
FIRST SUPPLEMENTAL INDENTURE OF TRUST

between

CITY OF COLUMBIA HEIGHTS, MINNESOTA,
as Issuer

and

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

Dated as of September 1, 2026

Relating to:

\$15,880,000
City of Columbia Heights, Minnesota
Charter School Lease Revenue Bonds
(Prodeo Academy Project)
Series 2019A

\$335,000
City of Columbia Heights, Minnesota
Taxable Charter School Lease Revenue Bonds
(Prodeo Academy Project)
Series 2019B

This instrument was drafted by:
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FIRST SUPPLEMENTAL INDENTURE OF TRUST

THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST, dated as of September 1, 2026 (this “First Supplemental Indenture”), is made by and between the CITY OF COLUMBIA HEIGHTS, MINNESOTA, a home rule city and political subdivision of the State of Minnesota (the “Issuer”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America, as successor-in-interest to U.S. Bank, National Association (the “Trustee”), with the consent of FRIENDS OF PRODEO INC., a Minnesota nonprofit corporation (the “Company”), and supplements and amends the Original Indenture (hereinafter defined);

W I T N E S S E T H:

WHEREAS, the Issuer is a duly organized and existing municipal corporation under the laws of Minnesota, and is authorized to issue its revenue bonds pursuant to the provisions of Minnesota Statutes, Sections 469.152 through 469.1655, as amended (the “Act”), to finance, in whole or in part, the costs of the acquisition, construction, reconstruction, improvement, betterment, or extension of a project comprised of any properties, real or personal, used or useful in connection with a revenue producing enterprise, whether or not operated for profit; and

WHEREAS, the Issuer previously issued its (i) Charter School Lease Revenue Bonds (Prodeo Academy Project), Series 2019A (the “Series 2019A Bonds”), in the original aggregate principal amount of \$15,880,000 and currently outstanding in the principal amount of \$ _____, and (ii) Taxable Charter School Lease Revenue Bonds (Prodeo Academy Project), Series 2019B (the “Series 2019B Bonds” and together with the Series 2019A Bonds, the “Series 2019 Bonds”), in the original aggregate principal amount of \$335,000 and which have been fully repaid, pursuant to the Act, a resolution adopted by the City Council of the Issuer on September 9, 2019, and an Indenture of Trust, dated October 1, 2019 (the “Original Indenture”) between the Issuer and Trustee, to provide funds to the Company to acquire, rehabilitate, furnish, and equip a facility to be used as a public charter school facility as more fully described in the Original Indenture (the “Project”); and

WHEREAS, the Issuer loaned the proceeds of the Series 2019 Bonds to the Company pursuant to a Loan Agreement, dated as of October 1, 2019 (the “Original Loan Agreement”), between the Issuer and the Company; and

WHEREAS, under a Pledge and Covenant Agreement, dated as of October 1, 2019 (the “Original Pledge Agreement”) between the Prodeo Academy, a Minnesota nonprofit and a 501(c)(3) organization (the “School”) and the Trustee, the School pledged certain Adjusted Pledged Revenues of the School to the Trustee to provide additional security for the timely payment of amounts due under the Lease; and

WHEREAS, the Company is proposing to acquire the charter school facilities located at 147 Geranium Avenue West, 160 Rose Avenue West, 130 Rose Avenue West, 170 Rose Avenue West, 1143 Albemarle Street and adjacent parking facilities in the City of Saint Paul, Minnesota (the “St. Paul Project”) with financing (the “St. Paul Campus Financing”) provided by The Church of St. Bernard of St. Paul (the “St. Paul Lender”); and

WHEREAS, the Company is proposing to lease the St. Paul Project to the School under the terms of a Lease Agreement, dated as of _____ 1, 2026 (the “St. Paul Lease”), between the Company and the School; and

WHEREAS, in connection with the St. Paul Campus Financing, the consent of the Holders of the Series 2019A Bonds, as the only Outstanding Bonds under the Original Indenture, is required under the terms of the Original Indenture; and

WHEREAS, the Company and the School are proposing to enter into the following documents, and requesting that the Issuer and the Trustee also execute and deliver, as applicable, (i) this First Supplemental Indenture, (ii) the First Amendment to Loan Agreement (defined below), and (iii) the Amendment to Pledge Agreement (defined below); and

WHEREAS, the Company and the School have requested that the Holders of the Outstanding Series 2019A Bonds consent to the Company entering into the St. Paul Campus Financing and the School entering into the St. Paul Lease; and

