
AMENDMENT TO
INSTALLMENT PURCHASE CONTRACT
BETWEEN
INDEPENDENT SCHOOL DISTRICT NO. 709 (DULUTH), MINNESOTA, AS VENDEE
AND
U.S. BANK NATIONAL ASSOCIATION, AS VENDOR
DATED AS OF JUNE 1, 2012
RELATING TO
FULL TERM CAPITAL APPRECIATION
CERTIFICATES OF PARTICIPATION, SERIES 2012A

This instrument drafted by:

Fryberger, Buchanan, Smith & Frederick, P.A.
302 West Superior Street, Suite 700
Duluth, MN 55802

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AMENDMENT TO INSTALLMENT PURCHASE CONTRACT

THIS AMENDMENT TO INSTALLMENT PURCHASE CONTRACT, made as of the 1st day of June, 2012, between INDEPENDENT SCHOOL DISTRICT NO. 709 (Duluth), Minnesota, an independent school district organized under the laws of the State of Minnesota (the "District") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America (the "Vendor").

WHEREAS, the District has heretofore entered into an Installment Purchase Contract with the Vendor dated as of June 1, 2008 (the "Original Contract"), pursuant to which the Vendor sold the District certain real and personal properties for use as school and transportation facilities described in the Original Contract (the "Project") and the District agreed to pay to the Vendor certain Installment Payments (as defined in the Original Contract); and

WHEREAS, pursuant to a Declaration of Trust dated as of June 1, 2008 (the "Original Declaration"), the Vendor executed and delivered \$111,440,000 Full Term Certificates of Participation, Series 2008B, dated June 1, 2008, evidencing an undivided ownership interest in the Installment Payments made under the Original Contract (the "2008 Certificates"); and

WHEREAS, pursuant to Section 2.04 of the Original Contract, the District and the Vendor have agreed to enter into amendments to the Original Contract to add the legal descriptions of the parcels of land to Schedule 1 of Exhibit A of the Original Contract as such land is acquired or any land owned by the District is to be improved under the Original Contract; and

WHEREAS, the District and the Vendor have entered into two Amendments to Installment Purchase Contracts (Real Estate), dated September 22, 2009, and December 16, 2009; and

WHEREAS, pursuant to Section 5.02(b) of the Original Contract, the District may modify or add items to the Project, as described in the Original Contract, provided that no such change in the description of the Project shall increase the aggregate amount of the Project Costs beyond the maximum funds under the Original Contract, as amended, and the District and the Vendor have agreed to enter into an amendment to the Original Contract, as amended, to add items to the Project, as described in Schedule 2 of Exhibit A to this Amendment to Installment Purchase Contract; and

WHEREAS, pursuant to Section 3.08 of the Original Contract, Additional Certificates may be issued under the Original Contract, the Original Declaration and amendments thereto to complete improvements to, or renovation of, the Project, subject to the conditions set forth in Section 3.08 of the Original Contract; and

WHEREAS, the District and the Vendor have entered into an Amendment to Installment Purchase Contract dated as of October 1, 2010 (the "2010 Amendment"), to add land to Schedule 1 of Exhibit A to the Original Contract, to modify and add items to the Project, to provide for the

issuance of Additional Certificates, including increasing the Installment Payments, and certain other related amendments as therein set forth; and

WHEREAS, pursuant to the Original Declaration, as supplemented by the Supplement to Declaration of Trust dated as of October 1, 2010 (the "2010 Supplement to Declaration"), the Vendor executed and delivered \$5,000,000 Full Term Certificates of Participation, Series 2010C, dated October 1, 2010, evidencing an undivided ownership interest in the Installment Payments made under the Original Contract, as amended by the 2010 Amendment (the "2010C Certificates"); and

WHEREAS, this Amendment to Installment Purchase Contract is also such an additional amendment to add land to Schedule 1 of Exhibit A to the Original Contract, as amended, to modify and add items to the Project, to provide for the issuance of Additional Certificates, and certain other related amendments as herein set forth; and

WHEREAS, the District has authorized and requested that Additional Certificates, described as the Full Term Capital Appreciation Certificates of Participation, Series 2012A, dated June 6, 2012, in the original principal amount of \$12,801,327 and a total accreted amount at maturity of \$_____ (the "2012A Certificates") to be issued under the Original Declaration, as supplemented, including the Supplement to Declaration of Trust dated as of June 1, 2012; and

WHEREAS, Section 3.08 of the Original Contract provides that upon issuance of Additional Certificates, the Vendor and the District shall increase the Installment Payments by an amount sufficient to pay when due the principal and interest on such Additional Certificates; and

WHEREAS, the amendments herein made to the Original Contract do not prejudice the interests of the Registered Owners of the 2008 Certificates or the 2010C Certificates heretofore issued pursuant to the Original Declaration and the 2010 Supplement to Declaration.

