
**FIRST AMENDMENT TO
LOAN AGREEMENT**

between

CITY OF COLUMBIA HEIGHTS, MINNESOTA

as Issuer,

and

FRIENDS OF PRODEO INC.

as Borrower

Dated as of September 1, 2026

Amending the Loan 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 LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT, dated as of September 1, 2026 (this “First Amendment to Loan Agreement”), is made and entered into by and between the CITY OF COLUMBIA HEIGHTS, MINNESOTA, a home rule city and political subdivision of the State of Minnesota (the “Issuer”), and FRIENDS OF PRODEO INC., a Minnesota nonprofit corporation (the “Company”).

RECITALS

WHEREAS, 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 U.S. Bank National Association, as trustee, whose successor trustee is U.S. Bank Trust Company, National Association (the “Trustee”), to provide funds to the Company to acquire, rehabilitate, furnish, and equip a facility 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” and, as amended by this First Amendment to Loan Agreement the “Loan Agreement”), between the Issuer and the Company; and

WHEREAS, the Issuer’s interest in the Original Loan Agreement, except for certain reserved rights, were assigned to the Trustee under a Pledge and Covenant Agreement, dated as of October 1, 2019 (the “Original Pledge Agreement”), between the School and the Trustee; and

WHEREAS, the Company granted to the Trustee a security interest in the Project under a Mortgage, Security Agreement, and Assignment of Rents dated as of October 1, 2019 (the “Mortgage”); 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 _____ 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 (as defined in the Original Indenture) 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) this First Amendment to Loan Agreement, and (iii) a 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 Company and the School have requested that the Holders of the Outstanding Series 2019A Bonds, as the only Outstanding Bonds under the Original Indenture, 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 amendment of certain financial covenants and the establishment of the Stabilization Fund (as defined herein); and

WHEREAS, the Loan Agreement may be modified with the written consent of the Trustee, in accordance with Section 11.6 of the Loan Agreement; and

WHEREAS, the Issuer, the Trustee, and the Company desire to amend certain terms and provisions in the Loan Agreement to allow for certain disbursements from the Stabilization Fund and replenishment thereof and hereby agree as follows:

ARTICLE I

DEFINITIONS AND AMENDMENTS

Section 1.1. Definitions in Original Loan Agreement.

Words and terms used in this First Amendment to Loan Agreement which are defined in the Indenture, Original Loan Agreement and the Bonds shall have the same meaning ascribed to them therein, unless the context or use indicates a different meaning or intent or unless a different meaning is ascribed to them herein.

Section 1.2. Amended Provisions.

(A) Section 4.2(a) of the Original Loan Agreement shall be replaced in its entirety as follows:

(a) Loan Repayments. The Company hereby covenants and agrees to repay the loan installments as follows:

(i) on or before the twentieth day of each month, commencing October 20, 2019, and continuing until December 20, 2019, such amount which, together with other amounts on deposit with the Trustee and available to pay principal of and interest on the Bonds, shall equal one-third of the interest due and payable on the Bonds on January 1, 2020; and

(ii) on or before the twentieth day of each month, commencing January 20, 2020 and continuing until June 20, 2020, such amount which, together with other amounts on deposit with the Trustee and available to pay principal of and interest on the Bonds, shall equal one-sixth of the interest due and payable on the Bonds on July 1, 2020; and

(iii) on or before the twentieth day of each month, commencing July 20, 2020, and continuing until the principal of, premium, if any, and interest on the Bonds shall have been paid or payment thereof shall have been provided for, an amount which, together with amounts on deposit with the Trustee and available for debt service, shall equal one-sixth of the amount of interest due with respect to the Bonds on the next Interest Payment Date plus one-twelfth of the amount of principal due with respect to the Bonds on the next Payment Date; and

(iv) on or before the twentieth day of each month, commencing July 20, 2020, an amount equal to the Monthly Deposit; and

(v) at any time the Stabilization Fund does not have funds on deposit equal to or greater than the Stabilization Fund Requirement, on or before the twentieth (20th) day of each month, an amount required to be deposited to the Stabilization Fund that will result in the Stabilization Fund Requirement being met within twelve (12) months; and

(vi) in the event of optional or mandatory redemption or acceleration, on or before the tenth (10th) day prior to the selected payment day, the amount of principal of and interest on the Bonds due on that date, at maturity or upon redemption, as provided in the Indenture. Such payments shall continue until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture.

It is understood and agreed that all payments payable under this Section 4.2(a) by the Company are assigned by the Issuer to the Trustee for the benefit of the Registered Owners of the

Bonds. The Company consents to such assignment. The Issuer hereby directs the Company and the Company hereby agrees to pay to the Trustee at the Trustee's office which is at the address shown in or pursuant to Section 13.04 of the Indenture, all payments payable by the Company pursuant to this Section 4.2(a); provided, however, that amounts transferred from the Revenue Fund to the Bond Fund pursuant to Section 5.04(a) of the Indenture and amounts transferred from the Capital Repair and Replacement Fund to the Bond Fund pursuant to Section 5.32 of the Indenture shall be credited against the payments required under this Section 4.2(a).

(B) The Original Loan Agreement is modified to add Section 4.11 as follows:

Section 4.11 **Disbursements from and Release of the Stabilization Fund.** Money in the Stabilization Fund shall be disbursed by the Trustee upon receipt by the Trustee of a Company Request substantially in the form attached hereto as EXHIBIT D with the approval of the Majority Bondholder and upon receipt of all approvals required by Section 5.44 of the Indenture.

