

**ADDENDUM TO
TIES REORGANIZATION AGREEMENT**

THIS ADDENDUM TO TIES REORGANIZATION AGREEMENT (the "Addendum") is entered into as of July 27, 2018 by and among Sourcewell, formerly known as National Joint Powers Alliance ("Sourcewell") which is a public agency and public corporation established by Minnesota Statutes § 123A.21; Technology and Information Educational Services ("TIES") which is a joint powers entity formed under Minnesota Statutes § 471.59; and the member school districts (the "Member Districts") of TIES which are identified in Exhibit A to the Reorganization Agreement (each a "Party" and collectively, the "Parties"), and shall be effective as of the Effective Date.

WHEREAS, the Parties have entered into a TIES Reorganization Agreement of even date herewith (the "Reorganization Agreement") governing the reorganization of TIES' membership and governance; and

WHEREAS, the Parties desire to supplement and amend the Reorganization Agreement in the manner described herein.

NOW, THEREFORE in consideration of the mutual promises, covenants and agreement herein contained, the Parties hereby agree as follows:

1. Section 1.5.3 of the Reorganization Agreement is hereby deleted in its entirety and replaced with the following:

1.5.3 After the Effective Date, TIES (Sourcewell Technology) will invoice Member Districts a per student fee amount multiplied by student enrollment numbers reported by Member Districts to the Minnesota Department of Education as of October 1, 2017 (the "Initial Building Maintenance Fee," hereinafter, together with any future invoices to the Member Districts (with the fee amount determined in the same manner based on the most recently available reported student enrollment numbers as of the date of such assessment, collectively, the "Building Maintenance Fee(s)"). The Initial Building Maintenance Fee is anticipated and intended to cover the TIES Building Operating Costs for a period of approximately 12 to 18 months following the Effective Date. The Initial Building Maintenance Fee is an estimate-only and the Member Districts' liability for the TIES Building Operating Costs shall be based upon the actual TIES Building Operating Costs for such period which are determined by the Building Committee at the time the expense is incurred to be reasonable and necessary, and any additional period, and shall include any Extraordinary Expenses, until the sale of the TIES Building Assets. TIES (Sourcewell Technology) will use reasonable efforts to provide prior notice to the Member Districts of any anticipated additional Building Maintenance Fees or Extraordinary Expenses as soon as and to the extent practical to assist the Member Districts in their budgeting process, provided that such notice period shall not be required to exceed sixty (60) days; and provided, however, that nothing herein shall diminish or reduce the Member Districts' liability for such Building Maintenance Fees or Extraordinary Expenses.

2. The amount of the Initial Building Maintenance Fee described in Section 1.5.3 of the Reorganization Agreement is \$3.00 per student.

3. Section 1.5.6 of the Reorganization Agreement is hereby deleted in its entirety and replaced with the following:

1.5.6 Upon sale of the TIES Building Assets, the Member Districts shall receive a pro rata share of the Net Proceeds (as hereinafter defined) according to per resident pupil units commensurate with the method by which their pro rata payment amounts under US Bank Financing documents as described in Section 1.5.2 have been calculated. "Net Proceeds" means the net sale proceeds after deduction for payoff of any debt, offset for any outstanding unpaid Building Maintenance Fees and Extraordinary Expenses (allocated only to the extent unpaid by a Member District), and payment of any and all costs associated with the sale of the TIES Building Assets, including without limitation, commissions and brokerage fees, title and survey costs, deed tax, closing fees and any other customary fees paid by a seller in connection with a commercial real estate transaction).

4. The following additional Section 1.5.7 is hereby added to the Reorganization Agreement:

1.5.7 In the event that the debt on the TIES Building is fully satisfied pursuant to the Lease-Purchase Financing prior to the sale or transfer of the TIES Building Assets, the Parties will cooperate in good faith to arrange for the potential transfer of the TIES Building Assets to a joint powers entity controlled by the Member Districts or to take any other actions as the Parties may agree to provide for the ongoing maintenance, operation, and management of the TIES Building Assets. For the avoidance of doubt, satisfaction of the debt on the TIES Building shall not affect or reduce Member Districts' right to receive a pro rata share of the Net Proceeds upon the sale of the TIES Building Assets pursuant to Section 1.5.6 of the Reorganization Agreement.

5. The following additional term is hereby added to the Reorganization Agreement:

Privacy and Security of Member District Data. After the Effective Date, TIES (Sourcewell Technology) shall maintain the privacy and security of Member Districts' educational and student data stored or hosted by TIES (Sourcewell Technology) in connection with the provision of products and services as described in Section 1.8, in accordance with TIES' (Sourcewell Technology) data privacy and security policies as well as the terms of the applicable Master Service Agreement and all other agreements related to the provision of such services by TIES (Sourcewell Technology) to each Member District.

6. Capitalized terms not otherwise defined in this Addendum have the same respective meanings as contained in the Reorganization Agreement.

7. The provisions of the Reorganization Agreement that are not expressly modified by this Addendum shall remain in full force and effect pursuant to their terms.

IN WITNESS WHEREOF, the Parties hereto have executed this Addendum by their duly authorized representatives, as of the date first above written.

MEMBER DISTRICTS

The Member Districts identified on Exhibit A to the TIES Reorganization Agreement have each received this Addendum to the TIES Reorganization Agreement and attached it to such agreement. Execution of the joint signature page to the Reorganization Agreement and the Amended Joint Powers Agreement of Sourcewell Technology (f/k/a TIES), together with approval and ratification by each Member District's governing board, shall constitute evidence of each Member District's intent to be bound by the provisions in this Addendum.