
SUPPLEMENT TO DECLARATION OF TRUST

BY AND BETWEEN

**ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION,
as Trustee,**

AND

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

DATED AS OF JUNE 1, 2012

RELATING TO

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

SUPPLEMENT TO DECLARATION OF TRUST

THIS SUPPLEMENT TO DECLARATION OF TRUST, dated as of June 1, 2012, supplementing the Declaration of Trust dated as of October 1, 2009, as supplemented, between ASSOCIATED TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association, organized under the laws of the United States of America and qualified to conduct business in the State of Minnesota (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").

WITNESSETH:

WHEREAS, the District, as lessee, and the Trustee, as lessor, entered into that certain Lease Purchase Agreement dated as of October 1, 2009 (the "Original Lease"), by which the Trustee leases its interest in the Project (as defined in the Original Lease) to the District.

WHEREAS, the District and the Trustee entered into a Declaration of Trust, dated as of October 1, 2009 (the "Original Declaration"), which provided for the issuance of \$35,400,000 Certificates of Participation, Series 2009B, dated October 1, 2009 (the "2009 Certificates"), evidencing a proportionate interest in the Rental Payments to be made by the District under the Original Lease.

WHEREAS, the proceeds of the 2009 Certificates are being used to finance a portion of the Costs for the Project.

WHEREAS, the District found and determined that, in order to finance the Project, it was necessary and expedient that the Trustee execute and deliver \$1,605,000 Certificates of Participation, Series 2010D, dated October 1, 2010 (the "2010D Certificates"), evidencing a proportionate interest in the Rental Payments to be made under the Original Lease, as amended, to provide additional funds for the Project.

WHEREAS, the District and the Trustee entered into an Amendment to Lease dated as of October 1, 2010 (the "First Amendment to Lease"), to revise and restate the Rental Payments; such amendment modified the Original Lease.

WHEREAS, the Trustee and the District entered into a Supplement to Declaration of Trust, dated as of October 1, 2010 (the "First Supplement to Declaration"), which modified the Original Declaration and which provided for the issuance of the 2010D Certificates.

WHEREAS, other than the 2009 Certificates and the 2010D Certificates, no other certificates or obligations are payable from Rental Payments under the Original Lease, as amended.

WHEREAS, the District has found and determined that, in order to provide additional funds to finance the Project, it is necessary and expedient that the Trustee execute and deliver

\$6,340,000 Certificates of Participation, Series 2012B, dated June __, 2012 (the “2012B Certificates”) to provide additional funds for the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) portion of the Project.

WHEREAS, the District and the Trustee have entered into an Amendment to Lease Purchase Agreement dated June 1, 2012 (the “Second Amendment to Lease”), to revise and restate the Rental Payments; such amendment modified the Original Lease and the First Amendment to Lease.

WHEREAS, the 2012B Certificates are being issued as Additional Certificates under the Original Declaration and are secured on a parity with the 2009 Certificates and the 2010D Certificates.

WHEREAS, the District will, pursuant to this Supplement to Declaration of Trust, dated as of June 1, 2012 (the “Second Supplement to Declaration”), deposit in a sub-account in the Construction Account under the Original Declaration the proceeds of the 2012B Certificates to pay Costs of the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) portion of the Project or Costs of Issuance.

WHEREAS, the District and the Trustee have agreed that the Trustee will execute and deliver the 2012B Certificates in the form set forth on Attachment A hereto evidencing a proportionate interest in the Rental Payments to be made by the District under the Lease (the Second Amendment to Lease, the First Amendment to Lease and the Original Lease are collectively referred to herein as the “Lease”).

WHEREAS, upon delivery from the District to the Trustee of this executed Second Supplement to Declaration, a Request and Authorization and the other items required by Section 2.01.2 of the Original Declaration, the Trustee has agreed to execute and to deliver the 2012B Certificates to the Purchaser.

WHEREAS, the Trustee has agreed on behalf of the Owners of the 2009 Certificates, the 2010D Certificates and the 2012B Certificates to receive the Rental Payments due under the Lease and to apply and to disburse them in accordance with the Original Declaration, as amended by the First Supplement to Declaration and the Second Supplement to Declaration.

WHEREAS, by this Second Supplement to Declaration, the District agrees to forward the Rental Payments due under the Lease to the Trustee.

WHEREAS, the execution and delivery of this Second Supplement to Declaration and the issuance of the 2012B Certificates provided for herein have been in all respects duly and validly authorized by resolution of the District.

WHEREAS, all things necessary to make the 2012B Certificates, when executed by the Trustee as in this Second Supplement to Declaration provided, the valid, binding and legal limited obligations of the District, according to the import thereof have been done and performed.