WHEREAS, the Holders of 100% of the Outstanding Series 2019A Bonds, as the only Outstanding Bonds under the Original Indenture, have agreed to consent to the Company entering into the St. Paul Campus Financing and the School entering into the St. Paul Lease, but have provided that as a condition for such consent, that the Company, Trustee, and Issuer, as applicable, enter into this First Supplemental Indenture, the First Amendment to Loan Agreement, and the Amendment to Pledge Agreement to provide, among other items, for the amending of certain financial covenants and the establishment of the Stabilization Fund (as defined herein); and

WHEREAS, in accordance with (i) Section 11.02 of the Original Indenture, the Majority Bondholder may consent to and approve the execution by the Issuer and the Trustee of such other indentures supplemental thereto for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained therein; and (ii) Section 12.02 of the Original Indenture, the Security Agreements may be amended pursuant to the written consent of the Majority Bondholder; and

WHEREAS, the Issuer, Company, and Trustee have agreed to enter into, and the Majority Bondholder has consented to the execution of, this First Supplemental Indenture (together with the Original Indenture, the “Indenture”) for the purpose of establishing a stabilization fund and providing for deposits thereto and requisitions therefrom; and

WHEREAS, the Issuer and Company have agreed to enter into the First Amendment to Loan Agreement, dated as of September 1, 2026 (the “First Amendment to Loan Agreement” and, together with the Original Loan Agreement, the “Loan Agreement”), between the Issuer and the Company; and

WHEREAS, the School and the Trustee have agreed to enter into the First Amendment to Pledge and Covenant Agreement, dated as of September 1, 2026 (the “Amendment to Pledge Agreement,” and together with the Original Pledge Agreement, the “Pledge Agreement”), between the School and the Trustee; and

WHEREAS, the Trustee has accepted the trust created by this First Supplemental Indenture and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

(The remainder of this page is intentionally left blank.)

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.01 Addition and Modification of Certain Definitions in Section 1.01. Section 1.01 of the Indenture is modified to add or revise the following definitions:

“Cash on Hand” means the sum of cash, cash equivalents, liquid investments, and unrestricted marketable securities (valued at the lower of cost or market value) of the School. Cash on Hand includes amounts on deposit in the Stabilization Fund but specifically does not include any other amounts held by the Trustee in any of the other funds and accounts established under this Indenture or the proceeds of any borrowing such as Short-Term Indebtedness or Long-Term Indebtedness or any accounts receivables.

“Company Request” means a request signed by the Company Representative.

“Days Cash on Hand” means (a) Cash on Hand of the School, as shown on the financial statements for each Fiscal Year divided by (b) the quotient of Operating Expenses, plus the principal payments payable during the Fiscal Year as shown on the financial statements of the School for such Fiscal Year, divided by three hundred sixty-five (365).

“First Amendment to Loan Agreement” means the First Amendment to Loan Agreement, dated as of September 1, 2026 between the Issuer and the Company, as amended or supplemented from time to time.

“First Supplemental Indenture” means the First Supplemental Indenture of Trust, dated as of September 1, 2026, between the Issuer and the Trustee, as amended or supplemented from time to time.

“Indebtedness” means (a) all indebtedness of the obligor for borrowed money incurred or assumed by the obligor, and all purchase money mortgages, installment purchase contracts, leases, guaranties, or other similar instruments in the nature of a borrowing by which the obligor will be unconditionally obligated to pay; (b) the capitalized value of the liability under any lease of real or personal property; and (c) any guaranties of any obligation of indebtedness of another person.

“Indenture” means the Original Indenture as supplemented by the First Supplemental Indenture.

“Lease” means, collectively, (i) the Lease Agreement, dated as of October 1, 2019, between the Company, as lessor, and the School, as lessee, pursuant to which the Company will lease the portion of the School Facility financed with proceeds of the Series 2019 Bonds to the School, (ii) the St. Paul Lease, and (iii) any amendments thereof or supplements thereto.

“Loan Agreement” means the Original Loan Agreement as amended by the First Amendment to Loan Agreement.

“Original Indenture” means the Indenture of Trust, dated as of October 1, 2019, between the Issuer and Trustee.

“Original Loan Agreement” means the Loan Agreement, dated as of October 1, 2019, between the Issuer and the Company.

“School Certificate” means a certificate signed by one or more School Representative.

“School Facility” means, collectively, (i) the building containing approximately 75,000 square feet of space and all facilities and improvements related thereto to be constructed and equipped for use as a

public charter school, and all facilities and improvements related thereto financed with proceeds of the Series 2019 Bonds, and (ii) the St. Paul Project.