Funds on deposit in the Stabilization Fund shall be released upon the satisfaction with the following conditions:

(a) Delivery of a School Certificate signed by two authorized School Representatives certifying that (i) no Event of Default shall have occurred and be continuing under the Pledge Agreement or will occur as a result of the release of the Stabilization Fund, (ii) the School was in compliance with the Days Cash on Hand covenant of Section 3(D)(I) of the Pledge Agreement as of the end of the last Fiscal Year (as shown on the audited financial statements of the School for such period) and will be in compliance with the Days Cash on Hand covenant as of the date of such request to release the Stabilization Fund, and (iii) the School was in compliance with the debt service coverage covenant in Section 3(D)(II) of the Pledge Agreement as of the end of the last Fiscal Year (as shown on the audited financial statements of the School for such period) and is projected to be in compliance with such debt service coverage covenant for the current Fiscal Year as shown by the projection attached as an exhibit to such School Certificate; and

(b) All money released from the Stabilization Fund shall be payable from the Trustee directly into the State Aid Revenue Account that is subject to the terms of the Account Control Agreement and the School Certificate requesting such release from the Stabilization Fund shall state such fact.

(C) The Original Loan Agreement is modified to add a form of disbursement request from the Stabilization Fund as EXHIBIT D in the form attached hereto as Exhibit A.

(D) Section 7.12(d)(I) of the Original Loan Agreement is hereby modified 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 twenty-five (25) Days Cash on Hand, commencing with the Fiscal year ending June 30, 2021, and commencing with the Fiscal Year ending June 30, 2022~~27~~ and each Fiscal Year thereafter, such fund shall be equal to or greater than ~~thirty~~forty (30~~40~~) Days Cash on Hand. The School's Cash on Hand shall be tested annually as of each Fiscal Year, commencing June 30, 2024~~27~~. 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 Company shall cause the School to 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.

ARTICLE II

MISCELLANEOUS

Section 2.1. Status of the Original Loan Agreement and the Bonds.

Except as modified by this First Amendment to Loan Agreement, all provisions, definitions, terms and conditions in the Original Loan Agreement and the Bonds are ratified, approved, and confirmed.

Section 2.2. Severability.

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

Section 2.3. Execution in Counterparts.

This First Amendment to Loan 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 Company and the Issuer each approve of and consent to the execution, delivery and performance of this First Amendment to Loan Agreement to the extent required by the Original Loan Agreement and the Bonds.

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

Section 2.5. Bonds.

On the date of this First Amendment to Loan Agreement, the Mortgage continues uninterrupted and in full force and effect as security for the obligations evidenced by the Bonds.

The Issuer and Company acknowledge and confirm that the Loan Agreement and the Bonds remain subject to the terms of the Pledge Agreement and that the Pledge Agreement remains in full force and effect in all respects.

Section 2.6. Electronic Signatures. The parties agree that the electronic signature of a party to this First Amendment to Loan Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this First Amendment to Loan 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.

(The remainder of this page intentionally left blank)

IN WITNESS WHEREOF, the Company and the Issuer have executed this First Amendment to Loan Agreement by their respective duly authorized officers as of the day and year first above written.

CITY OF COLUMBIA HEIGHTS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Manager

(Signature page to First Amendment to Loan Agreement re Prodeo Academy Series 2019)

FRIENDS OF PRODEO INC.

By: _____
Name: _____
Its: _____

(Signature page to First Amendment to Loan Agreement re Prodeo Academy Series 2019)

The undersigned, as Trustee, hereby consents to the foregoing Amendment:

**U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION,**
a national banking association, as successor to U.S. Bank
National Association

By: _____
Name: _____
Its: _____

(Signature page to First Amendment to Loan Agreement re Prodeo Academy Series 2019)

EXHIBIT A

FORM OF STABILIZATION FUND REQUISITION

\$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

STABILIZATION FUND REQUISITION

To: U.S. Bank Trust Company, National Association
111 Fillmore Avenue East,
St. Paul, Minnesota 55107
Attn: Global Corporate Trust

Pursuant to Section 4.11 of the Loan Agreement, dated as of October 1, 2019 (the “Original Loan Agreement”), as amended by the First Amendment to Loan Agreement, dated as of _____ 1, 2026 (the “Amendment” and, together with the Original Loan Agreement, the “Loan Agreement”), and Section 5.44 of the Indenture of Trust, dated as of October 1, 2019 (the “Original Indenture”), as amended by the First Supplemental Indenture of Trust, dated as of _____ 1, 2026 (the “First Supplemental Indenture” and, together with the Original Indenture, the “Indenture”), between the City of Columbia Heights, Minnesota and U.S. Bank Trust Company, National Association, as successor-in-trust to U.S. Bank National Association, please disburse \$_____ from the Stabilization Fund for the payment of the _____ due in connection with the above-referenced bonds to the following account:

Bank Name:
ABA:
Account Number:
Account Name:

The obligation(s) has (have) been properly incurred and is (are) a proper charge against the Stabilization Fund and has (have) not been the basis of any previous withdrawal. Attached is the written consent of the Majority Bondholder to this request.

Capitalized terms used herein that are otherwise not defined shall have the meanings provided in the Indenture. In executing and delivering this requisition, the Company is relying on the representations of Prodeo Academy.

Dated: _____

FRIENDS OF PRODEO INC.

By: _____
Its: _____

PRODEO ACADEMY

By: _____
Its: _____