
ASSIGNMENT OF ICE ARENA IMPROVEMENT RENTS

by and among

ALL SEASONS ARENA,

CITY OF MANKATO, MINNESOTA

and

INDEPENDENT SCHOOL DISTRICT 77, MINNESOTA

ASSIGNMENT OF ICE ARENA IMPROVEMENT RENTS

THIS ASSIGNMENT OF ICE ARENA IMPROVEMENT RENTS between the District and ASA is made and entered to as of DATE, among THE CITY OF MANKATO, MINNESOTA (the “City”), INDEPENDENT SCHOOL DISTRICT 77 (the “District”), and ALL SEASONS ARENA JOINT POWERS BOARD (“ASA”).

WHEREAS, ASA is the fee owner of certain property, including the building located at 1251 Monks Avenue that ASA operates as an ice arena and which is known as the All Seasons Arena (the “Ice Arena”); and

WHEREAS, the District relies upon the Ice Arena for providing services and programs to its students and the community, and finds it economically advantageous to rent or lease the Ice Arena for its hockey teams and community education programs and other instructional purposes; and

WHEREAS, pursuant to Minnesota Statutes, Sections 126C.40 et.seq., as amended (the “Act”), allows for the District to make a capital levy towards the leasing of this facility and, pursuant to Resolution No. _____ adopted April 15th, 2024 (the “Resolution”), the School Board of the District has authorized an annual lease levy in the amount of \$100,000 per year in the years 2025 through 2040 (the “Levy”) ; and

WHEREAS, ASA has entered into that certain Ice Rental Agreement with the District dated April 15th (the “Lease”), whereby the District leases certain portions from time to time of the Ice Arena owned by ASA and pays ASA certain rents, including Improvement Rents as that term is defined in the Lease; and

WHEREAS, the City has agreed to issue Equipment Certificates to pay a portion of the cost of the Project, as defined in the Lease (the “Equipment Certificates”) including a portion thereof proportional to the District’s use of the Ice Arena intended to be payable from proceeds of the Levy; and

NOW, THEREFORE, in order to induce the City to issue the Equipment Certificates and to ensure the due and punctual payment of the Equipment Certificates and all other sums due under any document securing or executed in connection with the Equipment Certificates, the City, ASA, and the District hereby agree as follows:

1. Assignment. ASA does hereby assign to and grant to the City a security interest in all of ASA’s right, title and interest in and to the Improvement Rent payable under the Lease. The parties agree that each payment of Improvement Rent, commencing June 30, 2025 and on June 30 of each year continuing through and including June 30, 2040, shall be made by wire transfer or automatic clearing house transaction from the District’s bank account directly into the City’s account #3030 All Seasons Construction fund or such other account as may be designated by the City from time to time. The City will credit each payment of Improvement Rent to a proportional amount of the principal of and interest on the Equipment Certificates, as contemplated by the Resolution.

2. ASA Representation and Warranty. ASA hereby represents and warrants to the City that the ASA is the owner of the Improvement Rent under the Lease and all rights incident thereto, free and clear of any lien, security interest or other encumbrance other than the security interest arising under this Assignment.

3. Exercise of Rights and Remedies. ASA hereby authorizes the City to exercise, whether or not a default has occurred under the Lease, either in the ASA's name or the City's name, any and all rights or remedies available to ASA with respect to the Improvement Rent under the Lease, including the rights of ASA to grant consents or approvals thereunder. In addition to any other remedies provided in the Lease, following the occurrence of a default under the Lease or termination of the Lease as a result of non-appropriation, the City may enter into the Project and may re-lease the same to other tenants, applying the rent received thereby to payment of the principal of and interest on the Equipment Certificates, until aggregate payments collected by the City as Improvement Rent or otherwise equal \$1,500,000. ASA agrees, on request of the City, to execute and deliver to the City such other documents or instruments as shall be deemed necessary or appropriate by the City at any time to confirm or perfect the security interest hereby granted. ASA hereby irrevocably appoints the City its attorney-in-fact to execute on behalf of the ASA and in its name, any and all such assignments, financing statements or other documents or instruments which the Lender may deem necessary or appropriate to perfect, protect or enforce the security interest hereby granted.

4. ASA Actions. ASA will not, without the City's prior written consent, which the City may grant or withhold in its sole discretion:

(a) exercise or attempt to exercise any remedies or give any consent or approval under the Lease, or terminate, modify or accept a surrender of, or offer or agree to any termination, modification or surrender of the same, or by affirmative act, consent to the creation or existence of any security interest or other lien in the Lease to secure payment of any other indebtedness; or

(b) receive or collect or permit the receipt or collection of any Improvement Rent under the Lease or assign, transfer or hypothecate (other than to the City hereunder) any of the same then due or to accrue in the future, except for payments received by ASA pursuant to its rights to indemnification and payment of costs and expenses, as provided in the Lease.

5. Parties. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Assignment contained by or on behalf of ASA or the City shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

6. Continuing Validity. The unenforceability or invalidity of any provision or provisions of this Assignment shall not render any other provision or provisions herein contained unenforceable or invalid.

7. Governing Law. This Assignment shall in all respects be construed in accordance with and governed by the laws of the State of Minnesota. This Assignment may not be amended or

modified except in writing signed by ASA and the City.

8. Counterparts. This Assignment may be executed, acknowledged and delivered in any number of counterparts and each of such counterparts shall constitute an original but all of which together shall constitute one agreement.

9. Defined Terms. The terms used in this Assignment which are defined in the Resolution or the Lease shall have the meanings specified therein, unless the context of this Assignment otherwise requires, or unless such terms are otherwise defined herein.

10. Liability of ASA. No obligation of ASA hereunder shall constitute or give rise to a pecuniary liability of ASA or any of its members or a charge against the general credit or taxing powers of its members, but shall be payable solely out of the proceeds and the revenues derived under the Lease. If, notwithstanding the provisions of the immediately preceding sentence, ASA incurs any expense or suffers any losses, claims or damages or incurs any liabilities, ASA will indemnify and hold harmless the City from the same and will reimburse the City for any legal or other expenses incurred by the City relating thereto, and this covenant to indemnify, hold harmless and reimburse the City shall survive payment of the Equipment Certificates.

11. Consent to Assignment. ASA agrees to and consents that any and all rights of the City under this Assignment may and will be assigned to any subsequent holder or holders of the Equipment Certificates.

IN WITNESS WHEREOF, ASA, the District, and the City have hereunto executed this instrument as of DATE.

DATE: _____

ALL SEASONS ARENA

Authorized Signature

Print or Type Name of Signatory

Title

DATE: _____

CITY OF MANKATO, MINNESOTA

By _____
Its City Manager

Print or Type Name of Signatory

Date: _____

INDEPENDENT SCHOOL DISTRICT 77

Date:
Authorized Signature

Print or Type Name of Signatory