“Stabilization Fund” means the fund created pursuant to Section 5.42 of the Indenture.

“Stabilization Fund Requirement” means \$750,000.

“St. Paul Financing” means the financing for the Company’s acquisition of the St. Paul Project provided by the St. Paul Lender.

“St. Paul Lease” means the Lease Agreement, dated as of August 1, 2026, between the Company and the School, as amended or supplemented from time to time.

“St. Paul Lender” means The Church of St. Bernard of St. Paul.

“St. Paul Project” means the charter school facilities located at 147 Geranium Avenue West, 160 Rose Avenue West, 130 Rose Avenue West, 170 Rose Avenue West, 1143 Albemarle Street and adjacent parking facilities in the City of Saint Paul, Minnesota to be leased by the Company to the School under the terms of the St. Paul Lease.

“Trustee” means U.S. Bank Trust Company, National Association, a national banking association with a designated corporate office in Saint Paul, Minnesota, as successor-in-interest to U.S. Bank National Association, as trustee under the Indenture, and its successors in trust and assigns.

ARTICLE II

AMENDMENTS

Section 2.01 Addition of Section 5.42. The Original Indenture is modified to add Section 5.42 applicable as follows:

Section 5.42. *Creation of the Stabilization Fund.* There is hereby created and established with the Trustee a trust fund in the name of the Issuer to be designated the “Charter School Lease Revenue Bonds (Prodeo Academy Project), Series 2019 Stabilization Fund.”

Section 2.02 Addition of Section 5.43. The Original Indenture is modified to add Section 5.43 applicable as follows:

Section 5.43. *Payments in the Stabilization Fund.* On the date of execution and delivery of this First Supplemental Indenture, the School shall deposit \$750,000 (the “Stabilization Fund Requirement”) into the Stabilization Fund. The Stabilization Fund must at all times have on deposit the Stabilization Fund Requirement. Any time the Stabilization Fund has funds on hand that are less than the Stabilization Fund Requirement, the Company shall deposit or cause the School to deposit monthly deposits to the Stabilization Fund equal to 1/12 of the deficiency until the funds on hand in the Stabilization Fund are equal to or greater than the Stabilization Fund Requirement. Amounts in the Stabilization Fund shall be tested by the Trustee as of the first day of each month.

Section 2.03 Addition of Section 5.44. The Original Indenture is modified to add Section 5.44 applicable as follows:

Section 5.44. *Use of Money in the Stabilization Fund.* Amounts deposited in the Stabilization Fund shall be applied by the Trustee, not more than once each month as requested in a Company Request, and approved by the Majority Bondholder, for the payment or reimbursement of capital expenses associated with the St. Paul Project or Operating Expenses of the School. The Company Request for disbursement from the Stabilization Fund shall identify the expenditures requested to be reimbursed by nature and amount and be signed by two Authorized Representatives of the School. Investment earnings on amounts held in the Stabilization Fund shall remain in, and be credited as received to, the Stabilization Fund unless directed by the Company in writing to be (i) transferred to the Bond Fund, or (ii) returned to the School; provided, however that no transfer (ii) may occur if such transfer would cause the amount in the Stabilization Fund to be below the Stabilization Fund Requirement. The Trustee may conclusively rely on requests and approvals submitted in accordance with this Section 5.44 as complete authorization for the disbursements made pursuant thereto and shall not be responsible for any representations or certifications made thereon or for any use of funds disbursed in accordance with this Section. Requisitions from the Stabilization Fund shall be made by the Company in substantially the form attached to the First Amendment to Loan Agreement as Exhibit A. The Trustee may accept an approval from the Majority Bondholder in writing or by Electronic Means of a requisition from the Stabilization Fund made by the Borrower.

Before application of any available amounts in the Reserve Fund, amounts on hand in the Stabilization Fund, if any, may be transferred by the Trustee to the Bond Fund, if directed in writing by the Majority Bondholder, if, on any Interest Payment Date, the amount then on hand in the Bond Fund is not sufficient to pay the principal and interest then due on the Bonds, whether at maturity or upon redemption or by acceleration.

If the funds held in the Stabilization Fund are not released pursuant to the provisions of Section 4.11 of the Loan Agreement, the amounts, if any, remaining in the Stabilization Fund upon the payment in full of all Bonds, or the provision for payment therefor in accordance with the terms of this Indenture, shall be transferred to the Company.