NOW, THEREFORE, in consideration of the premises, the covenants and the conditions hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. Definitions. Except as otherwise defined herein, each of the capitalized terms used in this Second Supplement to Declaration shall have the same meaning as set forth in the Original Declaration and the First Supplement to Declaration and shall have the same meaning as set forth in the Lease. With respect to any defined term that is given a different meaning under this Second Supplement to Declaration, it shall have the meaning designated herein. As used in this Second Supplement to Declaration and recitals hereto, the terms defined in the Original Declaration and the First Supplement to Declaration shall have the meanings assigned to them therein. In addition, unless otherwise indicated or the context otherwise requires, the following terms shall have the following respective meanings hereunder:

“2009 Certificates” shall mean the \$35,400,000 Certificates of Participation, Series 2009B dated October 1, 2009, issued under the Original Declaration.

“2010D Certificates” shall mean the \$1,605,000 Certificates of Participation, Series 2010D, dated October 1, 2010, issued under the First Supplement to Declaration.

“2012B Certificates” shall mean the \$6,340,000 Certificates of Participation, Series 2012B, dated June __, 2012, issued under this Second Supplement to Declaration.

Section 2. Creation of 2012B Certificates for Issuance. There is hereby created for issuance a series of Additional Certificates to be designated:

CERTIFICATES OF PARTICIPATION, SERIES 2012B
Evidencing the Proportionate Interest of the Registered Owner in
Rental Payments to be made by
INDEPENDENT SCHOOL DISTRICT NO. 709 (DULUTH), MINNESOTA
Pursuant to a Lease Purchase Agreement, dated October 1, 2009, as amended on
October 1, 2010, and June 1, 2012, with
Associated Trust Company, National Association

A. Under Section 2.01.2 of the Original Declaration, as supplemented, the 2012B Certificates shall be issued in the aggregate principal amount of Six Million Three Hundred Forty Thousand Dollars (\$6,340,000). The 2012B Certificates shall specify June __, 2012, as their original issue date.

B. In accordance with the restated schedule for the Rental Payments under the Second Amendment to Lease, the 2012B Certificates shall become due and payable on March 1 of the respective years and in the respective principal amounts, and shall bear interest at the respective rates per annum, set forth in the table below:

<i>YEAR</i>	<i>AMOUNT</i>	<i>INTEREST RATE</i>
2014	\$260,000	
2015	\$265,000	
2016	\$270,000	
2017	\$270,000	
2018	\$275,000	
2019	\$285,000	
2020	\$290,000	
2021	\$300,000	
2022	\$310,000	
2023	\$320,000	
2024	\$330,000	
2025	\$340,000	
2026	\$355,000	
2027	\$370,000	
2028	\$385,000	
2029	\$400,000	
2030	\$420,000	
2031	\$435,000	
2032	\$460,000	

C. Pursuant to Section 3.02(a) of the Original Declaration, the following optional prepayment provision is added for the 2012B Certificates:

“The 2012B Certificates maturing on and after March 1, 2022 shall be subject to prepayment, at the option of the District, in whole and in part, at the applicable Prepayment Price on March 1, 2021, and on any date thereafter, if the District elects to prepay all or a portion of the Principal Portion and Accrued Interest Portion thereon of the Rental Payments.”

D. The following mandatory sinking fund redemption provision shall be added to Section 3.02(a) of the Original Declaration for the 2012B Certificates:

“The 2012B Certificates maturing on March 1, 20__, are subject to mandatory sinking fund redemption on March 1 of the years and in the amounts set forth below:

Maturity	Year	Amount
March 1		
March 1		

“The 2012B Certificates maturing on March 1, 20__, are subject to mandatory sinking fund redemption on March 1 of the years and in the amounts set forth below:

Maturity	Year	Amount
March 1		
March 1		

“The 2012B Certificates maturing on March 1, 20__, are subject to mandatory sinking fund redemption on March 1 of the years and in the amounts set forth below:

Maturity	Year	Amount
March 1		
March 1		

E. The form of 2012B Certificates is set forth as Attachment A hereto and shall constitute a “Certificate” or “Certificates” under the Original Declaration, as supplemented by the Second Supplement to Declaration, except where the context refers to the 2009 Certificates, or the 2010D Certificates or the 2012B Certificates or as otherwise provided for in this Supplement to Declaration.

Section 3. Delivery of 2012B Certificates. Upon the execution and delivery of this Second Supplement to Declaration by the District and the Trustee, the Trustee shall issue, execute and deliver the 2012B Certificates to the Purchaser (or to The Depository Trust Company, New York, New York (“DTC”) as may be directed by the District).

