
**AMENDMENT TO
LEASE PURCHASE AGREEMENT**

BETWEEN

**ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, AS TRUSTEE
AS LESSOR**

AND

**INDEPENDENT SCHOOL DISTRICT NO. 709
(DULUTH), MINNESOTA, AS LESSEE**

DATED AS OF JUNE 1, 2012

**RELATING TO
\$6,340,000 CERTIFICATES OF PARTICIPATION, SERIES 2012B**

This instrument was drafted by:

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

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AMENDMENT TO LEASE PURCHASE AGREEMENT

THIS AMENDMENT TO LEASE PURCHASE AGREEMENT dated as of the 1st day of June, 2012, by and between ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States and qualified to conduct business in the State of Minnesota (acting in its trust capacity) (the "Lessor" or the "Trustee"), and INDEPENDENT SCHOOL DISTRICT NO. 709 (DULUTH), MINNESOTA, an independent school district organized under the Laws of the State of Minnesota (the "District") as lessee;

W I T N E S S E T H:

WHEREAS, the District has heretofore entered into a Lease Purchase Agreement with the Lessor dated as of October 1, 2009 (the "Original Lease"), pursuant to which the Lessor leased, with an option to purchase, to the District certain improvements to the Facilities (as defined in the Original Lease) and the purchase of personal property to be located thereon as described in the Original Lease (the "Project") and the District agreed to pay to the Lessor certain Rental Payments (as defined in the Original Lease); and

WHEREAS, pursuant to a Declaration of Trust dated as of October 1, 2009 (the "Original Trust Agreement"), the Lessor issued \$35,400,000 Certificates of Participation, Series 2009B, dated October 1, 2009, evidencing an undivided ownership interest in the Rental Payments made under the Original Lease (the "2009 Certificates"); and

WHEREAS, pursuant to Section 5.5 of the Original Lease, Additional Certificates may be issued under the Original Lease, the Original Trust Agreement and amendments thereto to complete improvements to, or renovation of, the Project, subject to the conditions set forth in Section 5.5 of the Original Lease; and

WHEREAS, pursuant to such authority in the Original Lease, Additional Certificates, described as the Certificates of Participation, Series 2010D, dated October 1, 2010, in the principal amount of \$1,605,000 (the "2010D Certificates"), were issued under the Original Trust Agreement, as supplemented by the Supplement to Declaration of Trust dated as of October 1, 2010; and

WHEREAS, pursuant to Section 3.1 of the Original Lease, the District may modify or add items to the Project, as described in the Original Lease, provided that no such change in the description of the Project shall increase the aggregate amount of the Project Costs beyond the maximum funds provided in Section 3.1 of the Original Lease, as amended; and

WHEREAS, the District has authorized and requested that Additional Certificates, described as the Certificates of Participation, Series 2012B, dated June __, 2012, in the amount of \$6,340,000 (the "2012B Certificates") be issued under the Original Trust Agreement, as supplemented, and as further supplemented, by the Supplement to Declaration of Trust dated as of June 1, 2012; and

WHEREAS, Section 5.5 of the Original Lease provides that upon issuance of Additional Certificates, the Lessor and the District shall increase the Rental 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 Lease, as amended, do not prejudice the interests of the Registered Owners of the 2009 Certificates or the 2010D Certificates heretofore issued pursuant to the Original Trust Agreement, as supplemented, and the Amendment to Lease Purchase Agreement dated as of October 1, 2010 (the "First Amendment").

NOW, THEREFORE, the District and the Lessor hereby agree to amend the Original Lease, as amended, as follows:

1. Exhibit C to the Original Lease, which contains the project description for each of the Facilities, is hereby amended by modifying and adding items to Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) as shown on Exhibit B hereto.

2. The estimated Costs for the Project as set forth in the first sentence of Section 3.1 of the Original Lease, as amended in the First Amendment, is further amended to provide, as of the date of this Amendment, as follows: The District estimates that the Costs for the Project, excluding Costs of Issuance, as amended by this Amendment, is \$_____ to be funded by the proceeds of the 2009 Certificates in the amount of \$34,901,210, the proceeds of the 2010D Certificates in the amount of \$1,552,390, proceeds of the 2012B Certificates in the amount of \$6,012,856, and investment income on such proceeds estimated to be in the amount of \$352,834. The proceeds of the 2012B Certificates in the amount of \$_____ shall be used to finance a portion of the Costs of the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary).

3. The Rental Payment schedule as set forth on Exhibit B to the Original Lease and Exhibit A to the First Amendment is hereby amended and restated by the Schedule of Rental Payments on Exhibit A hereto to increase the Rental Payments by an amount sufficient to pay when due the principal of and interest on the 2009 Certificates, the 2010D Certificates and the 2012B Certificates. The Original Lease, as amended, and as further amended hereby and all conditions, terms and provisions thereof, as such may apply to the Rental Payments, shall apply to the Rental Payments for each of the 2009 Certificates, the 2010D Certificates and the 2012B Certificates.

