
**FIRST AMENDMENT TO
PLEDGE AND COVENANT AGREEMENT**

between

PRODEO ACADEMY
as School,

and

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

Dated as of September 1, 2026

Amending the Pledge and Covenant Agreement, dated as of October 1, 2019

\$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:
Barnes & Thornburg LLP (BWJ)
225 S. 6th Street, Suite 2800
Minneapolis, MN 55402

FIRST AMENDMENT TO PLEDGE AND COVENANT AGREEMENT

THIS FIRST AMENDMENT TO PLEDGE AND COVENANT AGREEMENT, dated as of September 1, 2026 (this “Amendment to Pledge Agreement”), is made and entered into by and between PRODEO ACADEMY, a Minnesota nonprofit corporation and public (charter) school (the “School”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as successor-in-interest to U.S. Bank National Association (the “Trustee”), and amends the Pledge and Covenant Agreement, dated as of October 1, 2019 (the “Original Pledge Agreement,” and together with this Amendment to Pledge Agreement, the “Pledge Agreement”), between the School and the Trustee.

RECITALS

WHEREAS, the City of Columbia Heights, Minnesota (the “Issuer”) previously issued its Charter School Lease Revenue Bonds (Prodeo Academy Project), Series 2019A, in the aggregate principal amount of \$15,880,000 (the “Series 2019A Bonds”) and its Taxable Charter School Lease Revenue Bonds (Prodeo Academy Project), Series 2019B, in the aggregate principal amount of \$335,000 (the “Series 2019B Bonds” and, together with the Series 2019A Bonds, the “Series 2019 Bonds”) pursuant to Minnesota Statutes, Sections 469.152 through 469.1655, as amended, a resolution adopted by the City Council of the Issuer on September 9, 2019, and an Indenture of Trust, dated as of October 1, 2019 (the “Original Indenture”), between the Issuer and the Trustee, to provide funds to Friends of Prodeo Inc. (the “Company”) to acquire, construct and equip a facility located at 4141 University Avenue NE, Columbia Heights, Minnesota, to be used as a public charter school facility (the “Project”); and

WHEREAS, the proceeds of the Series 2019 Bonds were loaned to the Company pursuant to a Loan Agreement, dated as of October 1, 2019 (the “Original Loan Agreement”), between the Issuer and the Company, as amended by a First Amendment to Loan Agreement, dated as of September 1, 2026 (the “Amendment to Loan Agreement,” and together with the Original Loan Agreement, the “Loan Agreement”), between the Issuer and the Company; and

WHEREAS, the Series 2019B Bonds matured on July 1, 2024 and are no longer outstanding; 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 September 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 are requesting that the Trustee also execute and deliver, as applicable, (i) a First Supplemental Indenture of Trust, dated as of September 1, 2026 (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), between the Issuer and the Trustee and consented to by the Company, (ii) the First Amendment to Loan Agreement, and (iii) this Amendment to Pledge Agreement; and

WHEREAS, the Holders of the Outstanding Series 2019A Bonds, as the only Outstanding Bonds under the Original Indenture, have provided that as a condition for such consent, that the School and the Trustee amend the Original Pledge Agreement by entering into this Amendment to Pledge Agreement to amend certain financial covenants of the Original Pledge Agreement as follows:

ARTICLE I

AMENDMENTS

The Original Pledge Agreement is hereby modified and amended as provided in this Amendment to Pledge Agreement. Additions are noted with double underlining and deletions are noted with a ~~strikethrough~~.

Section 1. Modifications and Amendments to Section 3. Additional Covenants in the Original Pledge Agreement.

(A) Section 3(D)(1) of the Original Pledge Agreement is hereby amended as follows:

(I) *Minimum Days Cash on Hand.* Maintain unrestricted Cash on Hand in its operation fund such that on each testing date the amount on deposit in such fund shall be equal to or greater than ~~thirty~~ forty (3040) Days Cash on Hand, commencing with the Fiscal Year ending June 30, 20247 and each Fiscal Year thereafter. The School's Cash on Hand shall be tested annually as of each Fiscal Year, commencing June 30, 20247. The School will provide the Trustee with a certification no later than December 31 of each year in the format of Exhibit B attached to the Continuing Disclosure Agreement that the Days Cash on Hand requirement has been met. Amounts on deposit in such operating fund may be used to pay Operating Expenses or may be used for any other lawful purpose. The foregoing is subject to the qualification that if applicable state or federal laws or regulations, or the rules and regulations of agencies having jurisdiction (including, without limitation, changes in state or federal funding schedules), shall not permit or enable the School to maintain such level of Cash on Hand, then the School shall, in conformity with the then prevailing laws, rules or regulations, maintain its Cash on Hand equal to the maximum permissible level (the "Adjusted Cash on Hand"). The School shall provide the Trustee with a written certification if the Adjusted Cash on Hand becomes applicable and the amount of such Adjusted Cash On Hand and the Trustee shall be fully protected in relying on such written certification.

(B) The Original Pledge Agreement is modified to add Section 3(D)(VI) as follows:

(VI) *Release of Stabilization Fund.* Upon satisfaction by the School of the Days Cash on Hand covenant set forth in Section 3(D)(I), the debt service coverage covenant set forth in Section 3(D)(II), and delivery of a certificate of two authorized School Representatives as required by Section 4.11 of the Loan Agreement, the Trustee is authorized to release the Stabilization Fund to the School; provided, however that the School also certifies such release of amounts from the Stabilization Fund would not cause the School to violate the Days Cash on Hand covenant or the debt service coverage covenant at the time of such release.

(C) The Original Pledge Agreement is modified to add Section 3(D)(VII) as follows:

(VII) *Distributions to Foundation or an Affiliate.* The School shall not distribute or transfer any funds to [Prodeo Foundation] (the "Foundation") or any affiliate of the

School if such distribution or transfer would cause the School to be out of compliance with the Days Cash on Hand requirement set forth in Section 3(D)(I) hereof.

ARTICLE II

MISCELLANEOUS

Section 2.1. Status of the Original Pledge Agreement.

Except as modified by this Amendment to Pledge Agreement, all provisions, definitions, terms and conditions in the Original Pledge Agreement are ratified, approved, and confirmed. Any capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Original Pledge Agreement or the Indenture.

Section 2.2. Severability.

If any portion of this Amendment to Pledge Agreement 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 Amendment to Pledge Agreement or the Original Pledge Agreement 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 Amendment to Pledge Agreement shall not affect the remaining portions of this Amendment to Pledge Agreement.

Section 2.3. Execution in Counterparts.

This Amendment to Pledge Agreement 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 2.4. Receipt and Consent.

The School and the Trustee each approve of and consent to the execution, delivery and performance of this Amendment to Pledge Agreement to the extent required by the Original Pledge Agreement.

The Majority Bondholder has approved and consented to the amendments set forth herein.

Section 2.5. Electronic Signatures. The parties agree that the electronic signature of a party to this Amendment to Pledge Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Amendment to Pledge Agreement. 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.

IN WITNESS WHEREOF, the School and the Trustee have executed this Amendment to Pledge Agreement by their respective duly authorized officers as of the day and year first above written.

PRODEO ACADEMY

By: _____
Name: _____
Its: _____

(Signature page to First Amendment to Pledge and Covenant Agreement re Prodeo Academy Series 2019)

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

By: _____
Name: _____
Its: _____

(Signature page to First Amendment to Pledge and Covenant Agreement re Prodeo Academy Series 2019)