NOW, THEREFORE, the District and the Vendor hereby agree to amend the Original Contract as follows:

1. Schedule 1 of Exhibit A to the Original Contract, as amended, is hereby further amended by adding the legal descriptions of the real estate shown on Exhibit A-1 hereto and on Exhibit A-2 hereto.
2. Schedule 2 of Exhibit A to the Original Contract, as amended, is further hereby amended in its entirety by modifying and adding items to the Project as shown on Exhibit A-3 hereto.
3. The estimated Costs of the Project as set forth in the first sentence of Section 5.02(b) of the Original Contract, as amended by the 2010 Amendment, is further amended to provide, as of the date of this Amendment, as follows: The District estimates that the Costs of the Project, excluding Costs of Issuance, as amended, are \$137,936,410.42 to be funded by the proceeds of the 2008 Certificates in the amount of \$111,449,415.98, the proceeds of the 2010C Certificates in the amount of \$4,896,783.26, the proceeds of the 2012A Certificates in the amount of \$12,568,026.00, and investment income on such issues, estimated to be

\$9,022,185.18. The proceeds of the 2012A Certificates in the amount of \$12,568,026.00 shall be used to finance a portion of the Costs of the acquisition and improvements to Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

4. The Installment Payment schedule as set forth on Exhibit A to the Original Contract, as amended by the 2010 Amendment, is hereby further amended and restated by the Installment Payment schedule on Exhibit A hereto to increase the Installment Payments by an amount sufficient to pay when due the principal of and interest on the 2008 Certificates, the 2010C Certificates and the accreted amount at maturity of the 2012A Certificates. The Original Contract, as amended, and all conditions, terms and provisions thereof, as such may apply to Installment Payments, shall apply to the Installment Payments for each of the 2008 Certificates, the 2010C Certificates and the 2012A Certificates.

5. The District covenants and agrees, in order to have sufficient funds to pay the Installment Payments when due, to levy taxes on all taxable property in the District, in accordance with Section 3.07 of the Original Contract.

6. Except as herein amended, all terms and provisions of the Original Contract as originally executed and as otherwise amended shall remain in full force and effect.

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IN WITNESS WHEREOF, the District and the Vendor have caused this Amendment to Installment Purchase Contract to be executed in their respective names and attested by duly authorized officers, all as of the date first above written.

INDEPENDENT SCHOOL DISTRICT
NO. 709 (DULUTH), MINNESOTA

By _____
Chair

By _____
Clerk

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

This instrument was acknowledged before me on June __, 2012, by Ann Wasson and Judy Seliga-Punyko, the Chair and Clerk, respectively, of Independent School District No. 709 (Duluth), Minnesota, on behalf of the District.

Notary Public

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Signature Page to the Amendment to Installment Purchase Contract dated as of June 1, 2012, and entered into between Independent School District No. 709 (Duluth), Minnesota and U.S. Bank National Association.

U.S. BANK NATIONAL ASSOCIATION, AS
VENDOR (acting in its trust capacity)

By _____
Its _____

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

 This instrument was acknowledged before me on _____, 2012, by
_____, the _____ of U.S. Bank National
Association, a national banking association, on behalf of the bank.

Notary Public

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Signature Page to the Amendment to Installment Purchase Contract dated as of June 1, 2012, and entered into between Independent School District No. 709 (Duluth), Minnesota and U.S. Bank National Association.