Prior to the delivery of the 2012B Certificates by the Trustee there shall be filed with the Trustee:

- (a) a certified copy of the resolution or resolutions of the District authorizing the issuance of the 2012B Certificates and the execution and delivery of this Second Supplement to Declaration, the Second Amendment to Lease and the Continuing Disclosure Certificate;
- (b) an Opinion of Special Counsel to the effect that the 2012B Certificates have been duly and validly authorized and issued and regarding the tax-exempt nature of the Interest Portion of the Rental Payments on the Lease represented by the 2012B Certificates;
- (c) an original executed counterpart of the Second Amendment to Lease;
- (d) an original executed counterpart of this Second Supplement to Declaration;
- (e) a Request and Authorization to the Trustee, executed on behalf of the District by its Chair or Clerk of the District, to deliver the 2012B Certificates to the Purchaser therein identified, in the form and amount requested upon payment to the Trustee, for the account of the District, of a specified sum plus accrued interest on the 2012B Certificates to the date of delivery thereof;

(f) a certificate of an Authorized Representative of the District as required by Section 5.5 of the Original Lease and to the effect that no Event of Default or event which, with the passage of time or giving of notice or both, would become an Event of Default exists or would be created by the issuance of the 2012B Certificates and the execution and delivery of the related documents;

(g) an Amended Project Budget; and

(h) such other customary closing papers as the Trustee or Special Counsel may reasonably require.

Section 4. Creation of Account. There is hereby created, within the Construction Account, a sub-account designated the "2012B Certificates Sub-Account."

Section 5. Application of Proceeds of 2012B Certificates. The Trustee shall deposit the 2012B Certificates proceeds received by it for the account of the District from the original sale of the 2012B Certificates into the following account and sub-account:

(a) to the 2012B Certificates Sub-Account in the Construction Account \$_____; and

(b) to the Lease Revenue Account (capitalized interest in the amount of \$_____, the accrued interest in the amount of \$0.00 and the rounding amount of \$_____) \$_____.

The proceeds of the 2012B Certificates credited to such sub-account in the Construction Account shall be applied to payment of the Costs of the Congdon Elementary and Grant Elementary (now Myers-Wilkins Elementary) portion of the Project and Costs of Issuance of the 2012B Certificates to the persons and in the amounts set forth in certificates of an Authorized Representative of the District, as provided for under Section 4.04 of the Original Declaration.

(remainder of page left intentionally blank)

IN WITNESS WHEREOF, each of the parties hereto have caused this Supplement to Declaration of Trust to be executed by their proper corporate officers, all as of June 1, 2012.

INDEPENDENT SCHOOL DISTRICT NO. 709

By _____
Chair

By _____
Clerk

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION

By _____
Its _____

SIGNATURE PAGE TO SUPPLEMENT TO DECLARATION OF TRUST DATED AS OF
JUNE 1, 2012, BY AND BETWEEN ASSOCIATED TRUST COMPANY, NATIONAL
ASSOCIATION AND INDEPENDENT SCHOOL DISTRICT NO. 709 (DULUTH),
MINNESOTA.

ATTACHMENT A

FORM OF CERTIFICATE OF PARTICIPATION

No. ____

\$ _____

CERTIFICATE OF PARTICIPATION, SERIES 2012B
Evidencing the Proportionate Interest of the Registered Owner Hereof in
Rental Payments to be Made by
INDEPENDENT SCHOOL DISTRICT
NO. 709 (DULUTH), MINNESOTA
due under its Lease Purchase Agreement dated October 1, 2009,
as amended on October 1, 2010, and on June 1, 2012, with
Associated Trust Company, National Association

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____

<u>Maturity Date</u>	<u>Interest Rate Per Annum</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
March 1, ____	____ %	June __, 2012	_____

The registered owner (the "Owner") of this Certificate of Participation (the "Certificate") specified above is entitled to receive on the earlier of the Maturity Date shown above or on the prepayment date, if any (in either case, the "Certificate Payment Date"), the Principal Amount specified above, and on each March 1 and September 1 (the "Interest Payment Date") commencing March 1, 2013 (or the next day if the first is not a Business Day) until such Certificate Payment Date, an amount equal to interest on such principal amount computed at the Interest Rate Per Annum set forth above on the basis of a 360-day year consisting of twelve 30-day months, all subject to the provisions set forth herein. This Certificate evidences an interest in the "Rental Payments" under that certain Lease Purchase Agreement dated as of October 1, 2009, as amended by Amendments to Lease Purchase Agreement dated as of October 1, 2010 and June 1, 2012 (collectively, the "Lease"), by and between Associated Trust Company, National Association (the "Lessor") and Independent School District No. 709 (Duluth), Minnesota (the "District"). The Certificates are being issued pursuant to that certain Supplement to Declaration of Trust, dated as of June 1, 2012, supplementing the Declaration of Trust dated as of October 1, 2009, as supplemented (collectively, the "Declaration of Trust"), between the District and Associated Trust Company, National Association (the "Trustee"). The principal corporate trust office of the Trustee is located at Milwaukee, Wisconsin (such principal office herein being referred to as the "Principal Office").

