

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY
OF AN AMENDMENT TO INSTALLMENT PURCHASE CONTRACT

BE IT RESOLVED, by the School Board (the "School Board") of Independent School District No. 709 (Duluth), St. Louis County, Minnesota (the "District"), as follows:

Section 1. A. Pursuant to the authority contained in Minnesota Statutes, Section 126C.40, Subd. 6 (the "Act"), the District is authorized to purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement upon application to, and approval by, the Minnesota Commissioner of Education.

B. The District has approved a Long-Range Facilities Plan (the "Plan") and the Commissioner of Education has approved the District's borrowing of \$71,170,000 under the Act to finance the purchase of real and personal property for the projects set forth in the Plan, including the new Lincoln Park/Piedmont Elementary School and the new West Middle School (the "Project").

C. By Resolution No. B-8-09-2667, adopted August 31, 2009, the School Board determined that it is necessary, expedient and in the best educational interests of the District's pupils and residents that the District enter into an installment purchase contract pursuant to the Act to finance the costs of the Project and the issuance of taxable full term certificates of participation in the installment payments under the installment purchase contract in the maximum principal amount of \$71,170,000 pursuant to a declaration of trust.

D. The District selected Associated Trust Company, National Association, Green Bay, Wisconsin (the "Trustee") to act as vendor and the trustee as follows: the Trustee, as vendor, entered into an Installment Purchase Contract dated October 1, 2009 (the "Original Contract") with the District regarding the acquisition, construction and equipping of the Project, and the District and the Trustee entered into a Declaration of Trust dated October 1, 2009 (the "Original Declaration"), pursuant to which the Taxable Full Term Certificates of Participation, Series 2009A (Build America Bonds - Direct Pay) in the installment payments under the Original Contract in the principal amount of \$71,170,000 (the "Certificates"), were executed and delivered by the Trustee.

E. Pursuant to the Act, the District has applied to the Commissioner of Education for permission to make an additional levy for the installment payments under the Original Contract to finance the Project and the Commissioner has authorized the Project and the levy.

F. Pursuant to Section 5.02(b) of the Original Contract, the District reserved the right to modify or to add items to the Project provided that no such change in the description of the Project shall increase the aggregate amount of the Project Costs for all portions of the Project beyond the maximum funds under the Original Contract.

G. The District desires to transfer projects under the Plan to the Original Contract pursuant to an amendment to the Original Contract and an amendment of the description of the Project.

H. The Trustee, as vendor, and the District, as vendee, shall enter into an Amendment to Installment Purchase Contract (the "Amendment to Contract") to modify the description of the Project as described on Exhibit A hereto, and as set forth in the Amendment to the Contract. Such amendment shall modify the Original Contract.

I. The form of the Amendment to Contract proposed to be made and entered into between the District and the Trustee, as vendor, has been prepared and submitted to the Board.

Section 2. It is hereby found, determined and declared by the School Board that:

A. It is desirable and in the best interests of the District to enter into the Amendment to Contract; and

B. The terms of the Amendment to Contract are found to be advantageous to the District and are hereby approved.

Section 3. The Amendment to Contract is hereby approved. The Chair and the Clerk are hereby authorized and directed to execute and deliver the Amendment to Contract substantially in the form now on file with the Clerk, with such necessary and appropriate omissions, modifications, insertions and additions as do not materially affect the substance of the transaction, consistent with the Act, as the Chair in his discretion shall determine. The execution of the Amendment to Contract by the Chair, with the advice of the Attorney for the District, shall be conclusive evidence of such determination. All of the provisions of the Amendment to Contract, when executed and delivered as authorized herein, shall be deemed to be a part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution and delivery thereof.

Section 4. The Chair and the Clerk are hereby authorized to execute and deliver, on behalf of the District, such other documents as are necessary or appropriate in connection with the Amendment to Contract.

Adopted this 13th day of September, 2010.

Motion made by Member _____, seconded by Member _____, to approve Resolution #B-9-10-2821 as presented. Upon a vote taken, the same was approved as follows:

Yeah:

Nay:

Clerk

Chair

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EXHIBIT A

Project Description

1. New Lincoln Park/Piedmont Elementary School
 - New Elementary Building for 550 students and related improvements and equipment
 - Land Acquisition for Site Expansion

2. New West Middle School
 - New Middle School Building for 1,100 students and related improvements and equipment
 - Land Acquisition for Site and Access

3. Congdon Elementary
 - Portion of Land Acquisition for Site Expansion and Parking Lot Improvements

4. Ordean High School
 - Portion of Land Acquisition for Site Expansion and Parking Lot Improvements