EXHIBIT A

- I. DESCRIPTION OF THE REAL ESTATE
See Attached Schedule 1, as Amended
- II. DESCRIPTION OF FACILITIES
See Attached Schedule 2, as Amended
- III. INSTALLMENT PAYMENT SCHEDULE

Installment Payments Payment Date	2008 Certificates Principal Portion	2008 Certificates Interest Portion	2008 Certificates Total Installment Purchase Payment	2008 Certificates Interest Rate Per Annum	2010C Certificates Principal Portion	2010C Certificates Interest Portion	2010C Certificates Total Installment Purchase Payment	2010C Certificates Interest Rate Per Annum	2012A Certificates Accreted Amount at Maturity	2012A Certificates Approximate Yield to Maturity	Combined Total Installment Purchase Payment
2/1/2009	\$2,440,000.00	\$3,193,908.33	\$5,633,908.33	3.500%	--	--	--	--			
8/1/2009	--	\$2,352,731.25	\$2,352,731.25		--	--	--	--			
2/1/2010	\$1,415,000.00	\$2,352,731.25	\$3,767,731.25	3.500%	--	--	--	--			
8/1/2010	--	\$2,327,968.75	\$2,327,968.75		--	--	--	--			
2/1/2011	\$1,875,000.00	\$2,327,968.75	\$4,202,968.75	3.500%	--	--	--	--			
8/1/2011	--	\$2,295,156.25	\$2,295,156.25		--	\$127,156.25	\$127,156.25				
2/1/2012	\$3,190,000.00	\$2,295,156.25	\$5,485,156.25	3.500%	\$210,000.00	\$76,293.75	\$286,293.75	2.00%			
8/1/2012	--	\$2,239,331.25	\$2,239,331.25		--	\$74,193.75	\$74,193.75				
2/1/2013	\$3,455,000.00	\$2,239,331.25	\$5,694,331.25	3.500%	\$255,000.00	\$74,193.75	\$329,193.75	2.00%			
8/1/2013	--	\$2,178,868.75	\$2,178,868.75		--	\$71,643.75	\$71,643.75				
2/1/2014	\$3,470,000.00	\$2,178,868.75	\$5,918,868.75	3.750%	\$255,000.00	\$71,643.75	\$326,643.75	2.00%			
8/1/2014	--	\$2,108,743.75	\$2,108,743.75		--	\$69,093.75	\$69,093.75				
2/1/2015	\$4,040,000.00	\$2,108,743.75	\$6,148,743.75	4.000%	\$260,000.00	\$69,093.75	\$329,093.75	2.00%			
8/1/2015	--	\$2,027,943.75	\$2,027,943.75		--	\$66,493.75	\$66,493.75				
2/1/2016	\$4,360,000.00	\$2,027,943.75	\$6,387,943.75	4.000%	\$265,000.00	\$66,493.75	\$331,493.75	2.25%			
8/1/2016	--	\$1,940,743.75	\$1,940,743.75		--	\$63,512.50	\$63,512.50				
2/1/2017	\$4,700,000.00	\$1,940,743.75	\$6,640,743.75	4.000%	\$265,000.00	\$63,512.50	\$328,512.50	2.50%			
8/1/2017	--	\$1,846,743.75	\$1,846,743.75		--	\$60,200.00	\$60,200.00				
2/1/2018	\$5,060,000.00	\$1,846,743.75	\$6,906,743.75	4.000%	\$275,000.00	\$60,200.00	\$335,200.00	3.00%			
8/1/2018	--	\$1,745,543.75	\$1,745,543.75		--	\$56,075.00	\$56,075.00				
2/1/2019	\$5,455,000.00	\$1,745,543.75	\$7,200,543.75	4.000%	\$280,000.00	\$56,075.00	\$336,075.00	3.00%			
8/1/2019	--	\$1,636,443.75	\$1,636,443.75		--	\$51,875.00	\$51,875.00				
2/1/2020	\$5,875,000.00	\$1,636,443.75	\$7,511,443.75	4.000%	\$285,000.00	\$51,875.00	\$336,875.00	3.00%			
8/1/2020	--	\$1,518,943.75	\$1,518,943.75		--	\$47,600.00	\$47,600.00				
2/1/2021	\$6,320,000.00	\$1,518,943.75	\$7,838,943.75	4.125%	\$295,000.00	\$47,600.00	\$342,600.00	3.00%			
8/1/2021	--	\$1,388,593.75	\$1,388,593.75		--	\$43,175.00	\$43,175.00				
2/1/2022	\$6,800,000.00	\$1,388,593.75	\$8,188,593.75	4.250%	\$305,000.00	\$43,175.00	\$348,175.00	3.00%			
8/1/2022	--	\$1,244,093.75	\$1,244,093.75		--	\$38,600.00	\$38,600.00				
2/1/2023	\$7,305,000.00	\$1,244,093.75	\$8,549,093.75	4.250%	\$315,000.00	\$38,600.00	\$353,600.00	3.25%			
8/1/2023	--	\$1,088,862.50	\$1,088,862.50		--	\$33,481.25	\$33,481.25				
2/1/2024	\$7,850,000.00	\$1,088,862.50	\$8,938,862.50	4.375%	\$325,000.00	\$33,481.25	\$358,481.25	3.25%			
8/1/2024	--	\$917,143.75	\$917,143.75		--	\$28,200.00	\$28,200.00				
2/1/2025	\$8,445,000.00	\$917,143.75	\$9,362,143.75	4.750%	\$335,000.00	\$28,200.00	\$363,200.00	4.00%			
8/1/2025	--	\$716,575.00	\$716,575.00		--	\$21,500.00	\$21,500.00				
2/1/2026	\$9,040,000.00	\$716,575.00	\$9,756,575.00	4.750%	\$345,000.00	\$21,500.00	\$366,500.00	4.00%			
8/1/2026	--	\$501,875.00	\$501,875.00		--	\$14,600.00	\$14,600.00				