The aforesaid Principal Amount is payable subject to the terms of the Lease and represents an interest of the Owner hereof in portions of the Rental Payments designated as principal coming due under the Lease. The Owner is also entitled to receive, subject to the terms of the Lease, the Owner's share of the Rental Payments designated as interest coming due under the Lease. All amounts payable hereunder are payable in lawful money of the United States of

America that at the time of payment shall be legal tender for the payment of public and private debts. The amounts representing principal are payable upon presentation of the Certificate at the Principal Office of the Trustee on the Interest Payment Date and the amounts representing interest are payable by check or draft of the Trustee mailed on each Interest Payment Date to the Owner of record as set forth herein. Interest on this Certificate will be paid to the Registered Owner in whose name this Certificate is registered on the registration books maintained by the Trustee and at the address appearing thereon at the close of business on the fifteenth day of the calendar month next preceding the Certificate Payment Date (the "Regular Record Date"). Any interest not so timely paid shall cease to be payable to the person who is the Registered Owner hereof as of the Regular Record Date, and shall be payable to the person who is the Registered Owner hereof at the close of business on a date (the "Special Record Date") fixed by the Trustee whenever money becomes available for payment of the defaulted interest. Notice of the Special Record Date shall be given to the Registered Owners not less than ten days prior to the Special Record Date.

So long as this Certificate is registered in the name of DTC or its Nominee as provided in the Declaration of Trust, and as those terms are defined therein, payment of principal of, premium, if any, and interest on this Certificate and notice with respect thereto shall be made as provided in the Representation Letter, as defined in the Declaration of Trust, and surrender of this Certificate shall not be required for payment of the redemption price upon a partial redemption of this Certificate. Until termination of the book-entry only system pursuant to the Declaration of Trust, the Certificates may only be registered in the name of DTC or its Nominee.

All capitalized terms not defined herein shall have the meaning set forth in the Declaration of Trust.

This Certificate has been executed by the Trustee pursuant to the terms of the Declaration of Trust. Copies of the Lease and the Declaration of Trust are on file at the office of the District and at the Principal Office of the Trustee, and reference to the Lease and the Declaration of Trust and any and all amendments to such agreements is made for a description of the pledges and the covenants of the District securing the payment of Rental Payments, the nature, the extent and the manner of enforcement of such pledges and covenants and the rights and the terms and the conditions upon which the Certificates are delivered thereunder. To the extent and in the manner permitted by the terms thereof, the provisions of the Lease and the Declaration of Trust may be amended with respect to the Certificates by the parties thereto and, with respect to the Declaration of Trust with the written consent of the Owners of a majority in aggregate principal amount of the Certificates then Outstanding, as more fully set forth in the Declaration of Trust or without such consent for the purpose of curing any ambiguity, correcting defects or in regard to questions arising under the Declaration of Trust, provided such amendment does not adversely affect the interest of the Owners of the Certificates.

The registration of this Certificate shall be transferable upon the Certificate register, which shall be kept for that purpose at the Principal Office of the Trustee, upon surrender hereof together with a written instrument of transfer approved by the Trustee duly executed by the Owner of this Certificate or his duly authorized attorney. Upon the registration of the transfer and the surrender of this Certificate, the Trustee shall provide in the name of the transferee a new fully registered Certificate or Certificates of the same aggregate principal amount and Certificate

Payment Date as the surrendered Certificate. The Trustee also shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The Trustee may charge a transfer fee for such transfer. No exchange of any Certificates shall be required of the Trustee after such Certificate has been called for prepayment and no transfer of any Certificate shall be required between the Record Date and the relevant Interest Payment Date.

These Certificates are issued originally only as global book-entry certificates in the denomination of the entire principal amount of the issue maturing on a single date, or, if a portion of said principal is prepaid, said principal amount less the payment, in the form of fully registered Certificates in Authorized Denominations of \$5,000 each or any integral multiple thereof. Upon surrender thereof at the Principal Office of the Trustee with a written request of exchange satisfactory to the Trustee duly executed by the Owner or by his attorney duly authorized in writing, at the option of the Owner thereof, the Certificate may be exchanged for an equal aggregate principal amount of Certificates of other Authorized Denominations of the same maturity, interest rate and tenor.