4. Except as herein amended, all terms and provisions of the Original Lease 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 Lessor have caused this Amendment to Lease Purchase Agreement 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

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Signature page to the Amendment to Lease Purchase Agreement dated as of June 1, 2012, and entered into between Independent School District No. 709 (Duluth), Minnesota and Associated Trust Company, National Association

ASSOCIATED TRUST COMPANY, NATIONAL
ASSOCIATION, Lessor

By _____
Its Vice President

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Signature page to the Amendment to Lease Purchase Agreement dated as of June 1, 2012, and entered into between Independent School District No. 709 (Duluth), Minnesota and Associated Trust Company, National Association

EXHIBIT A
SCHEDULE OF RENTAL PAYMENTS

Installment Payments Payment Date	2009 Certificates Principal Portion	2009 Certificates Interest Portion	2009 Certificates Total Rental Payment	2009 Certificates Interest Rate Per Annum	2010D Certificates Principal Portion	2010D Certificates Interest Portion	2010D Certificates Total Rental Payment	2010D Certificates Interest Rate Per Annum	2012B Certificates Principal Portion	2012B Certificates Interest Portion	2012B Certificates Total Rental Payment	2012B Certificates Interest Rate Per Annum	Combined Total Rental Payment
9/1/2010	--	\$1,379,359.90	\$1,379,359.90		--	--	--						\$1,379,359.90
3/1/2011	--	\$752,378.13	\$752,378.13		\$90,000.00	\$25,087.50	\$115,087.50	2.50%					\$867,465.63
9/1/2011	--	\$752,378.13	\$752,378.13		--	\$28,980.00	\$28,980.00						\$781,358.13
3/1/2012	\$1,300,000.00	\$752,378.13	\$2,052,378.13	4.000%	\$65,000.00	\$28,980.00	\$93,980.00	2.50%					\$2,146,358.13
9/1/2012	--	\$726,378.13	\$726,378.13		--	\$28,167.50	\$28,167.50						\$754,545.63
3/1/2013	\$1,325,000.00	\$726,378.13	\$2,051,378.13	4.000%	\$65,000.00	\$28,167.50	\$93,167.50	2.50%					\$2,144,545.63
9/1/2013	--	\$699,878.13	\$699,878.13		--	\$27,355.00	\$27,355.00						\$727,233.13
3/1/2014	\$1,360,000.00	\$699,878.13	\$2,059,878.13	4.000%	\$65,000.00	\$27,355.00	\$92,355.00	2.50%					\$2,152,233.13
9/1/2014	--	\$672,678.13	\$672,678.13		--	\$26,542.50	\$26,542.50						\$699,220.63
3/1/2015	\$1,400,000.00	\$672,678.13	\$2,072,678.13	4.000%	\$65,000.00	\$26,542.50	\$91,542.50	2.50%					\$2,164,220.63
9/1/2015	--	\$644,678.13	\$644,678.13		--	\$25,730.00	\$25,730.00						\$670,408.13
3/1/2016	\$1,445,000.00	\$644,678.13	\$2,089,678.13	4.000%	\$65,000.00	\$25,730.00	\$90,730.00	3.00%					\$2,180,408.13
9/1/2016	--	\$615,778.13	\$615,778.13		--	\$24,755.00	\$24,755.00						\$640,533.13
3/1/2017	\$1,495,000.00	\$615,778.13	\$2,110,778.13	4.000%	\$65,000.00	\$24,755.00	\$89,755.00	3.00%					\$2,200,533.13
9/1/2017	--	\$585,878.13	\$585,878.13		--	\$23,780.00	\$23,780.00						\$609,658.13
3/1/2018	\$1,555,000.00	\$585,878.13	\$2,140,878.13	4.000%	\$70,000.00	\$23,780.00	\$93,780.00	3.50%					\$2,234,658.13
9/1/2018	--	\$554,778.13	\$554,778.13		--	\$22,555.00	\$22,555.00						\$577,333.13
3/1/2019	\$1,620,000.00	\$554,778.13	\$2,174,778.13	4.000%	\$70,000.00	\$22,555.00	\$92,555.00	3.50%					\$2,267,333.13
9/1/2019	--	\$522,378.13	\$522,378.13		--	\$21,330.00	\$21,330.00						\$543,708.13
3/1/2020	\$1,690,000.00	\$522,378.13	\$2,212,378.13	4.000%	\$75,000.00	\$21,330.00	\$96,330.00	4.00%					\$2,308,708.13
9/1/2020	--	\$488,578.13	\$488,578.13		--	\$19,830.00	\$19,830.00						\$508,408.13
3/1/2021	\$1,765,000.00	\$488,578.13	\$2,253,578.13	4.000%	\$75,000.00	\$19,830.00	\$94,830.00	4.00%					\$2,348,408.13
9/1/2021	--	\$453,278.13	\$453,278.13		--	\$18,330.00	\$18,330.00						\$471,608.13
3/1/2022	\$1,850,000.00	\$453,278.13	\$2,303,278.13	4.000%	\$80,000.00	\$18,330.00	\$98,330.00	4.00%					\$2,401,608.13
9/1/2022	--	\$416,278.13	\$416,278.13		--	\$16,730.00	\$16,730.00						\$433,008.13
3/1/2023	\$1,935,000.00	\$416,278.13	\$2,351,278.13	4.000%	\$80,000.00	\$16,730.00	\$96,730.00	4.00%					\$2,448,008.13
9/1/2023	--	\$377,578.13	\$377,578.13		--	\$15,130.00	\$15,130.00						\$392,708.13
3/1/2024	\$2,030,000.00	\$377,578.13	\$2,407,578.13	4.125%	\$85,000.00	\$15,130.00	\$100,130.00	4.25%					\$2,507,708.13
9/1/2024	--	\$335,709.38	\$335,709.38		--	\$13,323.75	\$13,323.75						\$349,033.13
3/1/2025	\$2,135,000.00	\$335,709.38	\$2,470,709.38	4.250%	\$90,000.00	\$13,323.75	\$103,323.75	4.25%					\$2,574,033.13
9/1/2025	--	\$290,340.63	\$290,340.63		--	\$11,411.25	\$11,411.25						\$301,751.88
3/1/2026	\$2,245,000.00	\$290,340.53	\$2,535,340.63	4.250%	\$90,000.00	\$11,411.25	\$101,411.25	4.50%					\$2,636,751.88
9/1/2026	--	\$242,634.38	\$242,634.38		--	\$9,386.25	\$9,386.25						\$252,020.63
3/1/2027	\$2,365,000.00	\$242,634.38	\$2,607,634.38	4.375%	\$95,000.00	\$9,386.25	\$104,386.25	4.50%					\$2,712,020.63
9/1/2027	--	\$190,900.00	\$190,900.00		--	\$7,248.75	\$7,248.75						\$198,148.75
3/1/2028	\$2,490,000.00	\$190,900.00	\$2,680,900.00	4.500%	\$100,000.00	\$7,248.75	\$107,248.75	4.50%					\$2,788,148.75
9/1/2028	--	\$134,875.00	\$134,875.00		--	\$4,998.75	\$4,998.75						\$139,873.75
3/1/2029	\$2,625,000.00	\$134,875.00	\$2,759,875.00	5.000%	\$105,000.00	\$4,998.75	\$109,998.75	4.65%					\$2,869,873.75
9/1/2029	--	\$69,250.00	\$69,250.00		--	\$2,557.50	\$2,557.50						\$71,807.50
3/1/2030	\$2,770,000.00	\$69,250.00	\$2,839,250.00	5.000%	\$110,000.00	\$2,557.50	\$112,557.50	4.65%					\$2,951,807.50
9/1/2030													
3/1/2031													
9/1/2031													
3/1/2032													
TOTAL	\$35,400,000.00	\$19,680,188.19	\$55,080,188.19		\$1,605,000.00	\$721,370.00	\$2,326,370.00						\$57,406,558.19