Section 2.04 Addition of Section 5.45. The Original Indenture is modified to add Section 5.45 applicable as follows:

Section 5.45. ***Custody and Release of the Stabilization Fund.*** The Stabilization Fund shall be in the custody of the Trustee, but in the name of the Issuer, and the Issuer hereby authorizes and directs the Trustee to withdraw funds from the Stabilization Fund for the purposes set forth in Section 5.48 hereof, which authorization the Trustee hereby accepts. The Trustee is authorized to release money on deposit in the Stabilization Fund to the Company upon satisfaction of the requirements of Section 4.11 of the Loan Agreement.

Section 2.05 Addition of Section 13.10. The Original Indenture is modified to add Section 13.10 as follows:

Section 13.10. ***Electronic Means or Electronic Instructions.*** The Trustee shall have the right to accept and act upon instructions or directions, including funds transfer instructions, pursuant to this Indenture, the Loan Agreement, the Mortgage, the Assignment of Lease, the Pledge Agreement and the other documents delivered in connection with the issuance of a series of Bonds sent by Electronic Means (as hereinafter defined); provided, however, that the Majority Bondholder, the Issuer, the Company and the School shall provide to the Trustee an incumbency certificate listing designated persons authorized to provide such instructions (“Authorized Officers”), which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. As used in this paragraph, “Electronic Means” means a portable document format (“pdf”) or other replicating image attached to an unsecured email, facsimile transmission, secure electronic transmission (containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee), or another method or system specified by the Trustee as available for use in connection with its services hereunder. If the Majority Bondholder, the Issuer, the Company or the School elects to give the Trustee instructions by Electronic Means and the Trustee in its discretion elects to act upon such instructions, the Trustee’s understanding of such instructions shall be deemed controlling. The Issuer, Trustee, the Company, and the School agree that the Trustee cannot determine the identity of the actual sender of such instructions and that the Trustee shall conclusively presume that instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Issuer, Trustee, the Company, and the School shall be responsible for ensuring that only Authorized Officers transmit such instructions to the Trustee, and the Issuer, Trustee, the Company, and the School and the Authorized Officers are responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and authentication keys provided by the Trustee, if any. 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 such instructions conflict or are inconsistent with a subsequent written instruction delivered by other means. The Issuer, the Trustee, the Company, and the School agree (i) to assume all risks arising out of the use of such Electronic Means to submit instructions and direction 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the use of Electronic Means; (iii) that the security procedures (if any) to be followed in connection with its

transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) that it will notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 2.06 Addition of Section 13.11. The Original Indenture is modified to add Section 13.11 as follows:

Section 13.11. ***Electronic Signatures.*** The parties agree that the electronic signature of a party to this First Supplemental Indenture shall be as valid as an original signature of such party and shall be effective to bind such party to this First Supplemental Indenture. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means or 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) in English and (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, then such signature is a valid and binding signature of the authorized representative of such party.

ARTICLE III

MISCELLANEOUS

Section 3.01. Status of the Original Indenture and the Series 2019 Bonds. Except as modified by this First Supplemental Indenture, all provisions, definitions, terms and conditions in the Original Indenture and the Series 2019 Bonds are ratified, approved, and confirmed. Capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Original Indenture.

Section 3.02. Severability. If any portion of this First Supplemental Indenture is held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction, or in all cases, because it conflicts with any other provisions of this First Supplemental Indenture or the Original Indenture or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision invalid, inoperative or unenforceable. The invalidity of any one or more phrases, sentences, clauses or sections in this First Supplemental Indenture shall not affect the remaining portions of this First Supplemental Indenture.

Section 3.03. Execution in Counterparts. This First Supplemental Indenture may be executed in any number of counterparts, each of which is an original, but such counterparts shall together constitute one and the same instrument.

Section 3.04. Receipt and Consent. The Trustee and the Issuer each approve of and consent to the execution, delivery and performance of this First Supplemental Indenture to the extent required by the Original Indenture and the Series 2019 Bonds.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this First Supplemental Indenture of Trust to be executed in their respective corporate names by their duly authorized officers, all as of the date and year first written above.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

By: _____
Its Mayor

By: _____
Its City Manager

(Signature page to First Supplemental Indenture of Trust re Prodeo Academy Series 2019)

Execution page of the Trustee to the First Supplemental Indenture of Trust, dated as of the date and year first written above.

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION**

By: _____
Its _____

(Signature page to First Supplemental Indenture of Trust re Prodeo Academy Series 2019)

This First Supplemental Indenture of Trust, dated as of the date and year first written above, is hereby acknowledged and consented to by:

FRIENDS OF PRODEO INC.

By: _____
Its _____

(Signature page to First Supplemental Indenture of Trust re Prodeo Academy Series 2019)