This Certificate is one of the Certificates issued pursuant to the Declaration of Trust and for the purposes of providing funds to finance a portion of the Costs for the Project described in the Lease (the "Project"), and paying certain expenses related to the issuance of the Certificates. This Certificate and the rights of the Owner hereof are in all respects subject to and governed by the Declaration of Trust.

The Certificates are being issued as Additional Certificates, in the aggregate principal amount of \$6,340,000, under the Declaration of Trust and are secured on a parity with the Certificates of Participation, Series 2009B, dated October 1, 2009, in the aggregate principal amount of \$35,400,000, and the Certificates of Participation, Series 2010D, dated October 1, 2010, in the aggregate principal amount of \$1,605,000.

All or a part of the Outstanding Certificates, as provided for in the Lease, are subject to redemption and prepayment at any time, at the option of the District, at their principal amount and accrued interest to the date of redemption if the Project, or a part thereof, is damaged or destroyed to the extent described in Section 11.1(b) and 7.3(b)(ii) of the Lease.

All Certificates maturing in the years 2022 and thereafter are subject to optional redemption in whole or in part on March 1, 2021, and on any date thereafter at a price of the principal amount thereof, plus accrued interest.

The Certificates maturing on March 1 in the years 20__, 20__ and 20__ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Declaration of Trust at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

If less than all of the Certificates are called for prepayment, the District shall determine the maturity year and amount within each maturity year to be prepaid and the Trustee shall select the Certificates or any given portion thereof to be prepaid from the Outstanding Certificates by lot within any maturity. The Trustee shall promptly notify the District in writing of the numbers

of the Certificates or portions thereof so selected for prepayment. Upon surrender of any Certificate prepaid in part only, the Trustee shall execute and shall deliver to the Owner thereof at the expense of the District a new Certificate or Certificates of Authorized Denominations and of the same maturity, and interest rate, equal in aggregate principal amount to the unprepaid portion of the Certificate surrendered.

As more fully described in the Declaration of Trust, notice of prepayment shall be given by the Trustee by mailing a copy of the notice of prepayment not less than thirty (30) days nor more than sixty (60) days prior to the Prepayment Date to the District and the Owner of each Certificate affected at the address shown on the Certificate register maintained by the Trustee on the date such notice is mailed. Each notice of prepayment shall be dated and shall state the Prepayment Date, the place of prepayment, the CUSIP numbers to the extent applicable, the Prepayment Price and, if less than all the Certificates are to be prepaid, the distinctive numbers of the Certificates to be prepaid, and shall also state that the Interest Portion of the Rental Payments represented by the Certificates designated for prepayment shall cease to accrue from and after such Prepayment Date and that on such date there will become due and payable on each of such Certificates the Prepayment Price.

Notice of prepayment having been duly given as aforesaid and moneys for payment of the Prepayment Price of such Certificates (or portions thereof) being held by the Trustee on the Prepayment Date designated in such notice, the Certificates or the portions thereof so called for prepayment shall become due and payable at the Prepayment Price specified in such notice and the Interest Portion of the Rental Payments represented by the Certificates so called for prepayment shall cease to accrue, Certificates or portions thereof shall cease to be entitled to any benefit or security under the Declaration of Trust and the Owners of such Certificates shall have no rights in respect thereof except to receive payment of such Prepayment Price.

The District has certified, recited and declared that all acts, conditions and things required by the Constitution and the statutes of the State of Minnesota and the Lease to exist, to have happened and to have been performed precedent to the delivery of the Lease exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Trustee has caused this Certificate to be executed by signature of an authorized officer as of the Date of Original Issue set forth above.

ASSOCIATED TRUST COMPANY,
NATIONAL ASSOCIATION

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____, the within-mentioned Certificate and does hereby irrevocably constitute and appoint _____ to transfer such Certificate on the Certificate register with full power of substitution in the premises.

Dated:

Signature(s):

Signature(s):

NOTICES: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank, trust company, national bank association or other banking institution incorporated under the laws of the United States or a state of the United States.

NOTICE: The signatures of this Assignment must correspond with the name that appears upon the face of the within Certificate in particular, without alteration, enlargement or any change whatever.

The Trustee will be required to register a Certificate in the name of a transferee only if provided with the information requested below. The transferee (or his designated representative) should provide as much of the information requested below as is applicable to him prior to submitting this Certificate for transfer.

Name: _____

Address: _____

Social Security or Employer Identification Number: _____

If a Trust, Name and Address of Trustee: _____

Unless this Certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the District or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.