Installment Payments Payment Date	2008 Certificates Principal Portion	2008 Certificates Interest Portion	2008 Certificates Total Installment Purchase Payment	2008 Certificates Interest Rate Per Annum	2010C Certificates Principal Portion	2010C Certificates Interest Portion	2010C Certificates Total Installment Purchase Payment	2010C Certificates Interest Rate Per Annum	2012A Certificates Accreted Amount at Maturity	2012A Certificates Approximate Yield to Maturity	Combined Total Installment Purchase Payment
2/1/2027	\$9,690,000.00	\$501,875.00	\$10,191,875.00	5.000%	\$360,000.00	\$14,600.00	\$374,600.00	4.00%			
8/1/2027	--	\$259,625.00	\$259,625.00		--	\$7,400.00	\$7,400.00				
2/1/2028	\$10,385,000.00	\$259,625.00	\$10,644,625.00	5.000%	\$370,000.00	\$7,400.00	\$377,400.00	4.00%			
	\$111,440,000.00	\$63,865,770.83	\$175,305,770.83		\$5,000,000.00	\$1,698,737.50	\$6,698,737.50				

EXHIBIT A-1

Legal Description of Real Estate to be added to Schedule 1 of Exhibit A of the Original Contract, which is added in fee simple, as follows:

EXHIBIT A-2

Legal Description of Real Estate to be added to Schedule 1 of the Original Contract, which is added pursuant to a Ground Lease, as follows:

EXHIBIT A-3

Revised description of Schedule 2 to Exhibit A of the Original Contract:

SCHEDULE 2

Description of Facilities

1. Congdon Elementary
 - Gym, ASD Room, Work Room, Music Room and Kindergarten Additions
 - Land Acquisition for Site Expansion, Parking Lot Improvements and Construction
2. Grant Elementary (now Myers-Wilkins Elementary)
 - Classroom, Gym, Cafeteria, Office, Media Center, Head Start/Special Education, Resource Area Additions, Play Area
 - Land Acquisition for Site Expansion
 - Site Improvements (Storm Water)
3. Homecroft Elementary
 - Classroom Addition
4. New Laura MacArthur Elementary
 - New Elementary Building for 550 Students (to be enlarged for Head Start and Special Education Program)
 - Land Acquisition for Site Expansion
5. New Lester Park Elementary
 - New Elementary Building for 550 Students
 - Land Acquisition for Site Expansion
6. Ordean High School
 - Classroom, Activities and Secondary Technical Additions
 - Stadium
 - Portion of Land Acquisition for Site Expansion and Parking Lot Improvements
7. East Middle School
 - New Aquatics Center
8. Denfeld High School
 - New Cafeteria, Classroom and Secondary Technical Additions
 - Land Acquisition for Site Expansion
9. Transportation Facility
 - Preliminary Design Only
10. Land Acquisition for Portion of Access Road for new Western Middle School and for Portion of Site Expansion for new Lincoln Park/Piedmont Elementary School