the completion of The Loop, City Hall, and the 11th Street Underpass.

Mayor Carlson delivered a positive and compelling message about the progress happening in Moorhead. I was also invited to share updates on the downtown redevelopment efforts. I want to thank the dedicated City of Moorhead team who helped prepare materials for the event; they will continue to be a valuable resource throughout 2026.

The Chamber will host **Moorhead Area Day at the Capitol** on March 11–12. We hope community and business leaders will join us to share Moorhead’s momentum. Registration details are available on the [Chamber website](#).

EDAM Conference

On January 22–23, I attended the Economic Development Association of Minnesota’s 2026 Winter Conference in Minneapolis. The event provided excellent opportunities to connect with peers and learn about projects across the state. There is strong recognition of Moorhead’s accomplishments and growing interest in what comes next. The seminars were informative, and I made several valuable connections and follow-up meetings have already been scheduled.

MnDOT

I met with Tom Lundberg and members of the Detroit Lakes MnDOT team to discuss the many projects in process and under consideration in Moorhead. These include:

- Two Highway 75 (8th Street) projects:
 - From the roundabout to south of 46th Avenue
 - From 24th Avenue to Main Avenue
- Three Highway 10 (Center Avenue) projects from the river to 34th Street
- I-94 improvements, including a full interchange at 20th Street and additional lanes from the river to 34th Street

DG Fuels

DG Fuels has signed an option agreement for land in the MCCARA Industrial Park. Discussions will continue as they complete due diligence. The company remains focused on securing federal funding from the Department of Energy and working with the State of Minnesota on permitting. Locally, we are prepared to engage in detailed conversations about land and infrastructure needs.

11th Street Underpass

All lanes on Main Avenue and 1st Avenue North have remained open throughout the winter. Center Avenue will stay closed as the remaining portion of the underpass is completed in 2026. We anticipate reopening the full underpass by late fall. Residents and businesses are encouraged to follow project [MnDOT updates online](#) and sign up for email notifications. For questions, the project hotline is **218-292-8779**.

Upcoming Events

- **February 24** – GFMEDC “Un-Annual Meeting” – Avalon Events Center – 4:30 – 6:30 pm
 - **March 11–12** – Moorhead Area Day at the Capitol (hosted by FMWF Chamber)
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