EXHIBIT B
Modification of Project Description

Project Description - Congdon

New hot water boilers and hot water piping system throughout the building
Two 100-amp electrical feeders and panels
Split cooling system for computer server area
Six 20-amp receptacles per classroom and associated wiring
T8 fluorescent lamps and ballasts, LED exit lights, Gym motion detectors
Domestic water heat exchanger
Low-flow flush valves for toilets & urinals
Proximity card readers, magnetic door contacts on exterior doors, access control system
CCTV camera system
Classroom audio enhancement systems
Transfer switch and emergency power generator for building
Classroom Digital Smartboards
Classroom whiteboard/markerboards
Architectural structure and finishes to build new main entrance, expand cafeteria, educational adequacy upgrades
Correct landscaping deterioration and erosion
Creation of production kitchen in lieu of warming kitchen

Project Description – Grant (now Myers-Wilkins)

Replace case work in Existing Building
Split cooling system for computer server area
Replace Existing Lighting System
Domestic Water Heat Exchanger
Low-flow flush valves on toilets & urinals
Second exit from Boiler Room
Proximity card readers, magnetic door contacts on exterior doors, access control system
CCTV camera system
Cisco VOIP phone system
Classroom audio enhancement systems
Transfer switch and emergency power generator for building
Computer Workstations (desks) in computer room 209
Classroom Digital Smartboards
Classroom whiteboard/markerboards
Propylene Glycol for Heating System
Architectural structure and finishes to convert old cafeteria/kitchen spaces into art room and receiving area
Architectural structure and finishes to convert old gym space into large music special ed spaces, and music room
Architectural structure and finishes to relocate admin and kitchen, and education adequacy
3 small group/multipurpose learning centers
Combine existing classrooms & coat rooms into larger classroom spaces
New elevator
Purchase intrusion alarm
Creation of production kitchen in lieu of warming kitchen
Replace casework and cabinetry